



## Scottish Affairs Committee

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

Thursday 25 February 2021

Ordered by the House of Commons to be published on 25 February 2021.

[Watch the meeting](#)

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

Questions 238 - 293

### Witnesses

**I:** Iain Stewart MP, Parliamentary Under Secretary of State (Minister for Scotland), Office of the Secretary of State for Scotland; and Rebecca Hackett, Deputy Director, Policy Delivery and Relationship Management, Office of the Secretary of State for Scotland.



## Examination of witnesses

Witnesses: Iain Stewart and Rebecca Hackett.

Q238 **Chair:** Welcome to the Scottish Affairs Committee in what will be our last public session in our inquiry into universities in Scotland. We are delighted to have the Minister with us today, the Parliamentary Under Secretary of State, Minister for Scotland, Mr Iain Stewart. I will let Iain introduce himself and his colleague.

**Iain Stewart:** Good morning, Chair. It is a pleasure to appear before you today. As you have indicated, I am the Parliamentary Under Secretary of State for Scotland. I would also like to introduce one of my senior officials, Rebecca Hackett.

Q239 **Chair:** Welcome to the Committee, Rebecca. You are more than welcome. It is fantastic having you along today, Minister. We do seem to be having a little bit of a difficulty in securing Ministers from the Scotland Office to help us with some of our inquiries, so I hope that you will be setting a great example and we will not experience any difficulties in the future.

To our inquiry, the responsibilities that the UK Government have for Scottish universities are far-reaching and quite profound. They have a huge impact on our universities, their success, their international reach and their ability to look after our student body and, most notably, as you will know, on immigration, foreign affairs, macroeconomics and particularly Brexit. Can you give your assessment of how effective current intergovernmental structures are and how they allow for Scottish Government Ministers to influence the UK Government on matters that affect our Scottish universities?

**Iain Stewart:** First, I am always delighted to accept invitations from you to give evidence. There is quite a wide-ranging web of relationships. Obviously, the basic university structure is a devolved matter, but you are right to highlight that there are a large number of interactions in different areas that affect universities in Scotland. Just to highlight one or two, for example, we have the City Deals projects. A large number of those involve universities as part of the project team in trying to secure investment.

To give another example, about every fortnight there is a tripartite meeting between Richard Lochhead, the Scottish Government Minister for universities, Minister Michelle Donelan from the DfE, and me. It is a very useful opportunity to catch up and look ahead at the different challenges that universities across Britain face, particularly in respect of the Covid crisis. At the last one I attended, we were looking at the practicalities of getting students back for those courses where physical presence—in dentistry, for example—is important and it is a useful opportunity to learn.



There is official contact at many levels, and then indeed through Universities Scotland and Universities UK. There are a lot of demands that come up and that is part of the discussion. To give you a concrete example, there was a strong ask from the university sector in Scotland for the post-study work visas, and that ask directly influenced UK Government policy. It is difficult to give you one simple answer to that because there are lots of channels and conversations that go on.

**Q240 Chair:** I am grateful to you for bringing up the post-study work visa because that was something that this Committee, as you will know, called for in several of our reports and we are all grateful to see that in place.

What we heard from the Scottish Government Minister when he appeared in front of this Committee is that Scotland is rarely even acknowledged, far less listened to. The example he gave and the one that is having probably the most profound impacts is the Erasmus+ scheme. The Scottish Government told us that this is something that has hugely benefited Scotland's universities and the student body. It is something that Scotland very much wanted to continue to be part of. What happened to the Scottish Government's representations on this? Did they just go straight into the "to be ignored" file?

**Iain Stewart:** With the Erasmus+ scheme—and I fully acknowledge the benefits that that scheme brought—in the Brexit discussions, we did not take a dogmatic approach to this and to all the various European schemes that were there. As part of the discussions, we looked at which ones were in our interests and gave good value for money. I know that some of your witnesses were concerned about it at the time and we did commit to remaining part of the Horizon research projects.

With Erasmus+, as I say, it has many benefits but we think there is a better way of delivering those benefits. I think the new Turing scheme will broaden and deepen the international context that students have. We want it to have wider access. It will allow, for example, students at colleges and even school pupils to take part in it. One of the central criteria when bidding for funding for it will be how it widens access to students who might not traditionally have felt able to take part in Erasmus+. Most of all, it is global in its reach, so as well as aligned partners with Europe, it will be right around the world.

**Q241 Chair:** I think the major issue we have heard from colleagues who have given us evidence, either verbally or in writing, is that it is a one-way scheme just for UK students to go to other countries where there isn't that input. The thing we have heard is just the cultural contribution that these campuses with international students from all over the world give us through Scottish universities. That has been a major issue.

There is an effort in the Scottish Government to try to continue with this scheme and it has been very well received in Europe, with a number of MEPs interested in Scotland being part of it. If that was able to be realised and put together, the UK Government would not get in the way,



would they?

**Iain Stewart:** I would make several points in relation to that. First, it is a UK-wide scheme, so the representations for Erasmus+ came from England as well as Scotland and we made a pragmatic evaluation of the benefits of Erasmus+. In terms of students coming here, what we are also working on—and Scottish universities have a representation in this—is the International Education Strategy, which will conclude in the summer. That is looking at deepening the various partnerships that come in both directions.

A lot of these schemes already exist outside of Erasmus+. For example, a friend of mine who was at Glasgow University went on an exchange to Malaysia to take part in a scheme there. I should declare an interest because, in the reverse direction, one of the Malaysian students who came to university here is now my partner. If he had not made that trip, I probably would not have ever met him. I absolutely get the value of these exchanges in both directions.

Q242 **Chair:** That is not my question, though. I am quite keen to get an answer to this. If there was able to be a solution put together where the Scottish Government really valued this and wanted to continue with Erasmus+, and there seemed to be a welcoming response from the European Union, the UK Government would not get in the way of that?

**Iain Stewart:** The European Union has been quite clear that these are—

**Chair:** Is the Minister gone?

**Mhairi Black:** I think he is frozen.

**Chair:** He is frozen. That is rather unfortunate. Rebecca is still here, yes.

**Rebecca Hackett:** I am here. I think I could complete what the Minister was going to say, but I don't know if you would like to wait for him to re-join us.

**Chair:** Why don't you finish the sentence and see if he is back with us? Maybe you can spin it out a little bit, Rebecca, to see if we can get him back.

**Rebecca Hackett:** I think the Minister was just in the middle of saying that the European Commission confirmed, following the decision of the UK Government not to participate in the next programme, that there was not an option for Scotland or Wales to join. I think there has been a clear view from the European Commission that it needs to be the member state applying or the third country applying rather than individual parts of a country.

**Chair:** Maybe you have another couple of sentences you could add to that while we see whether the Minister re-joins us.

**Rebecca Hackett:** I think what we have made clear on the Turing programme is that it is a flexible and iterative programme. It has



received a year of funding already, but the Department for Education is already working very intensively with the devolved Administrations to ensure that the scheme does deliver on what it is seeking to deliver and can evolve to address any issues. Clearly, it is going to be a different stage in year one with all of the impacts of Covid and so on, but we are aiming for it to receive the same brand recognition as Erasmus+ in the longer term and we will be working hard with the devolved Administrations to ensure that.

