

Education Committee

Oral evidence: [The impact of exiting the European Union on higher education](#), HC 683

Tuesday 7 March 2017, University of Northumbria

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[Watch the meeting](#)

Members present: Neil Carmichael (Chair); Marion Fellows; Lilian Greenwood; Catherine McKinnell; and William Wragg.

Questions 131-193

Witnesses

Shirley Atkinson, Vice-Chancellor, University of Sunderland; **Professor Tony Stevenson**, Deputy Vice-Chancellor, Newcastle University; **Professor Andrew Wathey CBE**, Vice-Chancellor, Northumbria University; **Alastair Sim**, Director, Universities Scotland; and **Dr Peter Simpson**, Director, N8 Research Partnership.

Written evidence from witnesses:

- [University of Newcastle](#)
- [Universities Scotland](#)

Examination of Witnesses

Witnesses: Shirley Atkinson, Professor Tony Stevenson, Professor Andrew Wathey, Alastair Sim and Dr Peter Simpson.

Q131 Chair: Good morning, and welcome to our final session on the Brexit implications for the university sector inquiry. It is great to be here in Newcastle. One of our themes has been to make sure that we look at all types of universities and have a good regional spread, and we have done that by coming here today. Thank you very much to the university for hosting this event. I can tell you, without fear of contradiction, that this is the biggest room that we have ever held a session in under my chairmanship. It is because I am a Northumbrian myself by birth that I am really pleased to be here, and Catherine is obviously a local MP as well, so it is good to be here.

A couple of housekeeping observations: one is that this is going to be broadcast. We are effectively being broadcast now, so that means we don't take video pictures. I am really talking to the audience now. We don't take photographs and we don't record because we know that the BBC will be playing this for decades to come.

The other point is that we have just one panel but it is a very strong panel because you are basically representing three universities here, so that is absolutely fabulous. The purpose of today is to focus on some of the issues that have cropped up but, predominantly, to ask a few questions about the regional issues, the impact on this region and on other regions and, indeed, devolution—we want to see if that is something that we might want to probe—as well as the obvious one such as financial implications for the sector, strength of the existing courses, the likelihood of those courses continuing, relationships, networks and everything else that will be affected if and when we leave the European Union.

To start off, I would be grateful if you could introduce yourselves and say which organisation you are from, starting off with Andrew who I know is basically our host.

Professor Wathey: Thank you very much, Chair. My name is Andrew Wathey and I am Vice-Chancellor and Chief Executive of Northumbria University.

Shirley Atkinson: Good morning. I am Shirley Atkinson, Vice-Chancellor and Chief Executive of the University of Sunderland.

Professor Stevenson: I am Tony Stevenson. I am the Deputy Vice-Chancellor of Newcastle University.



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Alastair Sim: I am Alastair Sim. I am the Director of Universities Scotland, which is the representative organisation for Scottish university leaders.

Dr Simpson: I am Peter Simpson. I am the Director of the N8 Research Partnership, which is the eight research-intensive universities of the north of England.

Q132 **Chair:** Thank you very much indeed for that. That is very helpful. We have only one panel, so you are going to be here for about two hours, so enjoy it.

The Government are busily preparing the way to trigger Article 50, subject to whatever happens in the House of Lords this week—in fact today. We may or may not know exactly what the timeline is going to be, but the Prime Minister is certainly keen to get things under way by the end of March. That is this month. How confident are you that the Government's plan for Brexit will result in a good deal for higher education, Andrew?

Professor Wathey: I think we can take some confidence from the steps that have been put in place as part of the transition. The Prime Minister's speech in January was welcome. We are still waiting for some of the detail there but there were a lot of good signs in there, particularly welcoming is the strong role played by talent and by universities.

There are some urgent things still to be resolved and can be quite easily resolved as part of the transition. Those would include confirming the right to reside and work in the UK for EU nationals who currently work here. That would be one. Then another would be confirming that EU students starting courses in 2018-19 would continue to be eligible for Student Loans Company funding for the duration of their course, as indeed was confirmed for 2016-17 entrants last year.

Then I think we get into questions about research funding. That is not only a matter of transition but also access to networks, as I know you are aware, and then there are some domestic things also, including regulation where it is important that we can still continue to operate when we are out of Europe with EU partners.

Q133 **Chair:** Does anyone have anything to add to Andrew's list? Tony?

Professor Stevenson: The only thing I would add to that would be either a continued participation in Erasmus+—and someone needs to make a quite rapid decision because in September 2017 we will have the first cohorts of students who will go out if the trigger happens in 2019, so we need some urgent clarification about whether we are in Erasmus or not—or is there some other scheme that we are going to have to develop.

Q134 **Chair:** We are going to explore that later on in the morning but that is a very good point. Thank you. Anyone else? Alastair?



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Alastair Sim: I think one of the points that has come up for us as well is early certainty, not just about the right to reside of people who are already here as staff or students but what their access to public services may be post Brexit. I think that is an area of uncertainty that is troubling some families.

Q135 **Chair:** Do you think the Government have basically taken into account all of the things they should take into account in connection with the university sector and do you get comfort from the White Paper, Shirley?

Shirley Atkinson: Yes, if I may just add to what my colleagues have said. I think those are the functional and immediate issues that need to be tackled, but there is a wider issue about the reputation of British universities in the world now as a result of the Brexit vote. Unfortunately, it is being played back in some quarters as Britain not being open and prepared to share, not interested in having mobility of students or staff, and the longer-term implications of that kind of reputational damage needs to be picked up. I am sure you will come on to it later but, set alongside some of the implications of the Government's immigration policy, I think we are heading into a little bit of a difficult period.

I agree with everything that Andrew has said and the Government are to all intents and purposes preparing well, but I think the longer-term implications really need to be thought about a bit more carefully. Higher education is not the same as a car manufacturing plant where it is obvious and clear what the implication is straight away. It is about connections, people, reputation, collegiality and working across the world in a safe space. Sadly, the Brexit vote has just put a question mark over where we sit in that set of activities, so I would be interested in the Government taking a longer term view of what is not immediately visible but will have long-term implications.

Q136 **Chair:** Yes. We will be testing that as well a little bit later but I am glad you put it on to the agenda now. Peter?

Dr Simpson: Yes, just to support that, there are two aspects of the Brexit issue, one of which is the negotiations that will happen behind the scenes. The second is the public face the UK Government are presenting. There is a significant concern around the tone with which international students and international individuals coming to the UK are being referenced by Ministers and the impact that has. It is worth pointing out that the vast majority of the international students at our universities are not from the EU and, therefore, to some extent not directly affected by Brexit, but the tone and the language that is being used will cause them to think twice and thrice as to whether they want to come to the UK. The high quality students clearly have other options and it is not just whether we will allow them into the UK but whether they will be welcomed into the UK.

Q137 **Chair:** There is of course a risk that no deal is arrived at with the European Union institutions, and indeed with the 27 nation states, so



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what contingencies do you think might be necessary to deal with that potential outcome, Andrew?

Professor Wathey: Some of the things that you would want to see supported were there a deal, you would also want to see supported were there no deal. That includes particularly EU research networks and I think also taking the opportunity that that situation might present for a thoroughgoing review of the immigration landscape. Those are opportunities that would apply in any case.

In terms of specific contingencies, there would need to be support for research. We have already seen some of that in the autumn statement. There would also need to be support for innovation to drive economic growth, but it is not only about the money. It is about the networks that help drive reputation and then chasing through some of the second, third and fourth order consequences of exit, including local regulation. There is a question about the Newcastle airport and the point at which the Government will get to looking at the landing tax issue relative to Scotland. Those are things that will impact on universities as well, so I think there is a joining-up piece around all of that.

Q138 **Chair:** Any other comments before we move on? Yes Alastair.

Alastair Sim: One would hope for an agreement with the European Union. If nothing were forthcoming, it would be incumbent on the United Kingdom to be unilaterally as open and generous as it can be about the mobility of talent so that we can continue the staff and student talent from the European Union that is so essential to our existence as collaborative and open institutions.

Shirley Atkinson: I was going to add the issue about students and student mobility, and it is about students being able to travel overseas as well. I think it would be good to see something around that if we fail to negotiate a satisfactory exit.

