

Scottish Affairs Committee

Oral evidence: [Universities and Scotland, HC 673](#)

Thursday 28 January 2021

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Members present: Pete Wishart (Chair); Mhairi Black; Deidre Brock; Wendy Chamberlain; Jon Cruddas; Sally-Ann Hart; John Lamont; Douglas Ross; Liz Twist.

Questions 177 - 237

Witnesses

I: Richard Lochhead MSP, Minister for Further Education, Higher Education and Science, Scottish Government; Roddy Macdonald, Head of Higher Education and Science, Scottish Government; and Lauren McNamara, Director of Strategy and Operations, Student Awards Agency Scotland.



Examination of Witnesses

Witnesses: Richard Lochhead, Roddy Macdonald and Lauren McNamara.

Q177 **Chair:** Welcome to the Scottish Affairs Committee and a further evidence session on universities and Scotland. Today we have the Minister for Further Education, Higher Education and Science in the Scottish Government, Richard Lochhead. I will allow Richard to make a short introductory statement and introduce his two colleagues who are accompanying him today. Minister, over to you.

Richard Lochhead: Thank you, Chair. It is a pleasure to be before the Committee this morning. Thank you very much for the invitation.

I am joined by Roddy Macdonald, who is the head of higher education and science in the Scottish Government, and also Lauren McNamara, who is director of operations at SAAS, the Student Awards Agency for Scotland.

If I could make a few opening remarks, I would be very grateful for that. First, we have a higher education system in Scotland of which we are all very proud. We have three universities in the top 200 of the *Times Higher Education* world university rankings, which is impressive given that is set against growing global competition in the sector and the challenges caused by Brexit, Covid-19 and so on at the moment.

It is also important to reflect on the role universities have been playing and continue to do so in the fight against Covid-19. They have been supporting their communities, from their medical and care students volunteering to work on the frontline, to supplying thousands of PPE when we needed it the most a few months ago. Not only that, but we have seen universities respond at pace to a challenge that no one has foreseen in supporting the students and staff while working to deliver quality learning and teaching. While helping us in the fight against the virus, they have continued to make a significant contribution to Scotland's growing economy by securing over £750 million of research funding into Scotland, by contributing £1.5 billion towards Scotland's export total, and of course, most importantly, by delivering outstanding education for Scotland's young people.

It is clear our higher education sector will be a key part of Scotland's recovery following these challenging times. We will look to our world-leading research and teaching to lead the road to recovery. We will look to them to be key leaders in filling the skills gaps in what will be a changing economy, where people across many sectors and backgrounds will be affected by the results of Covid-19. Scotland will continue to face these challenges, but we will continue to work to support universities to remain attractive, competitive and truly excellent in global terms.

While the pandemic is taking its toll, certainly, on further and higher education in Scotland, we have sought to act quickly to protect and



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provide assistance to our world-class higher education sector by providing over £100 million in additional funding directly related to Covid-19. We have also seen further improvements to the financial position of our universities over the last few months, which has now shown an aggregate underlying operating deficit of around £50 million in 2020-21, resulting mainly from significant numbers of students arriving from overseas, with a record high increase of 19% to Scottish providers. It is a true testament to the dedication and commitment of our universities that they are remaining attractive in the midst of this global pandemic.

Our tuition fee policy is core to this Government ensuring individuals can access higher education based on their ability to learn, not their ability to pay. In keeping with that ethos and in light of the disruption to learning caused by the pandemic, we increased the number of funded places for eligible students at our universities to reflect demand resulting from the move to teacher-assessed grades for 2019-20. We do not yet know the exact number of additional entrants, but current estimates suggest around 1,500 have been accepted to Scottish universities for this academic year.

Of course, the 2021 exam diet has also been cancelled. If, like last year, there is increased demand for university places in academic year 2021-22, similar to what we saw last year, we will of course work with the sector to make sure we can understand what all of that will mean in practice.

I want to thank all universities for all their hard work and for making a conscious effort to continue to maintain good relations with our European partners during the challenging times of Covid-19, which has coincided with Brexit. As you know, the Scottish Government believe that Brexit was not in Scotland's interests and have always been clear throughout Brexit that it was of key interest to Scotland to remain a part of European programmes like Erasmus+ and Horizon Europe for their substantial educational, cultural and economic benefits. We welcome the announcement by the UK that they will continue to associate with the Horizon Europe programme. We have always said that is in the best interests of Scotland, and we look forward to the speedy conclusion of the association agreements. Finally, the research community will have the reassurance it needs to be able to move forward with proposals to Horizon Europe.

However, at a time when we should be having clear communication and standing together as a country, protecting and providing our universities with every opportunity to keep striving, the UK Government have chosen to abandon their participation in the Erasmus+ programme. That programme plays such a key role in opening up opportunities and horizons for so many people from every demographic background, and instead the UK Government, with their replacement Turing scheme, are sending a message that only some are deserving of full support and that those in other forms of education—often from our most deprived



communities in Scotland—are not. That is why we are exploring what alternative options are open to Scotland to remain close to Erasmus+, and we have begun speaking to the European Commission to see what creative solutions may be found. We are also discussing this issue with the UK Government. It is a privilege for Scotland to be able to participate in such programmes, and we would ask the UK Government to take Scotland’s views and interests into consideration moving forward.

In conclusion, the Scottish Government fully recognise the challenges that universities and our students are faced with during this unprecedented time. It is not the experience that any learner expected or deserved, and we are supporting them in every way we can moving forward. It is a true reflection that we have a higher education system that is agile and responsive under the most difficult circumstances to continue to teach, research, support, study and learn. Therefore, we will continue to work together to further develop, strive and grow our universities and to get through this pandemic together, and we are committed to doing all we can, preferably with the support of the UK Government, in order to do so to protect education and the opportunities not only for our young people but for all education returners and learners in Scotland. Thank you.

Q178 **Chair:** Thank you, Minister. You have covered all the issues that we want to explore with you in this session.

First of all, on that last point about the relationship with the UK Government. Of course, higher education is almost exclusively devolved to the Scottish Parliament and Scottish Ministers, but there are a number of Westminster responsibilities that impinge and impact upon Scottish higher education. I am thinking most notably in terms of immigration policy and foreign affairs. Could you perhaps help the Committee by describing some of the formal mechanisms of communication that are used at a political level between the UK Government and the Scottish Government to help discuss some of these arrangements and matters?

Richard Lochhead: Yes, you are right. The impact of Brexit in particular has caused huge concern, and the whole of further education and, in this case, higher education have been unanimous in their concerns in relation to Brexit and the impact it could potentially have on our young people and institutions.