**Chair:** Thank you. Elegantly done, as we now have the Minister back with us. Iain, are you still here?

**Iain Stewart:** Yes, I am back. I apologise, another demonstration that to err is human but to foul up completely requires a computer.

Q243 **Chair:** We were starting to get a little bit concerned and anxious there, but it is good to have you back with us. I am just about finished my line of questioning, but I want to touch on a couple of things that have emerged in the last 24 hours. One announcement, of course, has been the Levelling Up Fund. This is now going to bypass the Scottish Government to a whole range of devolved responsibilities directly and it looks like it is going to usurp the Barnett consequential arrangements in place now for funding the Scottish Parliament. Are there any plans to use this fund in the universities sector at all? What has the involvement of the Scottish Government been in this?

**Iain Stewart:** The Levelling Up Fund to which you refer is additional funding. It does not directly involve the universities sector, but potentially could indirectly. As I have already alluded to, in many of the City Deal programmes universities form part of a consortium or other arrangement to put forward bids for funding, so indirectly, yes. To give an example off the top of my head, there was a Smart Cities initiative to get capital funding to help put that in place and one of the universities was a partner in that. Yes, there could be indirect funding, but it is not going to touch the usual funding streams for universities.

Q244 **Chair:** We have heard quite a lot about structural funding and I know we have detailed questions about this in the later part of the session. For example, the university in my constituency, the University of the Highlands and Islands, is almost dependent upon structural funding. Is this in any way going to replace that? Will the decisions about some of the operational issues to do with the UHI now be taken by the UK Government? How does this work? Is it a replacement to these structural funds? What will be the role of the UK Government and will there be a role at all for Scottish Government in any of this? The Minister has gone again. Rebecca, do you want take a bash at that one, if you can?

**Rebecca Hackett:** Yes, of course. Further details on the Shared Prosperity Fund and the additional funding that was announced at the last spending review for the next financial year ahead of the full Shared Prosperity Fund will be announced at the Budget next week, as well as



## HOUSE OF COMMONS

the Levelling Up Fund. There will be full information put out on all of these, but what we can make clear at this stage is that the Levelling Up Fund is separate funding to EU structural funds. The EU structural funds continue to be paid to the devolved Administrations over the next few years as we see the existing EU funding tailing off and over that period we will see the Shared Prosperity Fund coming in, but the Levelling Up Fund is additional funding that sits alongside that. We will be working hard and involving the devolved Administrations in those discussions to make sure that all of these different funding streams work very well at a local level and are able to support that local economic growth.

On the Levelling Up Fund specifically, that one is envisaged for targeting local projects, looking at regeneration, local transport projects and so on. I think universities will have an interest in that, but also the Shared Prosperity Fund, when that one comes onstream.

**Q245 Chair:** In the last 24 hours the Union unit has been abolished, in what could only be described as quite a chaotic and disastrous few weeks, with change of personnel and all sorts of infighting and recriminations. What exactly was the Union unit supposed to achieve and where does this now leave the Government's efforts to make the positive case for the Union, if indeed there is one?

**Iain Stewart:** Apologies again, I am not quite sure why I keep dropping off. I hope Rebecca was able to answer your question on Levelling Up and the separate Shared Prosperity Fund adequately, but please do come back if there is anything on that.

I know these staff changes excite a lot of political commentators, but the Government's commitment and priority for the Union is undiminished and unchanged. The Prime Minister is the Minister of the Union and it is our office here, the Secretary of State for Scotland, Minister Duguid and myself, who are the champions of the Union.

**Chair:** I think we will move on. We will not come to you, Rebecca, for that question. I think we will see if we can get Iain back and we might address this later on in the session. We will move on to John Lamont, who has a couple of questions, and hope that you will be able to pick them up. If not, we will see if we can refer them back to the Minister, if he does indeed get a stable connection. Hopefully, there will be some technician at the Scotland Office resolving that right now for us. We will go to you, John Lamont.

**John Lamont:** Thank you, Chairman. I wonder if we should wait for the Minister. I am not sure if it is fair. My questions are quite focused on the—

**Chair:** I know. Rebecca, are you happy to try to take some questions now? If we do not get the Minister back, then we will have to reassess this again, but let's just see how we get on, John. We are all here and we have a senior official at the Scotland Office. Rebecca, please let us know if you feel that it is not within your remit to answer these questions and



## HOUSE OF COMMONS

we will try to bring them back up with the Minister, if we do get him back. Are you happy with that, John?

Q246 **John Lamont:** Fine. Good morning, Rebecca. I know this morning's theme is universities in Scotland. Unlike the Chairman, I will try to stick to that topic. What is your assessment of the current financial deficits facing Scotland's universities just now?

**Rebecca Hackett:** It has clearly been a challenging period for universities with the impact of Covid. That has different impacts across the sector. It has affected different universities in Scotland differently, depending on the makeup of their income streams. Those that have had a lot of international students coming have been affected by fewer students being able to come. Those that rely on other sources of income, such as conferences and tourists using their university accommodation in holiday periods, have had an impact. We have worked very hard with the sector to make sure that we are managing those impacts and working with the Scottish Government very collaboratively through those processes that the Minister described earlier to try to stabilise the impacts of Covid and enable the universities to manage this period.

Our current assessment is that the situation is perhaps better than we thought it might have been. When we were having conversations at the beginning of the year last year, it did look like the impacts could be more severe. The universities have done a great job to manage the consequences in partnership with Government and make sure that the students have been supported through this period.

Q247 **John Lamont:** You mentioned international students and the fees that they generate. Do you think Scottish universities are too dependent on that income stream?

**Rebecca Hackett:** It varies from university to university and we see quite different characteristics of the different universities across Scotland. The figures that we had did show that there had been a loss of international fee income in 2021, about £435 million. That has had a big impact on some universities in particular, but I think it has been positive that domestic applications have maintained quite a positive rate. The UK Government have been working hard with universities, for example, bringing forward tuition fee payments for English students. That has benefited Scottish universities as well. It is clearly for the Scottish Government to work with the sector, given that it is the primary funder of higher education institutions in Scotland, but we have been playing our part in that process and supporting as much as we can to ensure financial stability.

**John Lamont:** Thank you, that is incredibly helpful. I see the Minister is back with us.

**Chair:** Do we have a secure connection now, Iain?



## HOUSE OF COMMONS

**Iain Stewart:** I have changed device. I am basically on my iPhone at the moment, so hopefully that will prove more robust than the House of Commons iPad I was using.

**Chair:** Let's see how we get on with that. John, over to you.

Q248 **John Lamont:** Minister, your colleague, Rebecca, was very ably answering my question around the current financial situation facing Scotland's universities and also the dependency on income from international students. The 2019 SNP Scottish Government Budget contained an 11% cut in real terms for Scottish universities. There was also a 46% cut over five years in strategic funding. That decision by the SNP Scottish Government could not have helped universities in terms of how prepared they were to deal with this crisis.