Chair: Thank you very much. We have set the scene, so Lilian is going to explore the financial impacts.

Q139 **Lilian Greenwood:** Budget week, so everyone is very conscious of the risks of Brexit. The first question is: is Brexit a bigger financial risk to certain groups of universities, whether that is newer universities or universities in particular regions or the devolved nations? Who wants to start?

Professor Wathey: It is certainly true that there are more EU students in London in particular and in the south-east, and so you could see a greater exposure there. There is a question about the impact, particularly when EU students cease to be eligible for Student Loans Company funding and the ability not to pay a fee upfront is removed. That is probably the biggest potential risk around money.



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I think the impacts are likely to be differential—as you suggest—both across the sector and also across the UK's geography. There are reasons to think that if a very popular institution sees a big decline in EU students then they will seek to replace them with, say, UK students and that might have knock-on effects elsewhere in the sector. Alongside this, there is also a substantial attractiveness of place, and Newcastle is regularly voted as a very strong student city. There is an important piece about the attractiveness of place that applies across the board whatever type of institution we are talking about.

Professor Stevenson: You have already seen examples of some southern universities that had quite large declines in home students as a consequence of the freeing up of the home student market. I suspect what Andrew has just described will exacerbate that even more where the strong players will go for more home students, assuming that there are no home student controls going forward.

Shirley Atkinson: If I might just add to that point and then move on a tiny bit, I think we have to look at everything that is happening in the higher education sector at the moment to get the sense of what the impact might be. We have the decline in international students, with 43 universities recording lower international students. There will be a decline from Brexit: students not being able to access student loan support, so a contraction there in a period when we have significant demographic decline in the UK among 18 year-olds. There is pressure on student numbers from all quarters.

We have the Higher Education Bill going through at the moment, which is opening the market to new providers. We are in a very complicated landscape, so you cannot isolate Brexit. I think looking at the whole panoply of activities going on in higher education is the thing to do.

I would add that besides the student impact, the impact on the loss of ERDF and ESF funding is particularly difficult in this region. My institution has benefited from both types of funding; in particular the ESF funding that is helping with graduate internship schemes. They are profoundly important. We often use the ERDF funding as match funding to release other government pots of money. Without the ERDF as match funding it makes it difficult to acquire capital investment, so I think that is another issue we need to think about.

Alastair Sim: The impacts across the diversity of the Scottish university sector will be diverse, but I think it will be profound in different ways in a whole range of institutions. We lever in about £95 million a year to Scotland from EU sources, roughly about 10% of research income. The loss of that would be a major impact. It would be a major impact for us and foremost on the research-intensive universities, and some of the research-intensive universities are most heavily dependent on EU staff. I think in Edinburgh about a quarter of academic staff are of EU citizenship.



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The impacts are much more diverse than that. Across the sector, to varying intensities at various universities, EU students are an important part of the mix, in some cases reaching up to 20% of the student body. Unless we have managed some way of moving forward that enables us to continue to attract EU students in sustainable numbers, then there are going to be genuine difficulties in sustaining particular subjects that may have a high concentration of EU students and financial challenges as well. Overall, we are looking for as close a relationship as we can that maintains the flow of staff and student talent and maintains our participation in European research networks. We would like to see a Brexit outcome that provides that.

Q140 Lilian Greenwood: What sorts of subjects might be particularly vulnerable?

Alastair Sim: It doesn't neatly divvy up, but if I can give you a few specifics. We looked at subjects where there was a really high intensity of students from EU countries: in genetics about 27% are from the EU, which is a really strong area in Scotland; in artificial intelligence it is about 40%; possibly less surprisingly, Scandinavian studies is 33%. When I was looking at some of the specialist institutions, like Glasgow School of Art, they have also been hugely successful in attracting a strong cohort of EU students to the creative disciplines, and we need to somehow maintain that openness to talent.

Dr Simpson: I support all of those things. The broader impact is also not just on the universities but on the regional economies. Some parts of the UK have more resilient economic bases and are going to be affected less. It is worth pointing out that international students contribute off-campus spend and support thousands of jobs in the north. It is not just the impact on the universities; it is a knock-on impact, both on research that drives economic growth but also on the local spend across a diverse range of businesses. If the students aren't there they are not spending the money and the jobs aren't there as a consequence.

Q141 Chair: That is an interesting point because, of course, you have three universities—represented by the five of you—in a relatively tight urban area, so presumably you would say the footprint of the university sector is pretty big here, for example.

Professor Stevenson: We just published a little economic impact of Newcastle University, and I think we are the fourth biggest employer in the region and we have an £800 million impact of GVA in the region. That is the northern region and it is general. That is out of just over £1 billion across the whole of the UK, so very significant and I suspect the other two are very similar.

Shirley Atkinson: Yes. In Sunderland we have an incredible footprint with strong international flows of students, a significant GVA contribution supporting a number of jobs within the city and the region. They are very significant to our economy.



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Professor Wathey: Likewise with Northumbria. There are something like 24,000 students in Newcastle and, alongside the money that the university spends, they make a big contribution to the local economy and more broadly across the north-east. Universities UK published some material yesterday. International students, not EU students, bring something like £0.5 billion into the north-east per year. There is a very substantial economic impact.

Q142 **Lilian Greenwood:** That wider economic impact is hugely important, but just focusing on the universities themselves, the Vice-Chancellor of Bristol said that in his opinion universities could close due to Brexit, especially the lower one-third. Do you think universities are really that vulnerable?

Professor Wathey: Whether a university will close is really a separate question because there are likely to be other options open to management. If you look at the number of students who take out loans currently, who are supported through the loans system, of those who entered the system in 2015 it is about 19,000. You could say that that is the size of a decent sized university, but I think it is a big jump from that to say that one drops off the end of the conveyor belt or at the end of the line each year as a result.

Shirley Atkinson: I have to say I don't quite understand what the lower third of universities means. I don't know which ranking he is referring to there.

Lilian Greenwood: Perhaps it is a reference to the Teaching Excellence Framework, just for the record.

Shirley Atkinson: Moving away from that and going back to the point I made earlier, I think as a university we are not just looking at one particular impact. We are looking at a whole series of impacts that could have a major impact in totality. I am not sure whether it is Brexit that triggers that kind of catastrophe. It may be a whole series of other things that put universities at risk rather than Brexit on its own. Every university will have its own profile of students, funding, research. It is not about the type of university but the activities that they have, the programmes, where they have looked for students in the past will dictate how much reliance they have on Europe.

Q143 **Lilian Greenwood:** Do you think there is a vulnerability, though, Shirley, when you take all those things together?

Shirley Atkinson: When you take all those things together, there is a vulnerability, yes. I am not saying that for one minute I would presume that an institution might close, but what it does mean is that we will see contraction within the sector and we see universities having to make decisions and choices about what they do in future.

Lilian Greenwood: Does anybody want to add to that? No.



Q144 Catherine McKinnell: We have taken evidence right across the country: London, Oxbridge and the north. You have described a whole range of vulnerabilities, but do you think there are particular factors that need to be considered in different parts of the country? While there are a whole range of factors that affect right across the university sector—and Professor Wathey, you mentioned the proximity to Scotland is a factor also—it is helpful to understand what particular aspects impact this particular region or similar regions, as opposed to other parts of the country.

Dr Simpson: As a general principle, some of the major universities you will have spoken to in the south-east have large financial endowments and a degree of financial security that is not present across the rest of the UK higher education bits. Research income from N8 universities brings in £126 million a year from EU sources. It is not the case that you can take that £126 million out and things will carry on regardless and ditto for 20% of research staff and 5% of students. The difference is almost London and south-east is the outlier. I suspect the impact across much of the rest of the UK would be similar. It depends a little bit on the financial security and stability of individual institutions, but all of the institutions rely heavily on EU staff, EU funding and EU students.

Alastair Sim: From the Scottish point of view but I think it is also of wider regional relevance—and one would like to explore the potential for regionally differentiated solutions. In particular, when you look at high talent migration, the social and demographic dynamics of so much of the rest of the UK outside the south-east is crying out for more talent. Our demographic is increasingly of an ageing population, a diminishing proportion of the population being of working age, of some real skills gaps that we need to fill.