Many of the areas where we have successfully engaged with the European Union throughout our membership of the EU have led to a situation where membership has disproportionately benefited Scottish higher education. We have had more EU students attending our institutions compared with the rest of the UK. We have more EU staff working at our institutions compared with the rest of the UK. We have benefited more from the European programmes like Horizon 2020 and Erasmus, as I indicated, compared with the rest of the UK as well. The collaboration we have had, particularly at research level between our universities and Europe, has been crucial to the research success of



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Scotland. Our universities are admired throughout the world for their research excellence. A lot of that has been built up due to a very close relationship with Europe, so our researchers and academics are worried. They are worried about the hostile immigration policy and what that means in terms of Scotland being seen as an open and welcoming country. I feel that people across Europe still feel we are an open and welcoming country, Scotland.

Of course, as the Wellcome Trust recently highlighted, if you are, say, an academic with a spouse and a couple of children and you want to move to the UK or Scotland to work in one of our institutions, it would cost £13,000 in terms of the visas and other costs to work under the five-year global talent visa in the UK, but it will cost only £1,000 to go and work in France, for instance. There are obstacles that the sectors are worried will put people off coming to universities, working here, helping attract the best brains. I could talk for a long time about Erasmus and the threat that poses as well. You might want to ask a separate question.

Q179 **Chair:** There is a big question and obvious interest around that as an issue and a topic, but could you help us with some of the structures available to you, as a Minister, to engage with the UK Government on some of these issues? Horizon is highly important to Scotland. There are things, I understand, like the memorandum of understanding on access to the joint ministerial Committees. Are they regularly used? Do you have regular contact with UK Government Ministers? Are they available to you, and how helpful have you found the arrangements we have in place to raise some of these concerns with the UK Government?

Richard Lochhead: We have good engagement with our counterparts. I clearly have my responsibilities as Minister for Further Education, Higher Education and Science, so I have good engagement with Michelle Donelan, my UK counterpart for universities, and occasionally Amanda Solloway, my UK counterpart for science.

One of the issues we have faced over the last few years is that many of the big decisions that affect higher education are taken by the Treasury, or perhaps the Home Office in relation to immigration proposals. Quite often we have the support of our UK counterparts in terms of the spirit of what we are asking for, but they are overruled, as you can imagine, by the Home Office and the Treasury when it comes to either funding issues or immigration issues.

There have, of course, been some steps forward in terms of immigration policy. The situation is not quite as bad as it was proposed to be about a year or so ago. We are not in a good place over leaving Erasmus. Therefore, all our representations have made very little difference and all these meetings we have had have made very little difference, and a few other issues as well.

Q180 **Chair:** I understand these formal structures and informal bilaterals with UK Government Ministers, but what are the main asks for the Scottish



Government when it comes to what the UK Government can do to further assist the situation in Scottish universities to deal with some of the multitude of issues that you have described and explained to us?

Richard Lochhead: Clearly, we find that our policy positions are often overruled by the UK's policy positions. Erasmus is one of the most topical issues just now, whereby we were assured right up to the last moments over a number of years that an absolute priority for the UK Government was to remain a participating member of Erasmus. Of course, at the 11th hour, the UK Government decided not to participate. We were having separate discussions about what a UK alternative may look like if that was ever required. We said it was very important to replicate the funding, because we were led to believe that was an assurance we had from the UK Government, so what we had previously secured through Erasmus would be matched by any UK alternative. That is not going to be the case. Also, the beneficiaries from Erasmus would also benefit from any domestic alternative.

In Scotland we took advantage of Erasmus to a significant degree. We had adult education participating. We had youth work participating, as well as schools, colleges and higher education. Of course, the Turing replacement scheme does not include adult education or youth work, and it is not an exchange programme in the way Erasmus was because it only supports outward mobility, not outward and inward mobility. European students coming to Scotland play a big role in cultural experience for our own students in broadening Scotland's horizons, and they also make an economic contribution—I think it is something like £3,000 per student—into the Scottish economy. Those representations clearly did not land with the UK Treasury. Sometimes we get a hearing, but we are not necessarily listened to.

Q181 **Chair:** Lastly from me, we have taken lots of evidence from the student community across Scotland. We had a fantastic, very helpful and useful roundtable session with students from a variety of academic settings right across Scotland. The whole Committee appreciated their time, input and just how much that helped inform some of the issues we are looking at.

This is not contained in our brief because it is new news, but I will ask you about the student hardship fund that was announced by the Cabinet Secretary for Education a couple of days ago. Could you just tell us a little about what that is, what it will do, how it is administered and what difference you think it will make to the student community across Scotland?

Richard Lochhead: This is a very challenging time for our UK students, and obviously Scottish students as well. We have recognised that the pandemic is making life so difficult for many students. They may have lost their part-time jobs. Higher education students do not have access to the benefit system. Therefore, given that we have stay-at-home guidance at the moment, quite clearly there are additional pressures because lots



of students are paying rent for accommodation they are not using, and that can pile on the financial pressures.

What we have been doing is working really hard with our colleges and universities to distribute discretionary hardship funds to make sure those most in need are able to access assistance. We announced £5 million to top up the existing funds just before Christmas, and of course a few days ago we announced a further £30 million, which will be £10 million to help the universities, given that they have already offered students in halls of residences, in most cases, refunds or cancellations, which will lead to loss of income for universities. Also, £20 million will go direct to the institutions for topping up the hardship funds.

Q182 **John Lamont:** Good morning, Minister. Nice to see you again.

You touched on this in your opening remarks, but could you give us an assessment of the current financial situation that universities in Scotland find themselves in, please?

Richard Lochhead: It is a really good question. We had alarm bells ringing at the beginning of the pandemic, back in March and April time last year, because of the situation with the international students, who may not arrive in Scotland or decide to attend Scottish institutions because of the pandemic at that time. The estimate of the Scottish Funding Council about the economic impact on higher education was, at one point, a loss of £400 million or £500 million. The situation has changed quite dramatically over the past months, and we have had really good news with the applications to Scottish institutions from overseas holding up and, indeed, being exceeded.

The latest estimate from the Scottish Funding Council is a potential £50 million deficit or thereabouts for Scottish higher education. That is even less than £176 million, which was the most recent previous estimate just two or three months ago. Of course, it is very volatile. It is a very fluid situation within lockdown just now. Many international students have started to take up their courses, learning from home and not travelling to Scotland. It is a very volatile situation, a difficult situation for the university sector.

Q183 **John Lamont:** Do you think there is a chance or a prospect of any university in Scotland becoming insolvent?

Richard Lochhead: No. We are working very closely with all the institutions. Yes, a number will have projected deficits, but we have a Budget that will be announced later today to the Scottish Parliament, a draft Budget, and the Scottish Funding Council has been remarkable in how flexible it has been with the funding. *[Inaudible.]* The Scottish Government have stepped forward with over £100 million of support for universities, including £75 million for research. One of the big concerns was that because research is subsidised by international students to a large degree, if international students do not arrive and there is a drop in income, there would be a potential knock-on impact for research, jobs



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and so on. The Scottish Government helped plug that concern with £75 million.