**Iain Stewart:** This is a devolved matter. I know there were deep concerns, even before the Covid crisis hit, that a lot of universities had deficits. The long-term funding will have to be addressed. Forgive me if I am covering ground that Rebecca has already covered. Through the UK Government's Covid interventions, be it furlough, be it the CBIL scheme, there are lots of those financial support mechanisms that are available to Scottish universities to help them get through this current period, and then a longer-term discussion can be had on the longer-term financial arrangements. I am sure that will be a hotly debated topic in the forthcoming Holyrood elections.

Q249 **John Lamont:** Indeed. On that, the Audit Scotland report from 2019 on university funding in Scotland suggested that the cuts imposed by the SNP Scottish Government were having to be replaced by student fees and the biggest proportion of that was coming from non-EU international students, which in turn were resulting in many Scots, many of my constituents, not being able to secure a place at university. Does the Minister have any thoughts on that in terms of depriving Scots of places at universities to secure that international income that the universities need to get to cover the loss being inflicted by the Scottish Government?

**Iain Stewart:** It is one of the key differences between university funding in England and in Scotland that other than for the temporary period of Covid, when there has been a cap placed on overall student numbers, generally the policy here is not to have a cap. The Scottish Government have taken a different route and because of the funding model, that has required a cap. Whether it is universities or colleges, I want to see maximum participation. We are going to have to think very carefully about how we skill up the workforce of the future. It will be a balance of attracting students from abroad. That has always been an important part of the academic and cultural strength of universities.

I know, for example, through another friend who is currently studying aeronautical engineering at Glasgow that they are developing partnerships with universities in Texas, China and Germany and aligning their courses so that that is possible. We need to be more flexible in how





## HOUSE OF COMMONS

we engage with universities abroad to encourage students here, but not to the detriment of domestic students.

**Chair:** I think we have you relatively securely now, Minister.

**Iain Stewart:** Hopefully.

**Chair:** We may return to some of the issues I want to raise with you.

**Iain Stewart:** Please do go back to earlier questions.

Q250 **Chair:** I know you were responding to some of the issues around the Union unit today and explaining and describing exactly what is happening now. Maybe just finishing off your response, you could tell us what happened to the Dunlop review and whether we can expect to see that any time soon, because that is obviously going to have a huge impact on intergovernmental relations and issues that we are covering now that impact on Scottish universities. What is happening? What is going on? How did we get to this stage and when can we start to learn about some of the issues that are included in Dunlop?

**Iain Stewart:** I am sure it will be coming out soon. There are a whole range of Government consultations and reports that have been postponed because the Government's attention has rightly been focused on Covid. For example, there is a White Paper in the offing looking at devolution within England. That should have been out last autumn, but for perfectly understandable reasons it has been delayed.

Another upcoming review that is already fixed, as you may remember when the Scotland Act 2016 went through, there was the accompanying fiscal framework. An integral part of that was a five-year review. Five years takes us to this year, so later this year that independent review of the nuts and bolts of how the fiscal framework has been operating will take place. I do not want to prejudge what that will conclude.

Q251 **Chair:** That is very helpful, thank you, but I am not getting a sense of timeline. We have the Scottish parliamentary elections coming in the next few weeks. Are we likely to see the Dunlop review in advance of that so we can start to understand what the intentions of the UK Government are about some of the issues and relationships around the Scottish Government vis-à-vis the UK Government and what they are thinking about devolution? Luke Graham—I think we all know Luke pretty well—when he left was saying stuff like, “No more devolution, no interest in things like federalism”. Should the Scottish Government expect to be cuddled a bit more from UK Government or is it a continuation of the clobbering?

**Iain Stewart:** I would have to say in my experience—I have been a Minister since June last year—my engagement with colleagues in Scottish Government has not been about clobbering but very constructive working, be it on the City Deal programme, which you and I have spoken about on a constituency basis, or a very constructive dialogue with



## HOUSE OF COMMONS

Cabinet Secretary Somerville on the social security side. Behind the headlines, which I know excite politicians and journalists, there is very constructive working behind the scenes. Another one I would point to is the work between Sandy Begbie, Cabinet Secretary Hyslop and myself looking at the whole future skills and training agenda. I would not describe the relationship as clobbering. I do not know if I would go as far as saying it is cuddling, but there is a perfectly amicable and constructive dialogue that goes on on a whole wide range of policy areas.

**Chair:** It is maybe aggressive cuddling or a gentle clobbering we can look forward to in the future. We will leave that there. Thank you for that.

Q252 **Jon Cruddas:** Good morning to our guests. Could I return to international student fees and ask about the link to immigration policy? Some have highlighted the risk of falling numbers and given the example of Indian students and a 58% drop in numbers between 2010-11 and 2016-17. This Committee pointed out in 2018 the widely held concern that net immigration targets might make the UK look less welcoming and recommended that student numbers be removed from the figures. The Scottish Government also recommended this. The former Home Secretary, Sajid Javid, conceded there was a “perception problem” and suggested the Government might reconsider the issue.

As I mentioned, in 2018 this predecessor Committee published a report on immigration in Scotland, yet we are still awaiting a Government response. Why the delay? Is it possible that we might anticipate a response sometime soon?

**Iain Stewart:** On that report, I was not in office. If you will forgive me, I will need to check up on that particular point.

On the wider issue about attracting students, research staff and so on, we do have in place the Global Talent initiative, which is a fast-track scheme to encourage the brightest and best from right around the world to come. That was launched in February last year, I think. The Scottish universities are recognised as an approved institution as part of that programme.

The second point—and this is ongoing work—is the International Education Strategy, which is being headed up by Sir Steve Smith, former vice-chancellor of Exeter. That is looking at the whole piece of making the UK academically a hugely attractive place to come and work and study. I very much hope that the recommendations of this Committee can feed into that work, which is still under way and is due to conclude in the summer.

Q253 **Jon Cruddas:** We look forward maybe to hearing about when we might get a response.

Just specifically on immigration policy and net immigration targets, will international students be removed from the UK net migration targets?



**Iain Stewart:** That is a question I am afraid you will have to pose to the Home Office Ministers. I do not have direct policy responsibility for that. As I say, the Government's overall aim is to be open and attract the best from around the world. The Global Talent initiative is just one aspect of that. I will raise that point with my colleagues in the Home Office on the student numbers point.

Q254 **Jon Cruddas:** But you are not involved in any discussions about how the immigration system might be adapted to make the UK and Scotland more appealing to international students?

**Iain Stewart:** We are interested in the overall piece of making sure that we market ourselves and open up every possible channel to deepen those partnerships. That is, as I say, one of the ambitions the Turing scheme is designed to achieve. This builds on the great network of international co-operation that already exists in many universities in Scotland and indeed throughout the UK. It is that strength and still being part of Horizon, but looking beyond the boundaries of Europe to have those international partnerships with universities right around the globe. It is that network, those links that will bear the fruits in the future. You only have to look at the share of inward investment and research and development funding that Scottish universities attract from both the public and the private sector that put us in a very good place.

Q255 **Jon Cruddas:** I assume you do not want to comment about the perception problem, to quote Sajid Javid, in terms of the net immigration figures and international students being within that.

**Iain Stewart:** Our whole approach is global. We want to be global leaders in the key challenges that face the planet. We have COP26 in Glasgow. I had a really interesting conversation the other week with some of the senior people at Edinburgh University, who have what they call their One Health initiative, which is combining their veterinary science and human medicine research work to make sure that we have all the tools we need if, heaven forbid, there is another Covid-style pandemic, to identify that and try to stop it. They are working with universities around the world and the private sector to try to develop that understanding.