There are good arguments—and we have had this periodically before in the United Kingdom—for having differentiated policies to say, “You can come and work in this part of the United Kingdom where there are real skills gaps that need to be filled and we are trying to attract talent”. Other countries do that.

When we were giving evidence to the Smith commission a couple of years ago, we pointed out that in Canada there is a scheme called the Provincial Nominee Program where, against a background of the overall Canadian immigration system, provinces can say, “We have demographic and skills needs in these particular areas and we can offer, within the overall immigration policy, visas over and above those that you might get, say, to go to Toronto or Montreal”.

Q145 Lilian Greenwood: Alastair, can I follow up about Scotland’s position? Potentially, Scotland could introduce fees for EU students, and it is estimated that Scottish universities, if they introduce fees of that sort, could raise between £58 million and £128 million a year. Does that put Scotland in a strong position after Brexit?



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Alastair Sim: I think you have to consider the elasticity of demand. To be blunt, there are two things that make demand from EU students for Scottish higher education buoyant. One is that obviously it is an excellent university system. I think students coming from continental Europe particularly like the focus on the individual student. Very few of them will drop out as compared to what is typical in a range of continental university systems. Also, bluntly, they don't have to pay upfront fees. That is a major part of sustaining the level of demand.

You cannot assume that if you suddenly charge them a fee the same numbers will come. The numbers would drop if you charged a fee. We are exploring options with the Scottish Government for what the future fees regime for European students might be. I think in the long run we would like to discuss the possibility of something that differentiates EU students from the wider international population, so that we can maintain a close relationship with our neighbours on a basis that is financially sustainable but that still maintains a good flow of EU students.

In the shorter term, what we are pressing the Scottish Government for is to ensure that, for the cohorts of EU students who may still come in before Brexit, we can give them an assurance that, for the duration of their course, their fee status will be protected. There is some urgency about that because prospectuses are about to come out and at the moment we cannot tell them what their fee status will be beyond Brexit for coming into universities in 2018-19 and beyond.

Chair: William, you are going to be talking about the sustainability of courses.

Q146 **William Wragg:** Indeed. Good morning, everybody. Linked to Lilian's question—hers was a broader one about the financial sustainability of universities—I want to ask about the sustainability of individual courses within the universities you represent. There is a potential that, with a reduction in the number of EU and international students, there could be a skills gap in particular disciplines. Are you concerned about the sustainability in future of specific courses at your institutions, and, if so, how could the Government ensure that this is avoided? If we start with Andrew, please.

Professor Wathey: This is a familiar issue and there has been a fair amount of commentary in the past about how some courses in some universities are sustained very substantially by overseas students in particular, but there will be an EU dimension within that. It is something that I guess we have had to balance year on year for some time now and to look at how particular courses can be sustained.

In terms of the help that might be available with that—and this comes back to the previous question about how individual regions differ—I think it is partly horses for courses in individual regions, but the availability of local funding and local collaboration to join up the resources that are



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available in localities in the regions is one way to think about a set of solutions to that.

The other thing, though, more broadly—and I go back to the point earlier on about the opportunity to reform the immigration system—the attractiveness of UK higher education is a UK-wide thing. There is an opportunity, therefore, to overcome some of the regional differences by removing some of the unnecessary barriers in the immigration system. But as for particular courses, where you can collaborate and share resources—and that is within higher education and beyond—then I think there is the opportunity to remediate what might be a situation.

Q147 William Wragg: Is there an example of any course at your university that you are particularly concerned about?

Professor Wathey: There isn't one that currently springs to mind but I will ponder that.

William Wragg: Okay, and Shirley if I may.

Shirley Atkinson: Yes, an interesting question. If we were talking about EU students then they are spread across our six faculty areas. We have a slightly larger proportion in the creative industries. We have students from Europe who come to do journalism, media communication, which the institution has a strong reputation in.

When you add in the international overlay, then international students come to us to do engineering, computer science, pharmacy, biomedical, all the high level vocational skill areas. As international and EU students decline, it does put pressure on those areas but not to the point where in my institution they are at risk. It makes it more difficult to require investment in future facilities and equipment. With lower student numbers it is then harder to have more available to invest, but they are certainly not at risk of any closure at the moment.

Q148 William Wragg: Professor Stevenson, I think you have mentioned the particular need to focus on modern languages and if you would not mind commenting on that as well.

Professor Stevenson: There are two issues, one of which is that we have one course that could be vulnerable. That is marine technology, where 42% of the Master's on there are EU students. If they were to all disappear, would the course close? I suspect not, so we would manage that as part of the portfolio across the piece.

On the modern languages issue, they are mostly non-EU home students coming to us. We have about 1,000 applications a year and interestingly that has not really changed and there have been some other changes going on. But critically it is the attractiveness of the Erasmus programme and, as I mentioned at the outset, we need to have some decisions about what those students will be doing in 2019 when they go out on their compulsory year abroad. We know that those students are highly valued



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by employers because their employment rates are a lot higher. The Erasmus thing is part and parcel of the offering we make to those students and we just need some clarity on that.

William Wragg: And the equivalent thereof from the Government.

Professor Stevenson: Yes, absolutely.

Alastair Sim: I think the real problem would arise where there is a kind of sudden death arrangement where there were no assurances given about the post-Brexit fee status of future cohorts of EU students and we were not even having a conversation about how we can pitch a fees regime for EU students post Brexit, depending on our relationship with the EU or our rector or whatever enables us to sustain good numbers of EU students coming.

The other element of a sudden death would be if there was a prospect that the visa regime for EU students coming to the UK was difficult. As long as these risks can be avoided you can see your way forward to a managed situation where EU students remain part of a mix of students from different sources that might adapt over time. But I do think we need both Governments to help us avoid that cliff edge.

Q149 **William Wragg:** In the Scottish context are you seen as a particular vulnerability of the STEM subject offer?

Alastair Sim: It is a bit of a spread. It is partly STEM but languages as well. It is not a neat pattern where you can aggregate it at sector level. It tends to be particular to courses and institutions.

Dr Simpson: If you think of it across the north, which is my remit, the Northern Powerhouse Independent Economic Review identified four key capability areas to grow the economy in the north, which were digital, advanced manufacturing, energy and life sciences. The opportunity there is to grow those by up to 850,000 jobs and it is a massive opportunity there. All four of those sectors are highly innovation-led. They are going to require research in the north and high quality graduates from the north and not all of those will be home-based. If we are going to fulfil our promise across this region to transform the economy it is going to need people to come into our universities and to be able to stay and work here.

Chair: Thank you very much. We had better move on to our student recruitment and Catherine is going to start.

Q150 **Catherine McKinnell:** We have touched on a few of the issues you are likely to respond on, but it would be really useful to understand the factors that will affect the attractiveness of the UK but particularly the regions you are here to represent in terms of EU applicants for studying here. There was a 7% decline of EU applicants overall last year. Obviously, that is differentiated around the country. It would be helpful if you could say what figure you have seen in your own institutions and



whether you are concerned about that figure.

Professor Wathey: Perhaps I can start. I am concerned about the 7% national drop for 2017 entry. In Northumbria, however, we have a 39% increase so we are bucking the trend. Thinking about the reasons for that, we would say that this was the culmination of several years hard work to stimulate recruitment from the EU.

Q151 **Catherine McKinnell:** Would you mind saying what that process has been for attracting more EU students?

Professor Wathey: There are trade secrets here, but I think it is about being really clear in the market about your courses, the appeal of the course, the appeal of the university, the appeal of the city and destination marketing is a quite substantial part of this. I think it is also being very clear that the university is a place that welcomes EU students and welcomes overseas students in general.

Q152 **Catherine McKinnell:** In terms of the future?

Professor Wathey: In terms of the future, all good so far, we would say, but then the question is, what comes next? Inevitably if there is a cliff edge—I think it has already been called—with SLC eligibility then you would see a change at that point. Currently we think that about 60% to 65% of our EU undergraduates access the loan scheme so there is 35% to 40% that do not. Also at the point of exit there would be other pressures, such as the question in people's minds as to whether we were still as welcoming, but we would work on that.