There is no prospect of any university becoming insolvent that I am aware of at this stage, but the Scottish Funding Council is staying in close contact, clearly.

Q184 **John Lamont:** Is there a commitment from the Scottish Government that they would step in to stop any university becoming insolvent?

Richard Lochhead: We will do all we can, of course, to support universities. There is no prospect at the moment of any university becoming insolvent. As I said before, of course they face challenges. The pandemic is taking its toll right across society and the public sector, private sector and the further and higher education sectors.

Q185 **John Lamont:** Just to be clear, and sorry to push you on this, if a university phoned you up tomorrow and said it was going to be insolvent, would the Scottish Government step in to stop that happening in any case?

Richard Lochhead: We would make sure they got through this as much as we can, yes.

Q186 **John Lamont:** "As much as we can." OK.

Richard Lochhead: As I was just saying, we are dealing with a pandemic. There is absolutely no prospect of any university going insolvent.

Q187 **John Lamont:** I will interpret that as being a commitment from the Scottish Government that they will step in to stop that happening, unless you correct me otherwise.

Richard Lochhead: Of course we will make every effort to make sure that no university goes insolvent. There is no prospect of that.

Q188 **John Lamont:** Fine. I am pleased. I am sure universities will be reassured by that commitment from the Scottish Government.

In 2019 the budget for universities in Scotland was cut by 11%. Do you regret that cut now?

Richard Lochhead: We have had 10 years of austerity that we are trying to get through, and now we have a pandemic and we have had Brexit. Throughout a very tough financial environment since 2010, when your own Government came to power, we have maintained over £1 billion for higher education. I accept it has been challenging, and across all the Scottish budgets it has been very challenging as well. We have now accepted that there are going to be challenging times ahead, and that is why we have commissioned the Scottish Funding Council to look at how universities are funded and address some of these concerns. I do accept that there are concerns. It has been a rough time.



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Q189 **John Lamont:** Today we are expecting to hear from the Scottish Finance Secretary. She will be setting out her Budget. Can we expect a reversal of the cuts that you have imposed on Scottish universities over the last few years in today's Budget?

Richard Lochhead: You will just have to wait and see what is announced in the draft Budget this afternoon. You know I cannot preempt the Finance Secretary's statement to Parliament. We are doing our best to make sure we give a fair settlement to higher education and, indeed, further education.

Q190 **John Lamont:** Would you be disappointed if your colleagues in Government, given the very difficult situation that universities have been in since Covid started, did not reverse the cuts that were imposed prior to Covid?

Richard Lochhead: I am very confident that the settlement announced this afternoon will help our universities and our colleges get through what is a very tough time just now. As I said before, our objective is to make sure we can give as fair a settlement as possible to universities.

Q191 **John Lamont:** They might not reverse the cuts you imposed prior to Covid?

Richard Lochhead: You know I cannot disclose the Budget that has to be announced to Parliament this afternoon, and I am sure you accept that. If you were in my position, you would say exactly the same.

Q192 **Jon Cruddas:** Good morning, Minister. You mentioned Horizon in your initial comments, and I want to give you the opportunity to expand on that. How much influence will the UK and, therefore, Scotland have on Horizon as a third party? As a general question, what does it mean for Scotland that within the TCA the UK Government ensured a continuation of UK participation in Horizon?

Richard Lochhead: It is very important to Scotland. We have played a big role in Horizon, and well over £500 million—I think it was 76% of Scotland's overall awards from Horizon—has gone to Scottish universities. Universities' research excellence plays a big role in attracting Horizon funding, and of course there is a lot of collaboration involved in that at the same time, so that collaboration is really important as well for Scotland in terms of the way we approach research. It is extremely important, and about 68% of all research in Scottish universities comes from Europe. As much of that as we can protect as possible is really important for the sustainability of research and higher education in Scotland, so it is really important both in terms of the collaboration and the culture of that collaboration, as well as the actual hard cash that comes in through Horizon. I know the Russell Group, for instance, said that for every £1 spent on research in Scotland, over £5 is created in the economy.

Q193 **Jon Cruddas:** Are you assuming an equivalent contribution for research



and innovation in Scotland in the years ahead?

Richard Lochhead: It is a very good question. We do not have the detail yet. There is a lot of relief in the higher education sector that the UK has signed up to participate in Horizon, and we very much welcome that. We are just waiting for the details of the agreement. Clearly, that will enable the institutions to prepare their bids for the future.

Q194 **Jon Cruddas:** I suppose that sat behind my question, how confident you can be about what is going to happen as the years unfold, given that there must be a risk—and you must accept there is a risk as a third country—that the UK and, therefore, Scotland will lose influence on the nature of the Horizon programme and the contributions going forward.

Richard Lochhead: Yes. That is a real concern that has been expressed by the sector. How attractive will Scotland remain? I am confident Scotland will remain an attractive research partner. Of course, the UK is not part of Europe now and it has all changed. Therefore, there is a concern being expressed by the sector that some European consortia may look elsewhere. Over the last few years there have been plenty of examples and anecdotes of academics leaving the UK to go and work in Europe and taking their expertise and their teams with them. If things are a lot easier in Europe, then that would be a concern, because that would make it a more attractive destination for Horizon collaboration.

To be fair, our universities are held in really high regard, and we have some world-leading research taking place in our universities that will maintain their attractiveness. I think that will stand them in very good stead.

Jon Cruddas: I think that is all you can say for now, so thanks very much.

Q195 **Wendy Chamberlain:** Thanks very much for attending this morning, Minister, and your colleagues.

I am going to move on to speak about Erasmus+ and the Turing scheme, which you have already mentioned this morning. First, how do we square off the UK Government's claim that the Turing scheme will better target students from disadvantaged backgrounds with your own assertion this morning that disadvantaged students will miss out, given the end of our participation in Erasmus+? Secondly, in what other ways, such as that Turing will not fund students coming to the UK, do you consider the Turing scheme to be a poorer scheme?

Richard Lochhead: It is a real sore point for further and higher education in Scotland at the moment, as I said before, not just for our institutions but for youth work and adult education as well.

One of the big successes of Erasmus has been the fact that I visited, for instance, Royston Youth Action in Glasgow. It must have been about a year ago, and it was heart-warming to speak to the young people there who have had the opportunity through joining Royston Youth Action to



participate in some Erasmus programmes and go overseas for the first time. It has changed their lives, and it was a fantastic educational experience for them. We also have adult education organisations in Scotland where people are not in formal education, not just the learners but also the staff, and they have also benefited in the past from Erasmus.

Q196 **Wendy Chamberlain:** That is one of the less visible aspects of the scheme, I suppose.