Q256 **Jon Cruddas:** I take your global point and the branding issues. On the specific point about what the Government might be doing to ensure that universities in the UK and Scotland remain popular compared to, say, Australia, Canada, the United States and the EU, which also offer courses taught in English, is there a specific focus on that?

**Iain Stewart:** It is a competitive place. All universities will want to attract students from right around the world and we have to be on our toes to make sure that we do not just rely on past successes to guarantee future success. Just to give one example of fresh thinking that is coming into play, very soon the Government will publish what is called the ARIA Bill, which is this blue skies thinking research programme to



encourage ideas that might be a bit riskier than past traditional appraisal models.

Our universities are well placed to benefit from a lot of these and it is through those sorts of initiatives that we will retain a competitive edge. You are absolutely right, one of the learning points from the Covid experience is whether that changes the model of university learning in permanent ways. Do you move to a more blended approach? My constituency is home to the Open University, which of course has many students in Scotland. Its numbers are going up and up because that part-time distance learning is of great value to some students. I suspect that the traditional campus-based universities will increasingly have to offer those sorts of products as well to meet what the students demand.

**Q257 Deidre Brock:** Good morning, Minister. It is nice to see you. I will start by asking about concerns that we have heard over the course of this inquiry from witnesses—indeed, at the time that the Higher Education Act was going through Parliament my colleague Carol Monaghan raised this as well—about the lack of any dedicated UK research and innovation board member representing the devolved nations’ interests. The concerns were pretty much pooh-pooed at the time by Ministers, but we are years later on from the Act passing and that is still the case.

I note from a recent National Audit Office report that examined the distribution of the Industrial Strategy Challenge Fund that it was shown to be, “unevenly spread across the UK with the majority being provided to the West Midlands, south-east and London”, which seems to suggest that Scottish higher and further education is losing out. What is your Department doing to make sure that Scotland’s interests are protected in such decisions? Have you taken up the issue of there being no devolved representation on that board?

**Iain Stewart:** The first point I would make is the figures speak for themselves. Scotland’s approximate share of the UK is 8% in terms of population or economic GDP, but through UKRI funding Scottish universities get 13%. They are punching way above their weight, so I don’t think there is a problem there to be solved.

I don’t think we should get into the position of allocating money purely on a geographic basis. It is the strength of the bids and the strength of the research programmes. In all the engagement I have with universities in Scotland, they are fizzing with ideas about future projects that will attract and continue to attract the lion’s share of investment.

**Q258 Deidre Brock:** I would certainly hope so, Minister. You are right, that is certainly very much the impression we have formed from the witnesses we have had to this inquiry so far.

In terms of that fund, which I think has gone over the last two or three years, Scotland only received 6.5%. I just worry that we do not have direct representation on that board with current on the ground knowledge of the needs of the devolved Governments and nations. Is there



something that you could do to perhaps push that with UKRI?

**Iain Stewart:** I will ask my colleague, Rebecca, to come in because she will have more of the detail. There is already strong representation of Scottish interests. As I said in response to the Chair's initial question, there is a very wide web of interaction of all spheres of Government in Scotland, the academic institutions and the different funding streams that are available. I genuinely do not think there is a problem to be solved here, that Scotland is somehow missing out. Quite the reverse, we are punching above our weight.

Q259 **Deidre Brock:** We certainly have been up until now, but the question has been raised by witnesses as well on that very matter of representation from Scotland. Ms Hackett, do you have something further to add?

**Rebecca Hackett:** Yes. I would just add that we work very proactively to encourage Scottish applicants to the board positions across UK Government agencies, but particularly focused on UKRI and Innovate UK, and it will be the same approach for the new ARIA agency that Minister Stewart referred to earlier. While there is not a specific board role that is allocated for individuals in Scottish institutions, we are very proactive in sharing information on forthcoming vacancies, working closely with colleagues in BEIS to get that information out there to Scottish stakeholders at the earliest opportunity, and working with stakeholders to connect them in if they are interested in roles. I think it is a proactive approach in terms of encouraging the best applicants from Scotland to apply for those roles. While there isn't a specific board member there, I know that Professor Sir Ian Diamond, who was formerly with Aberdeen University, does still join meetings of the UKRI board as chief executive of the UK Statistics Authority.

Q260 **Deidre Brock:** I believe he is an adviser now because, of course, he was national statistician, so as a civil servant he cannot take a place on the board. I suppose my point is that with something along the lines—and I think this has been suggested as well—of the BBC, there is a director of the nations and regions that represents those interests. It just concerns me that there was that drop in the funding round that I told you about and we would have to keep a close eye on that to make sure that that does not happen or continue to happen in future to our institutions' disadvantage.

**Iain Stewart:** May I just make an additional point, please? The UK Government have established, between the Department for Education and BEIS, a ministerial taskforce looking at the sustainability of research funding. My understanding is that Cabinet Secretary Richard Lochhead is a member of that. There is a direct input into looking at the broad future of research funding.

Q261 **Deidre Brock:** If Minister Lochhead asks for a place on that Committee to be created—



**Iain Stewart:** I think he is on it.

**Deidre Brock:** No, for the UKRI, to have a place for someone from the devolved nations that would be agreed to.

**Iain Stewart:** That is not for me to agree to or not. It is not my taskforce, but as I said earlier, I don't think there is a problem to be fixed here. What share Scotland gets in the future will be based on the quality of the bids and their research interests and capabilities. From the discussions I have had with universities around Scotland, that is not in doubt.

Q262 **Deidre Brock:** Great, thank you. I will return to the comments made at the start of the meeting on this new admission from the UK Government that they will be removing the ability from the Scottish Government to distribute what were Barnett consequential, which would have seen hundreds of millions of pounds distributed by the Scottish Government to local authorities and other bodies such as higher and further education institutions. Can I ask why the UK Government think that distribution from London, much further away from the situation on the ground, is an improvement on that?

**Iain Stewart:** With respect, I think you are looking at this through the wrong end of the telescope. This is all about local communities coming up with what they see are the interventions and innovations and solutions that they want for their local communities. This is a model that builds on the City Deal programme, where those ideas aren't determined by London or by Edinburgh, they are generated locally. That is what we want to encourage across the UK.

Q263 **Deidre Brock:** I appreciate that, Minister, but I am just wondering why the UK Government do not trust the Scottish Government to do as they have done in the past to deliver those. What is the thinking behind that?

**Iain Stewart:** As I say, it is real devolution. It is encouraging the grassroots to come up with the interventions that will often touch on reserved spaces as well. What is the best answer for their communities? It might be local authorities, it might be a partnership with universities or some other body. This is not replacement money, it is not taking any money away. It is complementary to existing funding.

If I can give you an example from my own constituency—because the Levelling Up Fund has its roots in part of the Towns Fund—we have a railway line reopening, the old Varsity Line. If that was in Scotland, it would be funded by Scottish Government through Transport Scotland. The Towns Fund is there to secure additional investment to maximise the benefits of that, so if a local community thinks, “Yes, if we had a regeneration or an innovation, that will complement some of that funding” we have this UK-wide fund that they can bid into. It is the same principle as UKRI. If a bid has the quality, the money is there to support it.