Shirley Atkinson: It is an interesting scenario. We do not have any trade secrets to share and we are not 40% up. We are on par with the sector, somewhere between 7% and 8% down in applications, but we were up compared to the year before. It was interesting that last year we took more European students than we had for a few years previously, so one has to be careful about drawing comparisons at this point in the year. I do think the late decision on student loan support was not helpful in this cycle. The quicker we get any announcements about student loan support then the easier it is for students to make decisions, so that is an important point. I fear in the long term we will see a contraction of students from Europe. Student loan support is the problem undoubtedly.

Professor Stevenson: There are two issues here, two different markets, both undergraduate and postgraduate, and you have to remember the postgraduate taught market SLC over the last two years, Student Loan Company funding over the last two years. We saw EU numbers at those levels increase last year in terms of recruitment. Interestingly we appear to be about 5% up on undergraduate EU applications at the moment and we are down on postgraduate taught, but it is pretty early in the cycle for those so it is difficult to see where we will land.

Alastair Sim: In aggregate in Scotland we are about 5% down on EU applicants, so in line broadly with the overall trend. What do we need to



show that our doors are open? I think the messaging is hugely important that we are still open and welcoming and that the UK still wants to attract people from the EU and more widely internationally. I guess our Scottish brand identity has given us a bit of an opportunity to try to lever a message that Scotland in particular is welcoming and we had the First Minister promoting that at an event we ran for international students and staff a few weeks ago.

I think we also need the earliest possible clarity on the post-Brexit fee status of the EU students who are going to join before Brexit. The Scottish Government know that we are asking for an urgent decision on that and we need the greatest possible clarity that there are not going to be visa barriers for EU students who choose to come to the UK in future. Broadly, I think it is essential the UK gets the message out much more clearly that we are open and welcoming and want talent from outside the UK.

Catherine McKinnell: There seems to be consensus on that.

Professor Stevenson: I think it would be useful if the Government embedded the global Britain across the whole of its portfolio rather than just say it, and other bits of the Government are doing slightly different things, not really living up to that aspiration.

Q153 **Catherine McKinnell:** Would you mind clarifying in what respect?

Professor Stevenson: If you look at the immigration policy and the mood music and the perception in markets out there that are receiving all of that, they do not see Britain at the moment as a welcoming place, despite the rhetoric from Government. It goes back to David Cameron's time when he said, "Britain is open for business" and all the rest of it. I think the narrative across Government needs to be joined up in this respect.

Q154 **Catherine McKinnell:** It would be helpful as well to understand, because we talked about some of the national trends. We have seen there are some differentiations even within the north-east and Scotland, but in particular—and I think you touched on this earlier as well, Peter—the impact in London and the south-east compared to the north-east. What can the Government do? You have named a number of factors and we have already touched on those, but is there something to add to make sure the north-east and Scotland remain attractive for EU students? I appreciate it is about messaging but do say if there are any very particular issues for the north-east that the Government can do in practical terms.

Dr Simpson: Can I start? It is an old, hoary message from the north as a whole that the two things we still need from Government is proper investment in physical infrastructure and proper investment in digital infrastructure. In Newcastle you obviously have an airport here but the major northern airport is in Manchester. It is extremely laborious to get around the north on trains. My job takes me across the eight cities in the



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north in an extremely laborious way, so if a major flight from China comes into Manchester you want students to be able to get out from there to the northern universities.

Thinking with a broader stimulus for the north, you look at investment in infrastructure that we have been asking for certainly since I moved to the north and for many decades before that. The opportunity is there for the Government to finally give statutory powers to transport for the north, for example, and do some investment in Northern Powerhouse Rail rather than the warm and supportive words that have occurred to date.

Catherine McKinnell: You said there were two things.

Dr Simpson: This is essentially investment in physical infrastructure and digital infrastructure. Many people in the north, many towns and villages in the north do not have useful broadband, so it is big stick stuff. It is not exciting stuff but without those underpinning anything else that is done on a more glamorous topic probably will fail. Until you have a physical and digital infrastructure, everything else is potentially window dressing.

Q155 **Catherine McKinnell:** Is there anything else anyone wanted to add? No, I think we have covered most of those. I think you have already mentioned the differentiation that could take place in Scotland. Do you see Brexit potentially as an opportunity for Scotland rather than a risk factor?

Alastair Sim: I suppose being natural optimists we always try to find an opportunity in everything, but the opportunity that has been presented by the UK Government is, "Look more lively at your international connections" and I think universities in Scotland, as indeed in the north-east of England, are already hugely internationalised.

But I guess what really troubles me is the extent to which that is a frustrated opportunity because we want to build our international connections more deeply. We want to attract even more student and staff talent from countries outside the European Union but we find it increasingly difficult to do so. We have seen major falls in the number of students coming from key markets like India and Nigeria.

We have seen other markets and overall numbers pretty much stagnating while our competitors, for instance in Australia, New Zealand and Canada, are streaking ahead because, first, the UK's messaging is seen as so unfriendly to talent coming from countries like India and Pakistan and also because, frankly, the visa issue is uncompetitive. Other countries—and now even the Republic of Ireland in the past couple of weeks—are recognising that if you want to attract students from overseas you have to offer them the opportunity to stay on and do a bit of work after their degrees so they can go back to their home countries saying, "I have not just got a degree but I have shown I can apply that". That makes them much more marketable in their home countries. It also means they are contributing their talent to our economies and unless we



can get our messaging right and have a competitive visa regime then we are being told to go out and compete internationally while our hands are tied behind our back.

Q156 **Lilian Greenwood:** Do you think it might make it easier for potential Scots students to get places? Audit Scotland found that for Scottish youngsters it was getting more difficult to get a place at Scottish universities.

Alastair Sim: There are two separate issues there about EU and wider international. The issue about widening access is that under the current regime, as we are members of the European Union, EU students and home students of Scottish domicile are competing for the same sort of places.

As you look forward there are judgments to be made about how you plan, still being able to welcome the same number of EU students but also provide for the growth in the number of students coming from challenging backgrounds in Scotland. But that is completely through a different firewall from our international students. The expansion of international student numbers does not have an effect on our capacity to absorb home and EU numbers. We would really like to be able to compete unconstrained to get more talent from overseas outside the EU coming to Scotland but find ourselves frustrated in our capacity to do that.

Q157 **Marion Fellows:** I am going to look at immigration issues in relation to higher education and we have already heard some answers that relate to this. In general, how should international students be treated in an immigration system post Brexit?

Dr Simpson: May I start with a personal view? My view is that international students are an unmitigated good thing for the UK. They spend money to come to the university and they then spend money in the city. They can deploy their expertise to benefit the UK economy and when they go back home they are definitely much more likely to invest in the UK when they are growing their own businesses. At every single stage in their life cycle they are benefiting the UK. The tone from the Government that international students are in some way a problem to be solved seems to be wholly foolhardy. They are not a problem to be solved. They are a benefit to be celebrated and to be welcomed.

I have spoken a couple of times about the tone the Government are deploying to make them think that, "Okay, we might let you in if you are a good boy" is wholly the wrong tone. There is an opportunity to go out there with a very different message as well as a very different visa programme, because I do not think this is a problem. This is an opportunity to make ourselves a much more international higher education system, to recognise that excellence in our universities does not just come from British students and British staff. Many of our Nobel Prize winners are international in source. If you look at the benefits of



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graphene to Manchester, for example, that would not happen without an enlightened opportunity for international students and international staff to come and work in the UK.

I would turn the problem around from where the Government are looking at it and saying, "If this is a good thing, how do we make it even better?" rather than, "This is a problem, how do we solve it?"

Alastair Sim: Absolutely. I entirely concur with that. In Scotland our overall economic benefit from international students is about £800 million a year and these are people who typically come to Scotland and learn. Most of them say they want to contribute to our economy and are frustrated from doing so by not having a post-study work visa and then go home and are a fantastic network of soft power. It beats me why we are counting them in international migration numbers. The University of Edinburgh's experience is that they have a fantastic record with spin-off companies and a lot of them are driven by this talent that they brought in at particularly postgraduate student level.

It is really disturbing that when other countries are thinking, "How do we improve our offer for international students and grow our really important export industry?" that we are still living in the shadow of the Home Secretary's speech in October that was pointing in the opposite direction. A lot of our members were disturbed by the implication that some universities might be okay for attracting international students and others might not be. We find that completely unacceptable because every university that is a member of Universities Scotland is robustly quality assured and has a wide range of provision that is and should be attractive to international students. We are very concerned at the prospect of a narrowing of entitlement to recruit international students.