Richard Lochhead: I know, and it is frustrating because quite often, if you read the press, you will only hear about university students taking part in Erasmus. That is very important, and it is the biggest part of Erasmus in many ways, but in terms of widening access to these amazing cultural and educational experiences of being involved in an exchange programme and going overseas, people who are not in formal education have previously benefited, and they are excluded from the Turing scheme. Also, as I said before, part of the experience is the fact that Erasmus is an exchange programme. Often, I see Turing described as a replacement for Erasmus. It is not really a replacement. It may be a successor programme, but it is not an exchange programme. It is one way.

Your second question was on what we are doing to try to improve things. We have had an incredibly warm reception from the European Parliament and the European Commission, who are also heartbroken that the UK has left Erasmus, and they know that Scotland was opposed to that and benefited greatly from Erasmus. Therefore, they have reached out to us and we have reached out to them to explore what other options there are for Scotland to have some kind of national relationship with Erasmus going forward.

Unfortunately, the UK Minister has told me that her intention is to block any formal participation for Scotland, or arrangement with Erasmus, and that the funding we would have expected to receive from the UK Government will not be provided for any such arrangement either. We will work on the UK Government and try to see if they will hopefully take a softer attitude because, after all, Scotland and Wales—

Q197 **Wendy Chamberlain:** Wales, yes. That was going to be my next question. I take it that is part of your conversations with the Welsh Government as well.

Richard Lochhead: They have protested in the strongest terms about what is happening just now, the way in which the negotiations on the UK alternative have gone, and about the Turing scheme and the fact that we have been taken out of Erasmus against our will. I cannot speak for them, but I can say it is agreed among the devolved Administrations.

Q198 **Wendy Chamberlain:** Given that Northern Ireland will be able to participate in the Erasmus scheme, what engagement are you having with them on where the options are? Clearly, that is through the Republic



of Ireland, but it suggests there is one part of the UK that can participate in Erasmus but potentially not others.

Richard Lochhead: Yes. We will not have the same opportunities as Northern Ireland has, for obvious reasons, with the Republic of Ireland to piggyback on their participation in Erasmus going forward. We will look to see if there is anything we can learn from them. We will be speaking to the UK Government again, and the European Commission. I have already had a meeting with Commissioner Gabriel, and she was very, very keen to explore what options are there. Terry Reintke, the Green MEP in the European Parliament, along with David McAllister and other prominent MEPs, co-ordinated the letter that has gone to the European Commission, asking for the devolved Administrations to be supported in having a close relationship with Erasmus. It was signed by 145 MEPs within 24 hours. There is a lot of goodwill in Europe for Scotland to continue a good relationship with Erasmus, and we are going to explore every avenue.

Q199 **Wendy Chamberlain:** If the block continues, what kind of representations would you be making to the UK Government about improvements to the Turing scheme?

Richard Lochhead: Clearly, we would want the Turing scheme to expand. We have only a one-year commitment from the UK Government both on the £105 million budget and, indeed, on the Turing scheme in terms of what is on the table. The view of my UK counterparts is that are going to have to make a very strong case to the Treasury to build on the Turing scheme to include other sectors, if we decide that is what we want. That is what Scotland wants, and I understand it is also what Wales and Northern Ireland want. I am not quite sure of the Department for Education's view in the UK Government, if they are going to battle to expand the Turing scheme.

Q200 **Wendy Chamberlain:** My last question is, what initial assessment have you and your Department made of the impact of our departure from Erasmus? I am thinking of areas such as modern language teaching pipelines—I know that Erasmus+ plays a big part in that—or just simply the likely loss of university income from the impact of Erasmus students not coming to the UK as part of the exchange programme.

Richard Lochhead: We know that, in 2019, Scotland benefited from €27 million from Erasmus. We also know that the Erasmus budget is increasing dramatically, so if we had been in Erasmus going forward we would have had the opportunity to secure even more funds for Scotland and the UK, because I know a lot of people throughout the UK are unhappy with the Turing alternative. We are not going to get anywhere near that €27 million going forward. We were always led to believe that Brexit would involve the UK matching receipts from Europe. That has not been the case, and now we face a substantial reduction in Erasmus funding. There is still a bit of work to be done to assess the full impact, now we know what Turing looks like.



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Q201 **Chair:** That is very impressive, just the response from Europe to the representations to allow Scotland to continue to be part of the Erasmus scheme. What reasons do the UK Government give for not allowing Scotland to be part of this? There is a willingness from Europe. There is a desire from Scotland. Obviously, it is something that benefits the universities and student community. What do the UK Government say when you are asking them, “Why can’t we be part of this?”?

Richard Lochhead: Clearly, the UK Government’s official line is that it is not value for money. The UK Treasury was carrying out value for money exercises, which we found very, very difficult to influence or even find out about during the last few years. With the value for money exercises, the Treasury clearly came to the conclusion that maintaining participation in Erasmus was not value for money, despite the fact that we think value cannot just be counted in pounds in terms of Erasmus. It is about cultural experience. It is about our ties with Europe. It is about the educational experience, particularly for people from more deprived backgrounds, who benefited from it, as I said before. That is the official policy of the UK Government.

Q202 **Chair:** That is the issue, then. That is basically what they are saying to you.

Richard Lochhead: I am suspicious that the UK Government felt the Erasmus scheme was symbolic of close ties with Europe. Therefore, Brexit is Brexit, and they unfortunately committed this vandalism by removing us from Erasmus to go for the alternative global scheme because it was too European. I was unaware, up until the UK Government walked away from Erasmus, that there were any problems with Erasmus. We were assured that the No. 1 priority, up until the last moment, was full participation in Erasmus. If it was a value for money issue, surely they knew that over the last few years. They must have worked that out, I would have thought, and estimated how much it would have cost us to maintain participation in Erasmus.

Q203 **Deidre Brock:** Welcome, Minister. It is terrific to see you here. Thank you very much for appearing in front of the Committee.

I want to ask about the shared prosperity fund. We have heard quite a bit about that throughout the inquiry, and it is of course the UK replacement for EU structural funds. In October we heard from Alastair Sim, who is the director of Universities Scotland. He said, “We would really, really hope there was going to be a kind of seamless transition from the structural funds to a UK shared prosperity fund, with a substantial devolved element to how it would be implemented. Given the timings, that now looks a lot less likely. It looks like there may be a gap.”

It does seem very vague, the shared prosperity fund, still. Minister Stephen Barclay wrote to the Finance Cabinet Secretary just a couple of weeks ago, saying that the UK Government is going to be delivering that and, in effect, bypassing the Scottish Government—delivering, they say, directly to Scottish stakeholders. I just wonder, are we any further



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forward in getting the detail of this very important fund? What are you hearing from universities about what they are going to do to replace that gap in the interim?