Q264 **Deidre Brock:** I am so pleased you brought up that Stronger Towns Fund, Minister, because you might recall I raised this with you the last time you appeared in front of the Committee. The National Audit Office report pointed out the shortcomings of that fund—hopefully since I brought it up you have had a look at it and digested it—and it highlighted what many saw as pork barrelling by UK Government Ministers. What is there to prevent that happening here? What have the Government learned from that episode and how will the Scotland Office be ensuring that that money is paid out in a very fair and very transparent manner?

**Iain Stewart:** First, I do not accept the premise of the question, that the Towns Fund is somehow politically biased or anything like that.

**Deidre Brock:** But the National Audit Office raised a lot of questions about it.

**Iain Stewart:** I am sorry, the facts do not bear that out. There will be the proper accountability mechanisms for this, as indeed in all Government spending. The City Deal programme has a very strong accountability structure around it. I gave evidence to the Scottish Parliament Local Government and Communities Committee on this point a month or two ago. Yes, there will be perfectly normal and adequate accountability and scrutiny of this as—

Q265 **Deidre Brock:** We will not see Ministers marking each other's homework again?

**Iain Stewart:** No, because there will be roles for independent parliamentary scrutiny of these, like all Government spending carries.

Q266 **Deidre Brock:** Good. Finally, the Secretary of State for Scotland was on "Good Morning Scotland" this morning and he said that Brexit is in the rear view mirror. Do you think that the thousands and thousands of people in our Scottish higher and further education sectors, our fishing and farming communities, our exporting businesses, and increasingly, as the TCA rules tighten, our importing businesses would agree with you on that?

**Iain Stewart:** We are here to talk about the university sector, so forgive me. I will—

**Deidre Brock:** That very much affects the universities.

**Iain Stewart:** Indeed, but I am going to limit my comments to that. We could have a whole separate discussion on Brexit as a whole. What underpins all this is that our strategy is to maintain good links with Europe, with our partners and friends, trading partners and academic links, and absolutely we want to continue that. Through, for example, the continued participation in Horizon we will do that, but we also have a global ambition.

This gets to the nuts and bolts: do you think that our ambitions end at the borders of the EU or are our best interests served by broadening and



deepening our links right around the world, with the fastest-growing parts of the global economy? My answer is the latter. Whether it is the Turing scheme or some of the other research and development that we want to see, I am absolutely convinced that Scotland's best interest is as part of that global British ambition and not just limited to the borders of Europe.

Q267 **Deidre Brock:** So Brexit is in the rear view mirror?

**Iain Stewart:** We have left the EU. We are through the transition period. It is in the rear view mirror. It comes down to whether you want to continue to refight old battles or you want to have a positive, constructive, forward-looking agenda. That is what we are doing and I hope others in British and Scottish politics do the same.

**Deidre Brock:** I am not sure many would agree with you, Minister, but we will leave it there. Thank you very much.

**Chair:** Things always look in the distance through the rear view mirror. I think that is what the saying is, but we will leave that there.

Q268 **Andrew Bowie:** Thank you, Minister. Unlike the previous member of the Committee, I do agree wholeheartedly with everything that you just said, which I am sure will not be a surprise or a shock.

Following on from what was just asked, why do you think the Scottish Government do not trust local communities and local authorities to take important spending decisions for themselves?

**Iain Stewart:** I think that is a very good question. What we want to see is real devolution, empowering the local areas to come up with the ideas that they think are best for regenerating, innovation and strengthening their local economies and civic society. One of the things I am doing at the moment with the City Deal programme is I am going back to some of the earlier deals. I have spoken this week with Aberdeen, Aberdeenshire—

**Chair:** Oh, no.

**Andrew Bowie:** That was just getting good, talking about Aberdeen and Aberdeenshire.

**Chair:** You had them on the racks there, Andrew. I do not know if there is more of a universities-related question. You can bring that back up with the Minister.

**Iain Stewart:** Sorry, can you hear me?

**Chair:** Yes, we have you back.

**Iain Stewart:** Sorry, I am not quite sure what happened there. The point I was making is that these local partnerships have developed into very important local networks, including the universities. There is a trend in university life that they are less and less ivory towers in isolation from the rest of the economy but an integral part in the future. Those local





## HOUSE OF COMMONS

networks coming up with solutions for those areas, but also developing export potential and sharing that knowledge through the rest of the country and internationally, I think is the way forward.

**Q269 Andrew Bowie:** Thank you, Minister. I am informed by the Chair I should ask a more universities-focused question, which is something he has not insisted upon with anybody else asking questions thus far, but I will get straight to it. Horizon in particular is massively important for Scottish universities, some £500 million worth of research innovation funding thus far coming through Horizon. How important is the UK's and, therefore, Scotland's membership of the Horizon Europe programme as we move forward?

**Chair:** He has gone again.

**Andrew Bowie:** This one might be able to be answered by Rebecca.

**Chair:** Did you hear the question there, Iain?

**Iain Stewart:** I heard the first part on the importance of Horizon.

**Chair:** Andrew, maybe put your question again to the Minister.

**Andrew Bowie:** Minister, thank you. Sorry, you keep dropping off. It is about the importance of Horizon. How important is it, do you think, for UK and Scottish universities in particular as we move forward and develop that relationship?

**Iain Stewart:** Horizon is an incredibly important scheme. We often get accused of taking a dogmatic approach, that if something has its origins in the EU, then it is intrinsically bad. That is absolutely not what we have done. We have taken a very pragmatic look. Projects like Horizon, which as you rightly say deliver enormous benefits, we actively wanted to remain part of. That is what we have done in the agreement. Indeed, there were some people who when it came to the crunch and the vote in Parliament voted for no deal, so we would not have been part of those schemes if their wish had prevailed.

It is not just Horizon. Whether it is Horizon or Erasmus+, it is easy to get too focused on individual schemes. It is what they enable beyond that. Looking at the partnerships that we can bring to the table through our links with America, the Commonwealth and the Far East, that augments these schemes. I think that is of value to the Horizon scheme as a whole. You could make the same point with CERN, the high energy physics research. These are international partnerships and we can bring a huge amount to the table.

**Q270 Andrew Bowie:** Definitely. It is hard to believe that there are people even on this Committee who voted for a no deal a few months ago, but there we are, given the benefits that it brings.

Do you worry, Minister, like some other people do, that our membership as an associate, as a third country member, will disadvantage us in comparison to those countries that are still full members of the European



Union?

**Iain Stewart:** No, I don't think so. I go back to what I just said. It is our international partnerships that we can bring to the table. There are lots of other countries that have the associate membership tag; Switzerland and Israel, for example. I don't see—and Rebecca can add to this if she has more detail—any problem, that that diminishes what they contribute to and benefit from. It is the strength of our research sector and our scientific sector that is the key point.

**Andrew Bowie:** I think the Minister suggested Rebecca might want to come in at that point.

**Rebecca Hackett:** Just to add to what the Minister said, there are some differences and we are still waiting for the full rules for the future Horizon programme to be agreed in Brussels, but based on past precedent there are certain rules on what associate members can do in comparison to full members in terms of leading consortia. It comes back to what the Minister said previously about the strength of the UK's offer in terms of research and innovation and that ability to bring in international partners, which is something that has really been recognised.