Professor Stevenson: I just go back to my original comment that the Government have a narrative of global Britain open for business and we seem to be doing something different in the immigration space for students.

Q158 **Marion Fellows:** I think that always bears repeating. Do you have anything to add?

Shirley Atkinson: I might just add a little. In my institution we have over 90 different nationalities of students. It is an absolute joy, pleasure and privilege to watch and listen to them learning from each other and understanding about different economies and different cultures in the world and doing that in a relatively safe environment. I think that is something that the UK should celebrate and be proud of.

Beyond that we have 17 compelling partnerships across the world and 6,000 students studying in overseas universities and colleges. We are the fourth biggest provider of transnational education from the UK, so we have many significant and important international partners in the world, all of whom are now looking at what is happening in the UK and



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questioning about our belief in working together and collaborating, as I said at the start.

I have just come back from China. I was there last week talking to two of our partners and the point about soft power is really significant. With one particular partner the reason they want to work with the University of Sunderland is that their Director of International Studies and their Dean of Programmes of the area were both postgraduate students at the University of Sunderland. They have gone back to China and remembered the connection with the north-east and with the university and want to build stronger relationships. The same with another institution where somebody had been on a staff exchange to the university and that led him to want to make the connection.

I then moved on to Hong Kong where we have just opened a campus. We have over 5,000 alumni in Hong Kong, some of whom studied civil engineering at the University of Sunderland in the 1980s, some of whom are in the most significant leading roles in the construction industry in Asia, and who all look back on their time in the UK with fondness and they all now have connections back to the UK. Their families are now choosing to come and study in the UK. The connections with the business community are profound and I think everything that my colleagues have said about signalling and the messaging is really important at this critical time.

Professor Wathey: I would endorse Shirley's comments wholeheartedly and, like Sunderland, Northumbria has a very substantial overseas footprint. We are either the largest or second largest UK provider of higher education in Hong Kong. We have substantial operations in Malaysia and Singapore, we recruit many students from China, also from Indonesia and more broadly across the globe, and I think we are probably up to 130 nationalities on this campus now.

I would agree broadly with everything my colleagues have said. I think Government have an opportunity to reshape the immigration system now, to recognise the value of attracting talent, and that is not only students but also staff. That is one of the things Government could do to draw some opportunity out of the Brexit event. It gives an opportunity to pause and rethink and get away from some of the more mechanical elements of the system as it currently applies. For example, the International Passenger Survey, as you may recall from a piece in *The Financial Times* before Christmas, is a survey that is not conducted between 10.00 pm and 6.00 am so, say, a Chinese student who comes in during the day but exits after 10.00 pm does not count as a departure.

Some of the questions in credibility interviews such as, "Do you know the name of the Vice-Chancellor?" is not a very good question, or indeed, "Which river runs through Newcastle?" and, by the way, the answer is not the Tyne, it is the Ouseburn, and it is that sort of thing that does not support the credibility of the current system well. Moving into a revised



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immigration system that could properly support the Government's broader global ambition would be an objective.

Q159 Marion Fellows: Looking at that, how do you think the UK Government can incentivise international graduates to stay in the regional cities and towns in England and in the devolved countries? Do you think that the regional post-study visa with a reduced minimum salary element is a realistic option?

Alastair Sim: I think that has the universal cross-party support of the Scottish Parliament and I hope that gets taken seriously by the UK Government because I think it deserves to be.

Going back to what I said earlier about regional imbalances, drawing on examples elsewhere in the world it is perfectly possible to operate a regime that says you have a post-study work entitlement. I would like it to be universal across the UK but if necessary you can say it is a post-study work entitlement that means you can work in a particular region of the UK or in particular industries where there are recognised skills needs. It just takes a bit of clever policymaking to be able to do something that enables us to be an attractive destination for international students and to benefit from their talents post graduation.

Q160 Marion Fellows: Does anyone have anything they would like to add?

Dr Simpson: On the same problem, as the Government build their industrial strategy, one of the prime pillars is the importance of place in industrial strategy. If we can identify what sectors different places need to grow, it is not a massive leap to figure out how you might address that on a regional basis. Salary is one issue but also the opportunity to have an intelligent strategy is something the Government should be, and I think are, working through.

Professor Wathey: I broadly agree. I think the differences between regions in salary and also in skills needs are things that really need to be reflected.

Shirley Atkinson: I think that is an interesting point but I would not want us to lose the talent in other areas where there is not a shortage in place, such as the creatives who want to come and study with us. You would never spot those in the industrial strategy but we still want access to all of the talent that comes with the creative artists.

Professor Stevenson: Let's not make the system complicated is all I would make a plea for. By layering on different places and different strategies in places you could end up not being able to see the wood for the trees, so I think simplicity is everything.

Q161 Marion Fellows: If a new student immigration system is multi-tiered, based on quality of course and universities, as the Home Office has suggested, what impact do you think this would have after Brexit?



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Shirley Atkinson: Can I take that first? On behalf of UUK the line is that our belief is that once a university has university title it has been through an incredible quality assurance process that is reviewed frequently, is respected by the sector, and that is the benchmark of quality. To then suggest there is another way of differentiating on quality away from university title makes the world a very complicated place. We do not know which of our regulators we are looking to or abiding by, so I think anything that suggests differentiation on a different type of quality basis is very questionable.

Q162 **Marion Fellows:** Would you all agree?

Alastair Sim: I would say very strongly from Universities Scotland's membership we have taken the principled view equally that all our institutions have been rigorously quality assured. All of them are providing excellent teaching and all of them are in various intensities providing researchers recognised as world class. We do not recognise a basis on which you could differentiate a university as being high quality or low quality. We have all been quality assured and we all need to be able to go out there and compete in international markets.

Professor Wathey: I would concur. I think the QAA test and the university title is a high bar.

Q163 **Chair:** We have certainly tested and probed the issue of migration and immigration in connection with Brexit but, of course, there are opportunities for overseas development interests. What do you think the Government could do to help promote internationalisation of UK universities? Is there anything other than what you have already said about people?

Professor Wathey: I think in the past there have been initiatives outside Europe, for example, promoting the mobility of people. You only have to look at the UKIERI initiative with India and some of the research arrangements through the Newton Fund, for example, to see how that kind of thing might be done in the future.

Erasmus has been very helpful in all sorts of ways that we have already touched on. There is also Erasmus Mundus that reaches out beyond Europe's borders and we have had some very good and strong experiences with exchange into south-east Asia, for example, through that. I think there is something about support for student mobility and finding a way of replacing that.

We touched on soft power benefits. It is also about building networks out of which, for example, research collaborations can grow and other educational collaborations of a long-running nature and out of that grows the ability to sustain the UK's reputation.

Q164 **Chair:** There are a few issues there; one is Erasmus. Do you think there is a case for introducing a UK equivalent to Erasmus?



Shirley Atkinson: Yes, I think that is a very interesting idea. I just mentioned briefly that we have opened a campus in Hong Kong. One of the reasons we have done that is we have a campus in London and in my institution we have a large number of students from a WP background, so social mobility, the creation of social capital, creating connections for that community of students is really important to us. We realised that not many of our students had access to London, so we looked at introducing programmes in London that are delivered in Sunderland as well, and the students can then go to London for part of their programme and study for short bursts, which is easier if you are from a background where you are working at the same time as studying. You cannot easily go on an Erasmus+ trip or easily spend a semester away, so we have little short bites up and down to London.

We wanted to keep a global agenda so we opened a small campus in Hong Kong with the intention that those students will then be able to access short bursts in Hong Kong, studying the same material that they would in Sunderland but making it more accessible to them. Interestingly, in Hong Kong, there is an enormous response from the community and the Government there to send students from Hong Kong on short bursts to the UK, because similarly it is sometimes difficult for students to spend a great deal of time away from home. We are just opening that can of worms but it is about student mobility, social capital and bringing connections across the global world. I do think there is something there that could be reformed, reborn as UK's approach to that.