Richard Lochhead: It is a good question, and my colleague Ivan McKee, the Minister for Innovation, is much closer to the negotiations and discussions with the UK Government on the shared prosperity fund. He is pursuing those issues.

My concern is that, in the past, European funding has greatly supported particularly Scotland's colleges. I think it is the 10th birthday of UHI today or this week. The University of the Highlands and Islands largely exists because of the European funding. They have said that before. They have said, "We are largely here because of European funding." The University of the Highlands and Islands has been a fantastic way in which to help retain young people who want to study higher education in the highlands and islands, including my own area of Moray that I represent. The prospect of the shared prosperity fund, which was mooted as replacing the European funding, having little input from the Scottish Parliament and being delivered through the Internal Market Bill worries me greatly because I genuinely think that, for the likes of the University of the Highlands and Islands, there would be no guarantee that that kind of project would be supported if the decisions are going to be taken by the UK Government and not those closest to what is happening in terms of where higher education, for instance, is devolved to the Scottish Parliament. It is vague just now, and I am not quite sure where this is going to go.

Q204 **Deidre Brock:** When is the crunch point, when you really require further information about that fund from the UK Government? What is the specific information that you need most urgently?

Richard Lochhead: As I said before, my colleagues are dealing with this issue, and you might want to ask them to give some evidence or write in with the detail of the timelines. It is fair to say this is a big issue for our colleges. Our colleges in Scotland have benefited quite a lot from the European Social Fund for training initiatives and other initiatives. It is an issue for universities, potentially, but it is mainly a further education issue in colleges, unless, of course, the UK Government decide to use the shared prosperity fund through the Internal Market Bill for other purposes as well.

Q205 **Deidre Brock:** Obviously Scottish universities deal with very important areas of research, some of which were EU collaborations and funded from EU structural funds. Are you getting any indications that this shared prosperity fund will be able to continue funding some of that work? What are you hearing from the UK Government about this?

Richard Lochhead: I have not heard much about that from the UK Government. The big issues for universities in terms of research funding, in particular, is their relationship with UKRI and, clearly, Horizon. Of



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course, there is core funding supplied to the Scottish Government through the Scottish Funding Council for Scottish university research institutions.

Chair: The University of the Highlands and Islands also has a large campus in Perth, and I think we all know just how dependent upon European funding UHI is, and we heard that from them directly.

Just to anybody who is listening in and watching this programme, we will be looking at a mini-inquiry into the shared prosperity fund, and we hope to hear from Scottish Government Ministers and UK Ministers on that.

Q206 **Sally-Ann Hart:** Good afternoon to our panellists. I want to ask a few questions about EU students and the fees. The Scottish Government have confirmed that, from 2021-22 onwards, students attending Scottish university will need to pay tuition fees. Presumably, those are at international student rates. How do you expect this will affect the financial situation of Scottish universities, and will it have a positive effect?

I can see that Minister Lochhead is here. I wondered if anybody else would like to answer this question first, or is it Minister Lochhead's remit?

Richard Lochhead: If you want, I can say a few remarks. Roddy Macdonald, who is head of higher education for the Scottish Government, may wish to come in with a bit more detail about what we are doing.

Clearly, we are unable to offer free tuition to European students going forward following Brexit, because that would be clear discrimination and because the legal basis for doing so has effectively been removed. We are very worried about the impact on EU students coming to Scottish institutions. We have, again, had more EU students attending Scottish universities compared with the rest of the UK, so it has been disproportionately beneficial for Scotland. About 22% of the income for our universities is from international or fee-paying students, so hopefully the EU figures will hold up. We have seen under the UCAS figures of acceptances for this academic year that they have been quite healthy for EU students, but of course we will find out shortly about the applications for the next academic year, which will be the first year without support for EU students, to understand what the impact will be.

I do not know if Roddy wants to come in on any of the statistics or backgrounds.

Roddy Macdonald: As the Minister says, the UCAS deadline was extended to the end of this week, to tomorrow. After that has passed, we will know what the figures are looking like for the next academic year, which will be the first year we are not paying for free tuition for EU students.

Clearly, it is something universities and ourselves will need to monitor really carefully in terms of how the numbers are going to react.



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Obviously, at one level, students will be paying international fees, which will be larger, but on another level, it might just mean there will be fewer European students and so on. We are not completely sure how the finances are going to be affected, and obviously we are looking at it with the sector in terms of whether we can offer any scholarships or other assistance in terms of keeping the numbers of European international students up, which we are very keen to do.

Q207 Sally-Ann Hart: Looking at the discrimination point, Minister Lochhead, is it a worry that there is going to be discrimination against UK students using Scottish universities? What is it?

Secondly, just thinking about the decision to end free tuition, with international student fees being so much more—obviously it has been raised and we have heard throughout our evidence sessions about how important EU students are to Scottish universities—could you not look at reducing the EU students' fees to those paid by UK students going to Scottish universities, rather than charging international fees? It is just a thought.

Richard Lochhead: We had the situation to address because the legal basis for free higher education for European students, which came through the UK's membership of the EU, had been removed. We were then left in the position, if we were to give any preferential treatment to European students, of having to answer why we were not offering that to other international students, because the legal basis had been removed. It is an unfortunate necessity that we had to change the system, but it was the only option we faced.

As Roddy said, we are looking at how we can maintain a European presence on Scottish campuses, and we have given a commitment to look at the idea of extra scholarships targeted at European countries. I notice that the University of Aberdeen has started its own scholarship scheme. The University of Aberdeen, I think, is the most dependent university in Scotland on EU students. It has taken the initiative and started its own scholarship scheme to maintain or to stay attractive to European students.

I notice that for this academic year we are waiting to find out whether the students have turned up, but in terms of acceptances there was a 3% increase in EU students to Scottish institutions. It increased this year, so that gave us some comfort that Scotland is still an attractive destination for European students. We will get the official figures from UCAS—I think it is quite soon—on whether the students actually turned up. These were acceptances, so there is always a time lag in getting the actual statistics.

Q208 Sally-Ann Hart: Does that legal basis stop you reducing the fees for EU students as against international students? Is that the discrimination? Also, do you not worry about discrimination claims being brought by the rest of the UK towards the Scottish Government for discriminating against them when it comes to fees?



Richard Lochhead: There are a lot of difficult decisions we have to take in terms of free higher education, but free higher education is, first and foremost, for the Scottish Parliament to deliver for students in Scotland. However, as a result of our EU membership, there was an extra legal obligation at the time to provide similar fee status to European students.

Q209 **Sally-Ann Hart:** OK, thank you. I will not press that any further.

Are you working with the UK Government, and how well are you working with them—is it a UK Government responsibility?—to ensure that Scottish universities remain a popular destination for EU students? I know you have explained that you have yet to see the data and the numbers, but is it something that you are working on together with the UK Government?

Richard Lochhead: Yes. In terms of the impact of the pandemic?