If you look at Israel as an example of a country that has huge strengths, as an associate member it has been able to play a very full role, similarly for Switzerland, Norway and others. We are very confident that the UK and the institutions across the UK will be able to play a very full part in the programme and benefit enormously. Having had that membership of the programme and the track record of participating, we should be in a very good place to do that.

Q271 **Andrew Bowie:** I have a last question for the Minister. I know we are not supposed to deal in hypotheticals and I know that politicians go out of their way to avoid them, but if, for example, Scotland was to at some point in the distant future vote to leave the United Kingdom perhaps before—or it may never—gaining membership of the European Union or programmes like Horizon, do you worry, as I do, about the hugely detrimental effect that that would have on our higher education institutions and our research institutions being outside not only the UK but the EU and vital programmes like Horizon?

**Iain Stewart:** That is a real worry. I think the last thing any part of the economy and society needs at this point is further uncertainty. We have already talked about how Scottish universities get a disproportionate share of UK research funding. If Scotland was separated, that would be lost. There would be huge unnecessary disruption as all these matters were haggled over. If anyone thought the Brexit process was difficult, that would be nothing compared to unpicking the bonds of a three centuries old highly successful union. I cannot imagine how that process would benefit universities in Scotland or indeed any other part of the country.

Q272 **Sally-Ann Hart:** Good afternoon to the Minister and your colleague,



## HOUSE OF COMMONS

Rebecca. I just want to probe the transition from the EU structural funds to the UK Shared Prosperity Fund when it comes to universities. I know that the EU structural funding has done a lot and a lot of universities rely quite heavily on that in terms of strengthening the economic and social imbalances between regions. I am wondering whether the UK Shared Prosperity Fund will perform a similar function to the EU structural funds as in a type of levelling up when it comes to university funding.

**Iain Stewart:** I would make three points in response to that. First, we still have what you might call the tail of the European funding, which will continue for a number of years yet for these multi-year programmes. I think I am right in saying—although I do not have the figures with me—the next financial year is one of the highest in terms of actual cash investment. That still continues. They are not just ending over a cliff edge.

With the Shared Prosperity Fund, I will need to beg the Committee's patience because I believe over the next few days, round about the Budget announcement, we will get more details of the structure of the Shared Prosperity Fund. That in itself comes in two parts. There is going to be a one-year transition programme leading to what you might term the full-fat version, which will be a multi-year programme starting in 2022-23 financial year and beyond. I am not able at this stage to preempt what might be in that announcement, but the details will come out in the very near future.

Q273 **Sally-Ann Hart:** Bearing in mind what you have just said, are the UK Government engaging and working with the Scottish Government yet to ensure the successful delivery of the Shared Prosperity Fund for Scottish universities? Or is it not engaged yet because we have not really come to grips with what the Chancellor is going to announce next week?

**Iain Stewart:** As I say, there will be an opportunity to engage, but the underlying principle will be the same. Whether it is City Deals or the Levelling Up Fund, we want this funding to come up from the lowest level possible to make sure that those moneys are being directed to the places that need them most and can produce the best outcomes. Forgive me, I really cannot talk in specific detail about something that has not been announced yet, but I am sure there will be plenty of opportunities to scrutinise that in the coming weeks and months.

Q274 **Sally-Ann Hart:** Regarding the repatriation of powers exercised by Brussels back to the UK Government, there has been quite a bit of noise about power grabbing. I know that Ivan McKee, who is Minister for Trade, Innovation and Public Finance in the Scottish Government, has described plans to distribute shared prosperity funding by the Internal Market Act as, "a power grab that disrespects the needs and interests of Scotland and the Scottish Government's powers and responsibilities". How do you respond to that? Why do you think the Scottish Nationalist Party feels like that?



## HOUSE OF COMMONS

**Iain Stewart:** I do not want to go down this route too much for fear of annoying the Chair, because we are talking about universities. I will just make the very simple point that the coming out of the EU has led to an enormous increase in the powers of the Scottish Parliament because a whole range of functions that were previously done at the EU level are now with the Scottish Parliament.

The Shared Prosperity Fund details will come out, but underpinning our whole approach is real devolution, and empowering and enabling those local areas—whether it is an individual local authority or a partnership of them—to come up with their economic strategies, which often involve the university sector. It is them coming up with the ideas. Some of that funding will come from the Scottish Government; some of it will come from the UK Government. It is all investment, and that is what we should be focusing on. That is the advantage, not which funding stream it comes through.

Q275 **Sally-Ann Hart:** I understand that there are about 67 posts in the Scottish Government currently diverted to dealing with the administration of EU grants, and that obviously will not all be to do with the administration of structural funding to universities. Obviously, there is an expertise built up that goes back quite a long way. Do you think that can be replaced by the UK Government in a timely and efficient manner and, if so, how?

**Iain Stewart:** This is one of the reasons why we are not introducing the Shared Prosperity Fund as a complete programme straight away. We have this first year, almost like a transition period because, as I mentioned earlier, the European funding does not just cut off straight away; there is a tail to it, and that involves quite considerable expenditure. We will be looking to incorporate all expertise. One of the things I am dealing with at the moment is taking a step back and looking at how the City Deal administration is working and how that can be complemented so that that knowledge, that experience, is not dispersed but actually augmented.

Q276 **Sally-Ann Hart:** Looking at the Scottish university funding, Scottish universities are heavily reliant on EU structural funds, for example, including the University of the Highlands and Islands. Bearing in mind what you have said, Minister, do we have any idea how the Shared Prosperity Fund will be allocated to Scottish universities, because they are quite reliant on that funding up to date?

**Iain Stewart:** Forgive me, the question is a little premature. I cannot really answer that at the moment and pre-empt what might be announced, but I am happy to revisit this with the Committee once we have that detail.

**Sally-Ann Hart:** Thank you. I have no further questions.

Q277 **Chair:** There is one little thing, and I am sure it was totally inadvertent in



## HOUSE OF COMMONS

Sally-Ann's case. It is the Scottish National Party. I do not think it helps anybody to misname political parties on this Committee, and I am sure the Minister would never think about doing this. I know we have to correct the Prime Minister all the time, but parties have particular names and I think we should use them, if that is all right.

**Andrew Bowie:** Mr Chairman, sorry, can I cut in there? I completely agree we should get the names of political parties absolutely right, so can we ensure that we use the name "the Conservative and Unionist Party" for the name of our party moving forward and not "the Tories", as is sometimes used in conversation?

**Chair:** Thank you. Sometimes you refer to yourself as such, though, Andrew, but we will try to do our best with that.

Q278 **Mhairi Black:** I am conscious that the Minister said that he cannot give us an awful lot of detail because there is going to be a statement in more detail published in March, but I was reading through the briefing, and in the 2019 Conservative and Unionist Party manifesto, the Conservative and Unionist Party reiterated this pledge that committed to, "at a minimum to match the size of [structural] funds in each nation". Is that still the case?