I would also add to what Andrew said about staff mobility. Coming from China, they are very interested in mobility of staff and if we were so minded as a country to do that I think the opportunities are there too, and that then links to the research agenda and building more research possibilities. My only observation on that would be that these relationships take a very long time to build, because it is about trust and it is about individuals. We cannot suddenly assume that in 2020 we will have a whole series of new relationships that will be born overnight—they won't. It is about academics making connections and working over a period of time.

Q165 **Chair:** But the principle of establishing a new UK version?

Shirley Atkinson: I think the principle is very interesting.

Q166 **Chair:** You support it? Who would do? Andrew, Tony, Alastair and Peter?

Professor Stevenson: You should not underestimate the transaction costs of doing it, because it would be a very long time in the making. You will have to rebuild those relationships with individual places and I think that will take a long time to do.

Alastair Sim: All I would say is don't do it to the detriment of Erasmus+, when we have something that is already well built, well established and works, so if you were doing something I would want it to be supplementary to rather than a substitute for Erasmus+. I do think it is



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hugely important getting more people from Scotland, and indeed the UK, out because the benefits of outward mobility are huge for your future confidence and future employability. I think that not sufficient numbers of people are taking those opportunities.

Professor Stevenson: They command about 20% premium in the employment market compared to home graduates, having undergone an Erasmus+ experience.

Dr Simpson: Like I said, the importance of research collaboration internationally. We do not want to lose access to the Horizon 2020 or other schemes, but there are opportunities about bilateral relationships internationally to build stronger research collaborations, partly with the existing major players—probably your big players, France, Germany, US—but also thinking about the emerging opportunities in new countries to get in early, to build research collaborations bilaterally, adding on to what we should already retain access to rather than replacing.

Q167 **Chair:** We have universities in other countries, Sunderland as an example. What more can a Government do to support the development of university links abroad? Any thoughts, Shirley, because you have some examples yourself?

Shirley Atkinson: Yes, we had huge amount of support. Sorry to talk about the last week but it is most immediate in my mind. We did have huge support from the British Consulate-General in China and in Hong Kong. They were very supportive, but I do think it is a new space for us and it would be helpful if we had more frameworks and ways of working. It is often difficult going into the newer territories and thinking about relationships, unpicking how those governments and those provinces work. Unpicking the process that you have to go through to establish a relationship is very complex, so more support from the UK Government to help us would be good.

Professor Wathey: I think there is a real role here for international trade missions and joining universities into those missions, and likewise joining universities to inward investment. When that is under discussion is a really powerful way of setting this off. Just as Sunderland has a campus overseas, we have a joint venture campus in Jakarta in Indonesia. That originally grew out of an international trade mission with David Willetts some years ago. I think as we begin as the UK to explore new trading opportunities, then joining universities to that programme is a very important potential step. Of course there are several bits of Government that are involved in that and a joining-up piece would be helpful.

Professor Stevenson: Really just to echo Andrew. When we moved into Singapore and Malaysia, that was all on the back of our graduates who had gone back to Malaysia and Singapore, had risen to high levels in the case of Singapore and to Keppel Marine, who were interested in setting up a marine engineering business. When the Singaporean education



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committee opened up the undergraduate degrees there then we were able to be a partner in that and we had a lot of help from the consulate.

Q168 **Chair:** Do you think that UKTI, United Kingdom Trade & Investment, should be more ambitious, more tooled up to help the university sector?

Shirley Atkinson: I think so.

Q169 **Chair:** Have you all worked with UKTI in one way or another?

Professor Wathey: Yes.

Shirley Atkinson: Small amounts, yes.

Professor Wathey: There are many players in this: the British Council, UKTI, other arms of Government, the embassy network. It can all be aligned, but it does need to be if we are going to be most effective in-country, and currently it does tend to be different in different countries.

Alastair Sim: In Scotland we are working with Scottish Development International as well as UKTI and that is a useful complementary layer, but I think all this will work if it is genuinely within a consistent message like the message of the UK is GREAT campaign, that we are genuinely open for business and genuinely want to increase our international exchange both ways. I think the mission to India was only a partial success because we were not able to give that reciprocity of message that we are not just looking for opportunities in their country but we are open to their talent coming to Britain.

Q170 **Chair:** Do you think there is a case for universities developing partnerships, alliances or collaborative projects with business and then going out together?

Dr Simpson: One positive example from the previous Government was when George Osborne did his Northern Powerhouse trade mission to China and took a range of senior political leaders, business leaders and university leaders from the north to send a united message. I think probably the message about the northern part always lands better internationally than it does in the UK, for example, because people maybe are less cynical internationally. But that joined-up message of political, business and universities all being on a common message can be very powerful, so there is the opportunity to replicate that in other key markets as well.

Chair: Do you all concur with that? Okay. Next it is William, who is going to be looking again at the issue of universities in their regions.

Q171 **William Wragg:** Universities UK told us that Brexit could be used as an opportunity to "maximise the potential contribution that universities can make to their region". First, do you agree with this and how can universities be supported to achieve that? We will go the other way, with Peter first this time.



Dr Simpson: Again, the answer of my previous message, and maybe build on it. In the north it is encouraging that we already have four prime capabilities that business and political leaders support. I am very conscious that in the north it is challenging to start a business and it is challenging to scale a business. Your access to finance in key sectors is very different to your access to finance in the south-east. In life sciences, for example, all of the specialist fund managers are based in the south-east, not in the north.

There is a real opportunity then to think about our key sectors and how we reinforce those by better funding entrepreneurship, enterprise and start-up training business model canvas, by funding the creation of innovation communities in our key areas and economic potential, by providing better access to patient capital aligned to our key economic opportunities, so looking at it through the regional lens rather than the London lens. I think what we need in the "regions" is different to what is needed in London, because in London and the south-east certain things are easy. All the fund managers are there, for example.

The Government can put in place some fairly cost-effective ways of helping our bright students set up businesses that are not going to fail and also helping us in the university sector to transition not just IP that they tend to be focused on but, more importantly, knowhow to more rapidly encourage business growth. Many, if not all, of the universities are trying to do this. I think there is the opportunity for a more comprehensive strategic approach here, by encouraging long-term relationships between universities, SMEs and multinationals and supporting those through development of staff exchange, student secondments, initial seed corn funding and really have a clear strategy in particular places as to what you are trying to do and the role of start-up and scale-up support could be quite transformational.

Q172 **William Wragg:** Alastair, in the context of the Scottish nation so I do not offend anyone?

Alastair Sim: In a sense the issues that we face are rather similar to those described in northern England. The university sector is disproportionately a huge contributor to the economy in Scotland with roughly £7 billion contribution to GVA and directly and indirectly supporting around 150,000 jobs. Having a healthy and sustainably-funded university sector is absolutely central to getting economic growth in Scotland.

There are some particulars that I think need attention in Scotland. One is that while we have a reasonably good track record of investment in higher education, research and development, our level of investment by business in research and development is still in the bottom quartile of the OECD and I think we need to find innovative ways of encouraging business to invest more in research and development. We put a lot of effort from the university side into pushing innovation out, but we need more effort from Government and industry to say, "How do you create an



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industry sector in Scotland that is hungry for this world-class innovation that Scottish universities are producing?" There is work in hand on that.

I think there are also opportunities at UK level. The industrial strategy is a genuine opportunity for Scotland, as it is for the rest of the United Kingdom. It is a really ambitious scale of investment and research, development innovation. I would like the Scottish Government and the UK Government to be working successfully to ensure that these are opportunities that we can realise across the whole United Kingdom.

I also think if we are going to be successful in generating economic growth we also need to look at both the Scottish and UK levels about how we substitute for European structural funds in the future. Particularly in the Highlands and Islands, the University of the Highlands and Islands, there is an enormous force for growth and good but one that at the moment is hugely dependent on ERDF and the European Social Fund.

Q173 **William Wragg:** I am going to come back to that in the second part of my question, if I may. Professor Stevenson?

Professor Stevenson: I agree with what my two colleagues on my left have said, but I would still hold to the line that we as an institution can operate on a global basis and by operating on that global basis we will then maximise our contribution to the region. We are doing quite a lot of the things that Alastair and Peter have talked about, but I think because we are out there as being global and working on that global scale that is where we see our biggest benefit coming from.