Sally-Ann Hart: Or just as part of our coming out of the European Union and moving forward. Obviously, Scottish universities are keen to remain a popular destination. Is this something the UK Government are responsible for, or are they working with the Scottish Government to ensure that remains the case?

Richard Lochhead: It is a good question. Clearly, the Scottish Government have the ability to promote Scottish education overseas, and we do that as part of our export plan. For obvious reasons, the UK Government also have a role to play because foreign affairs are still reserved, as are trade agreements and so on. We do work with the UK Government, and the UK Government have been speaking to us. There will be lots more discussions because these are the very early stages of post-Brexit Britain, so we will continue to work with the UK Government on what they can do to support us. The UK Government's view is that they want to promote UK education throughout the world.

Sally-Ann Hart: That is important, yes.

Richard Lochhead: What is important to me is that the Scottish brand is protected, because we have a very powerful brand for Scottish higher education. It is really important that we maintain the brand. Yes, we are open to working with the UK Government on that, of course.

Q210 **Sally-Ann Hart:** I was going to ask what more the UK Government could do for you to achieve that goal. You have not really got there yet in discussing a way forward and doing that.

Richard Lochhead: The issue we have discussed so far is making sure that Scottish education is attractive, and the immigration system, the visa costs, all these issues are very, very important. Making it easy for researchers and students to come here, and not more expensive compared with going to another European country or elsewhere. That is where we really need the UK Government's help to make sure that our institutions are seen as attractive.



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In terms of research, it has to be really easy for researchers to be mobile and come here, and likewise for Scottish researchers to be based overseas for short periods of time. I think just now they can get a visa for 90 days. If you are part of a research collaboration, there could be circumstances where you need to be overseas for a bit longer, so we need that flexibility. We are trying to iron out some of these issues with the UK Government to make sure they can understand the impact, potentially, of making it a lot more difficult and expensive to come to Scotland.

Sally-Ann Hart: I do not know if Lauren McNamara wanted to respond to anything from her point of view at the Student Awards Agency for Scotland.

Lauren McNamara: No, I do not have anything further to add. Thank you.

Q211 **Douglas Ross:** Mr Lochhead, as Minister for Further Education, Higher Education and Science, do you believe you have a good handle on your brief and a good grasp of the detail in your Department?

Richard Lochhead: I am sure you are about to tell me, Mr Ross, so I hope I am able to articulate the sector's needs.

Q212 **Douglas Ross:** It is interesting, because you are the first Minister I have ever experienced in the many Committees I have sat on at Holyrood and Westminster who had to ask the title of your officials joining you today. Do you think that shows that you have a good grasp of the detail?

Richard Lochhead: I just wanted to double check I had got them correct. Is that not a sensible thing to do? This is the first time that Lauren has appeared with me in a Committee.

Q213 **Douglas Ross:** You did not know that Mr Macdonald was a senior official and his title within your own Department within the Scottish Government?

Richard Lochhead: I just wanted to make sure, to get it on the record, that I understood his latest position. I think that is a good thing to do, Mr Ross. I am glad you are taking the future of higher education in Scotland seriously.

Q214 **Douglas Ross:** Thank you. Can I ask about another comment you made earlier about Erasmus? You said it cannot be valued simply in pounds. Does that mean, if the Scottish Government were negotiating with the European Union, they would agree any cost to remain within that programme?

Richard Lochhead: Of course we would have to take on board the cost of participation in any programme and understand what we would get in return for that.

Q215 **Douglas Ross:** Your comment earlier was that it can't be valued in



pounds, so are you now saying it can be valued in pounds?

Richard Lochhead: No. What I am saying is that when you are looking at the benefits that Scotland accrues from Erasmus, there are cultural benefits and education benefits, and you have to take that into account. It is very difficult to understand what was going on with the UK Treasury's value for money statements, because we asked and were promised further engagement on that, but we did not get it. It is a mystery as to how the UK Government worked out the value for money.

Q216 **Douglas Ross:** It is not a mystery to try to solve that, if the European Union asked for a figure to remain part of the scheme that is beyond what any Government would be willing to pay, you would remove yourself from that scheme. You are not saying that the Scottish Government, if they were ever to negotiate this, would go in with a blank chequebook.

Richard Lochhead: I do not think any Government should ever go into anything with a blank chequebook, but what I am saying is that we were told that, right up to the last moment, the absolute priority for the UK Government was to remain within Erasmus. I am not too sure how they only found out in the last 24 hours of the negotiation, right at the 11th hour, that it was unaffordable. We were told—

Q217 **Douglas Ross:** I think you have clarified your remark that you do have to look at the overall costs, as well as other factors.

Coming back to costs, in response to my colleague Mr Lamont, you suggested that decisions on funding in Scotland for this sector had been restricted because of UK Government decisions. However, in the Scottish Parliament, in a Committee session last September, you said you turned down UK Government financial support because there were too many hoops to jump through. When there is funding available, do you not think, as a Minister responsible for further education and higher education in Scotland, you should be willing to jump through any hoops to get more investment in the sector in Scotland?

Richard Lochhead: You are totally misrepresenting the situation. The sector and the Scottish Government. The sector, as in our universities, and the Scottish Government thought that this particular measure—not the other measures of support that the UK Government offered, on which we worked with the UK Government and which, unfortunately, have not been taken up either, because they did not work out—was a restructuring measure. This was offered by the Department for Education and the Treasury. If any institution in the UK were to get into trouble in terms of basically facing insolvency, facing a very serious situation, and therefore requested some restructuring financial support in those very extreme circumstances, a series of conditions would have been put in place by the UK Government that the institutions in Scotland and the Scottish Government thought, "This is unlikely to be required anyway, and if it were required, it would hand power to the Treasury to decide which



institutions to save." We and the institutions thought that is not worth going any further with.

Q218 **Douglas Ross:** You confirmed to Mr Lamont in your answer, I think at the third or fourth attempt, that the Scottish Government would do everything to stop universities and colleges becoming insolvent. Therefore, would that include accepting support from the UK Government?

Richard Lochhead: If there was support that we felt we were able to access without conditions, yes, we would. But, as I said, we agreed with the institutions in Scotland—you are trying to say it was somehow a decision to turn down money that was available. There was no figure of money. This was a process, and the institutions in Scotland, as well as the Scottish Government, thought the circumstances are unlikely to arise and, if they do, we do not want to hand power to the UK Treasury to place conditions on universities of what they have to do to be saved or get restructuring support.

Q219 **Douglas Ross:** Going forward, would you still refuse support from the UK Government to stop universities becoming insolvent?

Richard Lochhead: Obviously, we are not going to turn down support, but this particular process was felt to be inappropriate for Scotland, and that was the unanimous view of the institutions and the Scottish Government.