**Iain Stewart:** As far as I am aware, yes, but as I say, I am not in a position to pre-empt what will be announced. If it is helpful to the Committee, once that detail is announced, if you wish to write to me with further questions on it—or it may be more appropriately directed to my colleagues in the Treasury, whatever you think is most appropriate—I am very happy to respond.

Q279 **Mhairi Black:** That is helpful, thank you, Minister. I was going to ask for a bit more detail about how this fund is going to work, given that different Ministers can procure money towards different people. I probably will take you up on that offer and write to you at some point if that is okay.

Taking in your answer to Sally-Ann Hart, to quote Ivan McKee again, he was making the point that there is a long history of well-built networks within Scotland right now, within the local communities, through the devolved settlement as to how the EU money is divvied out, so to speak. One of the things that Ivan McKee said was, "Despite Scotland's long history of successfully delivering EU structural fund programmes...the UK Government is intent on...setting aside years of experience and forging ahead with its own as yet largely unknown agenda." Given that you cannot come with a lot of answers here today about the details of this, can you disagree with anything that he said there?

**Iain Stewart:** What I would point to is, as I have already commented on in answer to other questions, what is really important—what is delivering—are, on a local and regional basis, very powerful networks of local authorities, private sector, universities, and other parts of the economic community, on identifying what investment needs are there.



That involves partnership with the Scottish Government. It involves partnership with the UK Government. It is increasingly international. For example, earlier this week I had a very useful meeting with Susan Aitken, the Leader of Glasgow City Council, looking at the Glasgow region networks, which includes Renfrewshire, and how they are working, a very powerful network developing the needs of the city region in Glasgow, very maturing structures that were not there before. Off the top of my head, there are eight local authorities as part of that deal, and initially there was some suspicion that, say, South Lanarkshire is losing out because the money is going into the centre of Glasgow. There has been a maturing of the relationships there, so they know that an investment in one part—maybe it is the metro link to Glasgow Airport—would benefit the whole region.

What we are looking to do is to help those networks develop, and it is in partnership with the Scottish Government, the UK Government and a whole range of others. I think that is the solution to identifying and delivering the future opportunities.

**Q280 Mhairi Black:** That is helpful, but it is also quite at odds with some of the other evidence that we have heard, though, in that there has been very little consultation, particularly no consultation with stakeholders or with the Scottish Parliament. Is that wires getting crossed or is it that there is something going on there?

**Iain Stewart:** I am not sure what evidence you are pointing to. I have not seen that myself. I can only point to work I am doing and my colleagues are doing to nurture and develop those local and regional relationships.

**Q281 Mhairi Black:** Thanks, I appreciate that. Lastly then, some of the structures for how this money will be passed through are laid out in the United Kingdom Internal Market Bill. This Bill gives Government Ministers the power to make payments to any person across the UK for the purposes of economic development. What will the criteria be for who is eligible to be given that money? Reading that the way I have just said it, you could have Government Ministers giving 12 year-olds money for a lemonade stand. What is the criteria there?

**Iain Stewart:** The whole ambition is—particularly in response to Covid—to help communities rebuild and innovate from the Covid period and address some of the longer-term challenges that we have economically in regard to climate change. It is not a restrictive ambition at all. Again, we will see further details emerge about the exact structure of these, which I will happily come back to you and comment upon, but it is a little premature for me to—

**Q282 Mhairi Black:** If I could have one final quick question, given that the networks already exist, as we heard in the previous question as well, the 67 posts in Scotland currently, where we have expertise in how this money can be best used, why have this Government gone to the effort of



## HOUSE OF COMMONS

broadening it to any person across the UK for purposes of economic development? It seems strange not to use the networks that are already working and to create a whole new set.

**Iain Stewart:** We are not looking to create a whole new set. Through City Deals and others, we have those partnerships. We are well aware of the strong structures that are already in place with regards to university funding. It is an evolution of these. If you will forgive me, underlining your questioning is that investment from the UK is somehow bad.

**Mhairi Black:** No, no—

**Iain Stewart:** This is investment coming in, and we are trying to empower local areas to develop the solutions that they want to see. We are already seeing it coming through in many areas.

Q283 **Mhairi Black:** I completely appreciate the point that you are making. Just for the record, I do not think that UK investment is a bad thing whatsoever. My concern is that if we have these networks that already exist, and if the UK Government are not intending to build a new structure, then what is the detail that we are awaiting the Minister—

**Iain Stewart:** Networks evolve. If you look at the City Deal networks, they are in a very different place now to when they started off five or six years ago. One of the reasons I am having these conversations with the deals that are at a more mature phase is to see what lessons can be learnt. I am perfectly happy to have further discussion on this once more detail is available, but I am not trying to reinvent a wheel or set up something that is completely at odds with what has gone before. It is learning from what has worked and how we can develop that. I think Rebecca could add a little—

**Chair:** If you do not mind, I am conscious to let you away at 1 o'clock and we have two other Committee members who are keen to ask questions. Just for the benefit of the Committee, that will be Wendy, to be followed by Douglas. We have 15 minutes or so left, so could you both be conscious with your time? Wendy has very generously said she would ask a couple of these questions. Could you combine them, Wendy?

Q284 **Wendy Chamberlain:** It is very nice to see you, Minister and Ms Hackett. I am just going to cover some of the ground that the Chair touched on at the start of the meeting in relation to Erasmus and Turing.

One of the striking things for me is the fact that the Government did seem to change their decision in relation to our participation in the Erasmus scheme at quite short notice. I would be keen to understand what assessment was made in relation to the cost to Scotland of the Erasmus scheme. I am particularly conscious of the fact that we obviously overindexed in terms of both our participation and funding that we received from Erasmus. That is my first question: what was the assessment that took place?

My second is: did we actually think about the economic impact and loss



## HOUSE OF COMMONS

of the inbound aspects of Erasmus? I speak as the representative of a constituency where the University of St Andrews doubles in size with its student population, so it is very important for the local economy as well.

**Iain Stewart:** Thanks, Wendy. I am well aware of St Andrews, having spent most of my childhood holidays there.

The possibility of staying part of Erasmus was a central part of the negotiations all the way through. I am not saying you have alleged, but others have alleged that we ruled it out from the start because it was European and, therefore, bad. We took an objective look at the cost. Of course, Erasmus itself is moving into a new phase. As a scheme, it has evolved constantly since it came into existence, I think, in the 1980s. We had to look not just at what Erasmus currently does but what it, in its latest iteration, would do. I do not have figures with me, but the judgment that was made by the negotiators was that it did not represent best value for money, but through—

Q285 **Wendy Chamberlain:** Did the Scotland Office have an input to that, given the overindexing of Scottish participation?

**Iain Stewart:** Of course, yes. Well, not with me personally. That is the Secretary of State's discussions at the Cabinet table. The judgment was that we could achieve the same benefits with Turing, looking at the global reach of it to widen participation in it, to include further education students as well. You should not look at Turing in isolation. As I also referred to, we have this international education study looking at the inbound element of it, and that work is still ongoing. That is the one that is led by Sir Steve Smith, looking at the international marketing and attraction and inbound students and researcher basis. That work is ongoing.

Q286 **Wendy Chamberlain:** Yes, but to turn it back on you, Minister, we certainly should not think about Erasmus in isolation either, because clearly universities, including St Andrews, have international reach far outwith Europe as well.