Shirley Atkinson: I shall just tell you a few things that my institution is doing that may help with the answer to that question, if I may. The university was one of the founding members of the Sunderland Business Group. That is a collection of the business community in Sunderland and we looked at what we needed to do to help support and grow, particularly the SME community. As a consequence of that we have one rather large project where on campus we have a new enterprise and innovation hub, so it is a step-up area for businesses to grow with lots of support from the university to help them to be able to do that, and we have a number of graduate internship schemes that the SME community asked for, so we have an awful lot of interaction there.

We are hugely linked to the LEP, of course, so we have fed into and provided research on the regional economic strategy. We are members of the Northern Powerhouse, like my colleagues. I sit on the Economic Leadership Board of the city where we work together with the business community to drive the economic strategy for the city. I chair the Education Leadership Board in the city because we have a view about skills all the way through from school to post-doctorate level, so we work together collaboratively on that. We have a culture steering group that I sit on, which is a new innovation of the university and the local authority working together on the cultural assets in the city, which is fairly new and innovative. We have a strategic partnership board in the city where all



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the leaders of the public-facing institutions work together to improve the life chances of the city and the community.

When you ask the question about place and university and the link to Brexit, place and university in my mind are there regardless of the Brexit issue. We are a fundamental player in our communities and our localities. In addition to that, we work beyond the immediate boundary of Sunderland. We are working with South Tyneside local authority and Sunderland and the two colleges on the International Advanced Manufacturing Park and leading the conversation about skills and research to support Nissan's expansion there.

All of that takes me to a point of wondering about the Higher Education and Research Bill. I am taking you to a different place now because in the Higher Education and Research Bill the notion of a publicly-funded university playing that very broad role in place has gone a bit, with the level playing field with private providers coming in. I wonder how long it might be before it becomes more difficult for universities to play the role that we are playing now in the future if we have other providers, if that makes sense.

William Wragg: Yes, it makes sense.

Shirley Atkinson: We have a very strong, profound role. How sustainable is that in the current landscape? I don't know.

Q174 **William Wragg:** Thank you very much indeed. Andrew, please?

Professor Wathey: My answer is really in two parts. First, as we have already said, there are simplifications in the immigration regime, for example, where the Government could level the playing field and enable universities to make a regional contribution by virtue of the fact of being able to recruit students on a level basis. Beyond that, and this goes to some of the points that Shirley has made, I think there is a lot in regional collaboration, and regional collaboration that is funded from outside the region. For example, the Arts and Humanities Research Council has recently funded a creative fuse project in the north-east, based on work that they previously did in Brighton, and indeed in London, and that is the kind of thing that can help universities make that local contribution.

Reference has already been made to the LEP, whose strategic economic plan is a good underpinning for that regional collaboration. Likewise, the close relationships that have sprung up between the universities and the local authorities, where there is not a big collection of FTSE 100 companies to help support that task of place shaping, are very important and clearly that is regionally differentiated.

Q175 **William Wragg:** I am just going to go back down the panel and touch on what Alastair mentioned about the EU structural funding. Currently the UK pays in far more than it receives; it receives approximately 29% back from what it pays in. Would you support the creation of, say, a British growth fund that might match or indeed go beyond current EU



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contributions and what role should universities play in that?

Professor Wathey: There is already a venture capital fund called the British Growth Fund, so I guess it would need another name, but I would support something of that kind. If we look for example at the Industrial Strategy Challenge Fund, that would be one example of a fund of that type. It is important that it would provide some additionality alongside the things that are already there, rather than substituting for them but, yes, I would see a role for that kind of fund.

Shirley Atkinson: I think it is absolutely fundamentally important that we have that kind of fund to continue to support some of the things that we have been able to do in the past. I would not like to see it focused entirely on infrastructure, although that would be important. Some of the things that we have already referred to around graduate internships that are funded via Europe at the moment supporting the SME community are equally important, but I do think it is pretty fundamental.

The other thing that would not be good to see would be some requirement to match, going back to a point I made earlier that we have used European funds to match and then unlock other sources of funding.

William Wragg: I think the university sector received about £100 million a year from the structural fund.

Shirley Atkinson: Yes.

Professor Stevenson: I echo what Shirley and Andrew have said. We have used a different growth fund, a regional growth fund, to build some of our activity on the old Scottish & Newcastle site. That has been enormously enabling of what we have been able to do there around the infrastructure as we put on a mixed set of buildings in the university business. Legal & General have now invested in it, to the tune of about £60 million or £70 million, so all of it adds to the economic heft of the institution in the region.

Alastair Sim: From whatever source, whether it is EU, UK or devolved, I think there needs to be an active regional policy. If you look at the areas like Highlands and Islands, you are not going to get the density of infrastructure investment that is needed to bring them more into the economic mainstream. You are not going to get the intensity of skills development unless they are doing something that builds on and looks for capacity to improve what we have already had through European structural funding. I think it is a conversation about how much of that is UK and how much is devolved, but I think the principle that you need an active regional policy to enable growth in places that are out of the geographic core is really important.

Dr Simpson: Thinking about the north, clearly one of the frustrations we have had is that businesses are prepared to spend money in the north on research and innovation in the way that the UK Government and their research councils have not been. The figure on health innovation is about



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20% of British business R&D in pharmaceutical and chemistry is spent in the north, and only 13% of Government-derived funding comes to the north.

The European Union has a much better track record in the UK about not worrying about the golden triangle than the UK Government have. Whatever we put in place to replace it has to think about the opportunity to rebalance the UK economy and how we do that, by ensuring that money goes not just to existing excellence and success but to need and opportunity as well. I am not sure that funding should be like for like. I think there is an opportunity to do something innovative in regional and devolved power, but we cannot just get rid of that funding. It is a fundamentally transformational part in many parts of the UK.

William Wragg: Being a northern MP I concur with what you are saying. Thank you.

Q176 **Catherine McKinnell:** It has been mentioned a few times but do you think the industrial strategy currently presents sufficient opportunities to mitigate some of the potential impacts of Brexit or indeed maximise the opportunities of Brexit?

Dr Simpson: One thing we should come back to is that the Government said very clearly when all of this EU money was made available that this was not intended to replace, it was intended to add to it. I do hope the Government will not fall into the trap of saying, "Well, never mind about European money. We have this now instead" because it was intended to be additive rather than replacement.

It does provide an opportunity. At this stage it is difficult to grasp exactly how it will be implemented. One of the 10 key pillars in industrial strategy is place, but it is fairly loosely defined currently, I think it is fair to say, and there is a desire that it should be defined on a bottom-up basis, which is nice but challenging at the same time. It will provide us with opportunities. It will be interesting to see when these five early sector deals come through in areas like health and life sciences and industrial digitalisation what that translates to on the ground. Are we going to see some new money on things that the regions really care about? I have some concerns about how these may be implemented but it is too early to say.

I think it is really encouraging to see the Government going back to thinking about industry and translational research, that the link from universities to innovation to jobs is being reinforced there, so I think it provides opportunities. It is challenging at this stage, given the relatively early stage in the detail, to know exactly whether this is going to meet our aspirations. They are clearly going to have many people wanting many different things from the same pot of money.

Q177 **Catherine McKinnell:** The process is under consultation at the moment. If you wanted to take the opportunity to put your concerns on the record,



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if there is anything in particular that you wanted to add?

Dr Simpson: For me the opportunity is to look at UK growth, rather than overheating the south-east, and making sure that we think about excellence and place as being two sides of the same coin. If you just do what you have always done you will get what you always get, so if you spend more money in Cambridge and Oxford and London you will overheat the south-east and nothing will get fixed.

It is great to see places in there, but I would like to see that strengthened and have a genuine UK strategy that thinks about opportunity in different regions rather than opportunity purely at a national level. The things that you can do that would be transformational in the north are not the same things that would be transformational in Wales or the south-east or Scotland. That ability of having local voices coming into the conversation is really important.

As an example, one of the consultations I attended about the life sciences early sector deal was a UK-wide consultation that was held in south London at 9.00 am on a Monday morning, which does not necessarily indicate a strong desire to hear the rest of the UK's voice. I use it purely as an example of if you want to hear what the rest of the UK thinks you should do what you are doing and come and ask.

Catherine McKinnell: Or hold it later in the day so that you can get there.

Dr Simpson: It would be a start.