Q220 **Douglas Ross:** Finally, when students returned home over the Christmas period, universities made use of the mass asymptomatic testing that was available. However, the same programme was not used back in the summer. Given the fiasco we saw with universities returning in September, do you now accept that you were wrong to dismiss the use of asymptomatic testing at that time?

Richard Lochhead: There were some breakouts of Covid in some halls of residence in Scotland and, indeed, throughout the whole UK, so I assume you are referring to throughout the UK when you talk about "fiasco" and "shambles" at universities—

Q221 **Douglas Ross:** You are right, but I am actually discussing the Scotland situation with you, Minister, because I believe you are in charge of Scottish education, so if you could focus on that.

Richard Lochhead: Yes, and I believe you are a Westminster MP. The situation was that we were, of course, concerned by the outbreaks. At the time, we had to take scientific advice and public health advice as to the role of the testing regime in Scotland. At that point in time, there was no asymptomatic testing up and running in Scotland, but by the time of the return home for Christmas and New Year, there was asymptomatic testing up and running and available to Scotland. That was agreed in a UK context, so it was actually a UK scheme. It was not a Scottish scheme. It was a UK scheme.



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Q222 **Douglas Ross:** Had you availed yourself of all the scientific and health research when you made your decision back in September?

Richard Lochhead: Yes. We had had the advice from SAGE and the public health officials.

Q223 **Douglas Ross:** You do not think it was incorrect and you do not want to apologise to the hundreds of students who were affected by your decisions?

Richard Lochhead: We said at the time that we were sorry about what our students had gone through, and we of course wanted to make sure the universities were there to support them. Things have improved dramatically since then. We now have a testing regime in place, which the UK Government put in place for the first time, across all universities in the UK that wanted to participate. Hopefully, moving forward, the plans we have for the return of students will be very effective.

Q224 **Douglas Ross:** Just for the record, do you, as a Scottish Government Minister, apologise to the young people who were affected by your decisions back at the start of the university term?

Richard Lochhead: I have lost track of how many headlines we are trying to get here, but as I said before, at the time, we apologised. In today's evidence, I reiterate that we apologise to our students for what they went through last September, as we apologised at the time.

Douglas Ross: Thank you.

Q225 **Liz Twist:** Good afternoon, Minister Lochhead. I want to stay on the theme of students. As you will know, there have been reports in the media of some students in Scotland who are self-isolating "being forced to call security, begging for food." This Committee met a number of students earlier this month, and some of them recalled the immense financial and mental pressure they are under. How have the Scottish Government supported the welfare of students during the pandemic, and has it been enough?

Richard Lochhead: It has been a very torrid time for the students through the pandemic, and it is unfortunately the nature of a global pandemic. What we did find was that, back in September-October, it was really important for the universities to move quickly to put in welfare support for students who are self-isolating. There is no doubt that a few universities were slow off the mark doing that. It caused a lot of grief for the students concerned. It was a very distressing time for them, having to self-isolate in their student accommodation. Things have improved remarkably since then, and of course the Scottish Government have played a role by making funds available for mental health support and for discretionary hardship funds for institutions. It is still a very difficult time for students, but I do think the situation is much, much better. That is the feedback we are getting from the National Union of Students and others in terms of universities supporting students who are on campus.



Q226 **Liz Twist:** You have talked about what the universities themselves did to support students through that difficult time. Do you think the Scottish Government have done enough to support them?

Richard Lochhead: In the middle of a pandemic, it would be arrogant to always say we have done enough because I am sure we have made mistakes. I think all Governments have made mistakes, as many people have said. It is the first time we have been through a global pandemic having such an impact on further and higher education, so there will definitely be lessons to learn. No doubt mistakes have been made, but I do think we have learned the lessons as far as we can.

The situation is much better now. We are getting very few reports of students not being supported. Obviously there is the different issue of online learning and having support through that, but regarding the students who have been in halls of residence or self-isolating and so on, I think there is a much better system now that universities have put in place.

Q227 **Liz Twist:** Difficult times for students, I think. How are you working in collaboration with the UK Government to address issues such as accommodation costs, finances more generally—especially since, as I think you mentioned earlier, many students have lost their part-time jobs to support them—access to home working, which again you have just talked about, equipment and software, childcare for PhD students and improved mental health support? How are you working with the UK Government to address all those issues?

Richard Lochhead: As I said before, we have put a lot of support in place to support students through the hardship funds, mental health support and so on. The UK Government are responsible for higher education in England, so they have been doing their own things, but I think the approach to how to support students has been very similar north and south of the border. As for the universities themselves, the announcement this week provided an extra £10 million for the universities to help offset some of their losses through rent refunds or cancellation.

I understand the cost to universities to be about £32.5 million, so we have contributed £10 million. We will keep that under review, of course. Overall, we have given over £100 million to the universities in various forms, research support and some of the funds I have mentioned to deal with the impact of Covid. I very much recognise there is also more to be done.

Q228 **Liz Twist:** Are you confident that students are going to have a much better experience this time, that they are not going to face a lot of the problems they told us about?

Richard Lochhead: I think our student population has been through a range of challenges. I cannot say they are just going to disappear. We just have to manage our way through this as best we can and support



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our students. We are still in the middle of a national lockdown in Scotland, and we still have a situation with the virus and the variant, which is more transmissible. Against that backdrop, it is going to be challenging for some time to come. We will just continue to do what we can to support students.

Q229 Liz Twist: Finally, you talked about learning lessons from what had happened. What lessons do you think the Scottish Government have learned from the lockdowns last year that will lead to real improvements in the student experience this year during the current restrictions?

Richard Lochhead: After the pandemic arrived, in March 2020 give or take, the universities had to pivot very quickly to deliver online learning, and they did a remarkable job doing that. They went through that, so they were able to learn the lessons for that for these last couple of months. That clearly helped improve things. It does not mean to say that there are not challenges for students trying to learn at home, and there are all kinds of challenges to face doing that, but the universities have learned what they can from the experience of the first lockdown.

In terms of welfare support and hardship funds, and all the rest of it, they have also learned a lot from that as well. It has been a very steep learning curve. As I said before, there is no doubt whatsoever it is still a very challenging time for students.

Q230 Liz Twist: Are you working, as the Scottish Government, with the universities to address those issues?

Richard Lochhead: Absolutely. We set up a taskforce just this week to look at the hardship issues and hardship funds, and this week we also want to set up another taskforce, which will meet in a few days' time, to look at the impact of the lockdown on educational outcomes and the ability to complete the learner journey, because we might have to put extra measures in place. The universities and colleges will have to do this, not the Government per se, but we are working with the agencies and the institutions to see what has to be done to make sure that students who have not been able to have the face-to-face teaching that is necessary for their qualifications are still able to qualify. There is a range of issues in there.

Q231 Liz Twist: If we talk to the students again next month, do you think they will be telling us about a better experience?