The second bit I want to touch on, because I am beginning to be conscious of time, is that you will know that both the Scottish Government and the Welsh Government have indicated a desire to stay within Erasmus. Although Ms Hackett mentioned the EU Commission's position, my question is: if the EU Commission changed its mind, what would be the UK Government's position? Obviously, we are all very conscious of the fact that Northern Ireland is continuing to participate in the programme.

**Iain Stewart:** My point would be that Scotland would be paying twice: first for the Turing scheme and then for Erasmus. I do not think it is a nationwide scheme, and I think we are at a very early stage with Turing. When the full benefit and the detail of it is there and comes into practice—of course, we also have the interruption at the moment with the Covid situation. It is very difficult to assess one and the other when





students are not able, under any scheme, to properly travel. Of course, Turing can be evaluated in the fullness of time and could evolve into something else, but the ambitions for it, I think, will both capture the benefits of Erasmus and extend them in the ways that I have indicated.

**Q287 Wendy Chamberlain:** Finally then, Minister, moving on to that, 2,000 students on an annual basis took part in Erasmus, and the UK Government are expecting 35,000 to participate in Turing this year. Do you have an estimate of how many that would be in Scotland?

**Iain Stewart:** I don't, because it is not allocated on a geographic basis. My understanding, and I will need to check with my colleagues at DfE, is that it is going to be for each institution to bid in and satisfy certain criteria, like how this widens participation. I do not want you to misquote me in saying that Erasmus is just for the privileged—of course, there are people from all backgrounds who benefit from it—but when you look at some of the studies like the Social Mobility Foundation has done, it is not reaching as deeply into society as it could. That is going to be a central criterion against which bids will be based. I think it is a little early to say how that is going to be distributed.

**Q288 Wendy Chamberlain:** You talk about that wider aspects part. In fact, in response to the Chair you said that part of widening access was schools and colleges, but schools and colleges could participate in Erasmus. If it is not schools and colleges, who is eligible for Turing that was not eligible for Erasmus?

**Iain Stewart:** I understand the latest iteration of Erasmus does include schools but not further education colleges. Forgive me if I have that wrong, but that was not my understanding. I suppose, in some respects, Erasmus had a leaning towards the language side of education, but we want it to be across all sectors. If my friend studying aeronautical engineering at Glasgow wanted to go to Seattle, which might have a partnership with Boeing, it opens up and has a more nimble scheme to take advantage of those links.

**Q289 Wendy Chamberlain:** Are you aware of any areas that did qualify for Erasmus but would not qualify for Turing, if I turn it the other way?

**Iain Stewart:** Not in terms of UK students, I don't believe. Forgive me, I am not an expert in the nitty-gritty.

**Q290 Wendy Chamberlain:** Yes, but obviously youth groups were eligible for Erasmus as well, so I suppose the point I am trying to make is that on wider access, for me, Turing is potentially going to reduce the access.

I can see the Chair looking at me, but the last point I wanted to make was, first, has the Scottish degree format been considered within Turing, being a four-year programme? Secondly, I am conscious there is still no application guidance available on the Turing scheme website as of today. Thirdly, what assessment has been made of the additional cost for students around visas and potentially needing to have a bank account



## HOUSE OF COMMONS

with money in it? What other moneys up front have the Government taken into account? From that wider access perspective, I am very concerned that those additional costs have not been fully taken into account.

**Chair:** Very briefly, Minister, because we want to get Douglas in.

**Iain Stewart:** Sorry, very briefly, I can certainly write to you on some of the practical aspects—

**Wendy Chamberlain:** That would be helpful, thank you.

**Iain Stewart:** —but it is still in its development stage. I know there is some information that came out earlier this month on the website, but I can certainly provide you with further details on the practical points you raised.

**Wendy Chamberlain:** I am just concerned that we are going to end up with less people applying: March application; do not know if institutions are going to have funding until July; we are expecting people to start in these programmes in September. Thank you very much, Minister. Thank you, Chair, for letting me speak.

Q291 **Douglas Ross:** If I could just apologise to the Minister and Ms Hackett as I did to the Committee, I had connection issues at the start, so some of these points may have been addressed.

I just quickly want to follow on from Ms Chamberlain's points about Erasmus. Does the Minister agree with the evidence that we ultimately got out of the Scottish Government Minister? He was trying to say at the beginning that the Scottish Government, if they were negotiating, would have remained in Erasmus regardless. Ultimately, all Governments would have to make a decision about the financial obligation of remaining within a scheme. If it simply was not financially viable, the UK Government were right to look at alternatives. Therefore, the Scottish Government would have done the same if they were in that type of negotiation.

**Iain Stewart:** A very good question. I have had connection issues in this meeting as well, so I have missed a little of it.

You are absolutely right. We did not take a doctrine-based, biased view of all these schemes. We took a very pragmatic look at what was the best value mechanism for achieving the objectives we want. It is not in question the value of having these international links; of course not. It is how we extend the benefits, reaching Commonwealth countries, the Americas, the Far East, which Erasmus did not cover, widening the participation and having a nimbler scheme. I cannot remember the exact minimum timeframe, but not all students necessarily want to spend a whole year or a whole term. We also need that greater flexibility to underpin many of the links that universities already have outside Erasmus that Turing will be able to bolster. I think we have a product here that will achieve the same benefits but in a more cost-effective way and extend the advantages that we want to see.



## HOUSE OF COMMONS

Q292 **Douglas Ross:** To move on to the proportion of UK research and development funding that is spent in Scotland and goes to Scottish universities, I know Ms Brock asked about this, but could you set out, so we can have it in our evidence, the benefit that Scottish universities get from this UK-wide funding and support?

**Iain Stewart:** Yes, absolutely. As a proportion of the UK, Scotland is approximately 8% when it comes to population or economic GDP. The Scottish universities get 13% currently of all UKRI funding. If you look at the foreign direct investment from private sector, it is considerably high as well. There are going to be huge new opportunities for Scottish universities. We have touched on the new ARIA scheme, which is the real blue-skies thinking, coming up with those life-changing, world-changing innovations. Scottish universities will be a central part of that. If we did not have the UK, that source of funding would not be available. I think we have a very strong record and enormous opportunities in the future.

**Douglas Ross:** Thank you, Minister. I appreciate getting that on record. Because it is such a success story, now we have that on record in the evidence, that will certainly form part of our final report, so I am grateful for that. Thank you.

**Iain Stewart:** Thank you.

Q293 **Chair:** As promised, Minister, we got you to the end of the session before 1 o'clock. Thank you ever so much for your usual constructive and genial approach to taking questions from this Committee. What we will do, I think, is explore the possibility of getting improved broadband put in at the Scotland Office so we do not have some of these technical issues again in the future. Regardless, I think we got through everything that we needed to ask. We are very grateful for your attendance today and you are always welcome in the Scottish Affairs Committee.

**Iain Stewart:** I do apologise for the gremlins in the system, but if I have missed any questions that you or your colleagues feel you did not get an answer to from me, by all means write in and I will do my best to reply.

**Chair:** You were more than elegantly covered by Ms Hackett who took up some of these questions. Thank you, Rebecca, for helping out when you were called upon to do that. Thank you both for attending today.