Richard Lochhead: As I said before, I still think it is a very challenging time for Scotland's students. They are missing their face-to-face teaching and there are challenges of learning at home for many, so I do not think we should pretend it is not a very challenging time for students. I would expect them, if they speak to you this week or next week, to reflect those challenges. I hope they will say there is a lot more support from the institutions now and that they are getting the support to get them through their studies.



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Q232 **Chair:** There are a couple of things I have picked up in some of your answers, Minister.

One of the things you said—and I think we welcome this and it is what we have heard from other witnesses, too—is that the situation with international students looks a lot better than was predicted. I was trying to take note of the numbers you were giving. You can maybe remind me of exactly what it was in terms of the expectation for international students coming to higher education institutions in the next few weeks and months.

Just a general question. As we look at the funding mix of higher education across Scotland, are we maybe a little too dependent on international students for our income in higher education?

Richard Lochhead: There is no doubt that Scotland's universities, you could say, are victims of their own success in that they have such an amazing reputation around the world that they are an attractive destination for international students. Of course that generates a lot of income, and that income cross-subsidises other activities within the sector because the sector is a multi-billion pound business and they are autonomous institutions, so they have made a lot of effort to attract international students. That has left them in a position, as I said in my opening remarks, that 22% of the sector's income is from fee-paying students. That represents about £898 million, and it is estimated that the international students generate about £2 billion for the Scottish economy.

That is a big success, but of course in a global pandemic when students cannot travel to the same degree, it has been a bit of a wake-up call for the institutions. We now have to look at whether we are sustainable going forward, and whether we are overdependent on international students. I do not think that means being less attractive to international students or having fewer international students coming to Scotland, but I think there is a challenge in terms of the overall financial model. That is why we are commissioning the Scottish Funding Council to look at the financial sustainability and the role of our universities going forward.

Q233 **Chair:** Obviously it is a matter of great pride that we are such an attractive destination for international students and we do particularly well in all this. Are there things we can do to try to ensure we do even better? I note that this Committee, for example, recommended in several reports that a post-study work scheme visa become available to international students, and I know we now have a number of institutions that offer that. Are there things like that that we could do—with the UK Government's assistance, given that most of these issues are reserved—that you would suggest and recommend that the UK Government could do, to help you do better at securing international students to come to Scotland?

Richard Lochhead: As I said before, I think it is very important that we remain an attractive destination for international students, and that means that, following Brexit, we have the challenge of getting that



message across to the international community. As Scotland, we are doing what we can and will continue to do that, to promote Scottish brands and the fact that Scotland is an open, welcoming and internationalist country that wants to stay at the heart of Europe and, therefore, we want that to be reflected in students and researchers from Europe, in particular, continuing to come to Scottish institutions so that the best brains in Europe are still attracted to come to work, study and live in Scotland.

The UK Government have a role there, because immigration policy, the cost of visas and how Horizon will work going forward will all have a bearing on how attractive Scotland is as a higher education destination.

- Q234 **Chair:** Another thing that interests me, and perhaps you can expand on this, is what you said about the structural funding issue and direct funding from UK Government. Of course there are now provisions in the Internal Market Bill, which includes education as one of the issues and subjects that they would be interested in funding directly. In your view, how would this work out? How would that impact on the relationship and the responsibility of the Scottish Government, which has exclusive responsibility for education? How would this work out in our higher education establishments, which are used to dealing with the Scottish Government but would then be seeing the UK Government direct funding into higher education institutions for whatever they decide the priorities are going to be?

Richard Lochhead: It is well documented that the Scottish Government are resolutely opposed to the use of the Internal Market Bill or, indeed, the existence of the Internal Market Bill, which is there to undermine Scottish devolution and to foist Westminster or UK Government policies and measures on to Scotland, particularly in relation to devolved areas. We are told the Turing scheme is going to be imposed on Scotland through the Internal Market Bill. We discussed earlier the prospect of the shared prosperity fund being delivered through the Internal Market Bill. These issues have the potential to undermine devolution, and we will not have input to them. To me, the Internal Market Bill is just an anti-devolution measure.

- Q235 **Chair:** How would you see it in operation if the UK Government decided and determined the number of priorities when it comes to education? How would that work its way through? How would it be done and what relationship would there be with you, as the Minister responsible for higher education? I am interested in your views about how this arrangement would work in practice.

Richard Lochhead: We have made representations to UK Government about input from the devolved Administrations on any policy that impacts on devolution, in this case higher education and parts of research funding. That is why, when it comes to the delivery of the new Horizon programme, and why, when it comes to the future of the Turing scheme, Erasmus and a whole host of other issues, we have asked for the



interests of the devolved Administrations to be taken on board and to be involved in the actual design of these schemes. There are funds through UKRI, in terms of UK research councils, and we have also said we want an assurance that the devolved aspects of research and higher education will be taken on board in delivering those schemes.

Q236 Douglas Ross: The Minister understandably reiterates the SNP line against the UK Internal Market Bill and the shared prosperity fund, but does he not think it seems a bit churlish to people across Scotland that the Scottish Government would try to prevent additional investment in the sector, which his Government have underfunded in Scotland? Whether that comes from the Scottish Government or from the UK Government, through the Scottish Government or directly into the sector, surely universities just want more investment, which this legislation is allowing.

Richard Lochhead: I think what is important is that funding and policies that impact on devolution have input from the Scottish Parliament and involve the Scottish Government, after consulting with Scottish stakeholders, to make sure those measures and the delivery of that funding is appropriate to Scotland's needs. That is the purpose of Scottish devolution. I think the Internal Market Bill will undermine devolution. I think it is quite a hostile act towards the Scottish Parliament. For instance, the European funding that was distributed in Scotland, with input from Scotland, will be delivered directly through the Internal Market Bill potentially without any input from the Scottish Parliament or even local stakeholders. As I said before, we see that the Turing scheme is going to be imposed on Scotland. Despite four years of meetings, it is going to be imposed on Scotland via the Internal Market Bill.

Q237 Douglas Ross: There is input from Scotland, because Scotland has two Governments. I know the SNP does not like it, but there is a UK Government that covers Scotland as well. I think many people will welcome that investment, rather than the SNP trying to say that, if it does not go through them, it is not Scottish. It absolutely is, and that investment will, I am sure, be very welcome.

Richard Lochhead: The route was established via the Scottish Parliament, which was elected by the people of Scotland, unlike the Conservative UK Government.

Chair: I think we could do without a further debate and discussion about the merits of the Internal Market Bill and the funding arrangements.

Thank you, Minister, for your time. There are a couple of things outstanding that we might get back to you about, to help us with this inquiry. If there is anything further you feel you want to contribute, we will be more than happy to hear from you. For today, thank you for your time. I know you are always helpful to this Committee, and we hope to see you again sometime in the future.



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