Alastair Sim: I think the industrial strategy is potentially a huge opportunity and the scale of investment going up to £2 billion a year that the UK Government want to put into research and innovation is really important. It is still a bit fluid. We do not quite know what the shape of the opportunity is going to be.

One thing I would say is let's just be a bit wary about picking winners from Whitehall. There have been initiatives in the past where someone in Government has thought it is a bright idea to put a few hundred million behind it. I think we have to be much more open to allowing the partnerships to assemble from different parts of the United Kingdom coming forward and saying, "We have brilliant ideas". Don't just take this brilliant idea from Whitehall and put lots of money behind it. Let us see the brilliant ideas coming up from the partnerships that exist across the UK who are innovating in their own right.

Professor Stevenson: It is really too early to say where we are going but I think we should realise that the UK industrial strategy has effectively been place-agnostic for decades. This is the first time where place has been reinserted into it, as the Government has realised that there are some interesting and real tensions out there across the whole of the UK. We welcome that and we welcome working with them as we go forward on all of that.



Shirley Atkinson: Just to reiterate and say, yes, we welcome it too. We would like to see more reflection around applied research. That is what my institution does: applied research immediately relevant for the business community, advanced manufacturing, be it data, health, improvements in productivity. That is what our academics do, so it would be good to see that. I think the acknowledgement of place is really significant.

Professor Wathey: I think it was the House of Lords Science and Technology Committee that said, "There is a twin opportunity not only to mitigate for the effect of Brexit but also to further increase the attractiveness of the UK as a place to pursue science careers and invest in R&D". To science careers I would add careers in other disciplines as well.

On the regional piece with the industrial strategy it is, of course, as every initiative in this space has been more or less since 1945. There has been a strong science and technology strand and that is understandable, but there are some regions in the country where, for example, travel and tourism is the second biggest industry. Finding a space in the industrial strategy to support that would be an important thing, particularly, for example, for our colleagues in culture, heritage, the humanities. I think that is an opportunity.

More broadly, I think there is a piece there about joining up skills locally. We have heard a lot about skills between FE and universities down to graduate level. We have not heard so much about skills at the master's level and yet if you talk to industrialists, for example, in this part of the world they will tell you that putting a master's graduate into a business makes an enormous difference to the success of their operation, depending obviously on what it is. I think there is something about working master's level skills provision back into that and it fits, of course, with the high value-added industrial environment that we would all like to see.

Q178 **Catherine McKinnell:** Presumably you all welcomed the additional funding that was committed to R&D in the autumn statement. However, it still does not quite meet the OECD average so it would be useful to get your input on where you would like to see that going. The Budget on Wednesday may be too late to make the massive impact on that that you might like. You have mentioned a number of factors, but is there anything in particular that you would like to see in the industrial strategy that is not there now, particularly from a north-east, Scottish perspective?

Dr Simpson: In danger of repeating myself, I ask you to think about the northern economy: where it was about 10 years ago and where it is going to be in 2050. If it is going to be successful in 2050 it is going to be a wholly new economy in which certain sectors will have declined markedly. If we are going to have substantial employment and productivity growth in the north it is to a large extent going to happen



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through invention of new economic opportunities. It is going to have to be by that translational research Shirley spoke about before, research from universities and businesses being supportive and growing into new economic potential, the example of the two-dimensional materials in Manchester, so that you can create new opportunities rather than clinging on to the economic strengths of the past, the high job, low productivity past. By 2050 we would like the northern economy to be innovation-led, to be about things that are invented here, that are grown here, and are world leading.

There is the potential for those more visionary, longer-term aspects to be taken into account. There is a danger, I suspect, that when people panic about Brexit we think too short term. In this region, as in other regions, it is a long-term commitment to infrastructure and to investment in key economic sectors that are going to be what our kids are working in in 2050. I would like to see that confidence and that long-term thinking, that supporting of the seeds, the fanning into flame of innovation and that ability to invest in the next generation who are setting up businesses and growing businesses. That I think is where the future opportunity largely lies for this region.

Q179 **Catherine McKinnell:** I mentioned the R&D funding. Do you feel confident that there is enough regional distribution of the R&D funding or is there a concern in that direction also? Shirley, you wanted to come in.

Shirley Atkinson: Yes. Do you mind if I just add something to what was said there? There is a little thing that bothers me a tiny bit about all the agendas at play at the moment, and I was reminded there about industries for the future, which are grown and embedded here. There is something about the young people in the region and having the opportunities to acquire high level skills so that they can be retained in the region working in those areas.

I think the refocus on technical education is great, that is fantastic, but we must not cut off pathways for young people because they move between different careers and they progress at different paces. I would not like to see that technical education route definitively made at age 16 and then for there to be no opportunity for young people to come back into a sector or back into a university at a different point in time.

Alastair Sim: From my point of view there are challenges for both the Scottish Government and the UK Government. From the Scottish Government point of view we would really want them to get behind the bids that come from Scotland and think about how Scottish Government resources, for instance through Scottish Enterprise, can be levered in so that we can maximise those opportunities from the industrial strategy. It is going to require some joined-up thinking across devolved and reserved boundaries.

From the UK Government's point of view we need to make sure that UK Research and Innovation is working effectively as a body that is trying to



generate benefit across the United Kingdom. We have some concerns in that regard. While Scotland has been very good at leveraging in project funding from the research councils, their national facilities are overwhelmingly concentrated in a few pockets in England.

If we are really trying to sustain a UK-wide ecosystem we need to look a bit more carefully about where we are distributing their facilities. We also need to look carefully at the governance of UK Research and Innovation so that Innovate UK, for instance, and its contribution to industrial strategy is taking account of the diverse economic policies of the devolved Administrations and UKRI overall is working in consultation with the devolved Administrations so that we also are major research funders in our own right.

Professor Wathey: In respect of the additional £2 billion per year that was announced in the autumn statement there is a lot that has to cover, but nevertheless it is the single biggest investment in research and innovation since the Second World War. The important thing there is that it is not subsequently eroded and that it is rebased at appropriate points to see that investment continue.

Beyond that, I would simply agree with what colleagues have said about the focus on the future economy rather than the current or the past economy, which also needs to feed through in the industrial strategy.

Chair: Thank you. Marion, you are going to talk about movement of staff.

Q180 **Marion Fellows:** Yes, I am. I think we have already heard something to do with the best way to ensure that we get really good EU staff post Brexit, but is there anything people would like to add on how you get them across, not just the immigration stuff?

Professor Wathey: There is something about the environment that you create for staff that is very important. It needs to be visibly welcoming. I think that is a big part. Can people see themselves making their lives in your university, in your region? That remains a critical piece.

It is very difficult to get a clear steer on this question of the attractiveness of the UK to EU staff at present. There was quite a lot of anecdote in the immediate aftermath of the referendum vote about staff not taking up posts, but looking at some of our own data we think that the number of academic, and indeed non-academic, staff that we are recruiting from Europe is on the up. Comparing this year to last year we have seen more new recruits from Europe come into the university than in the previous session.

There is something about not talking ourselves into a hole on the mobility of staff and finding the data that would underpin that. For information—and it may of course be that there are some other things that are going on in Northumbria that are responsible for this—this year in the six months to 1 March we recruited 22 new staff from Europe. In the



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corresponding period last year that number was nine, so whatever the reason clearly those 22 have not been discouraged.

Q181 Marion Fellows: Does anyone else have any concrete examples that some EU staff are planning to leave and fewer candidates are looking to apply?

Professor Stevenson: We have done some analysis of our applications and, a bit like Andrew, we have not seen any tail-off in applications. We have probably had one case out of a recruitment of over 150 posts where because of Brexit that individual has decided not to take up the post.

The bigger issue is for our existing EU staff who are sitting there wondering what the UK Government are going to be guaranteeing them and doing for them to make it easy to become permanent residents. That is where most of the angst that we see is. I sat in a room with our Vice-Chancellor only about three weeks ago and there were 250 in that room and they were mostly EU nationals. It is the messaging and providing easy routes to permanent residency, because most of them are daunted, and they would be because they have an 85-page form to fill in. Maybe they do not have to fill in every piece of paper on it, but you do have to have the evidence and if you do not have that bit of evidence that is certified it gets rejected.

Even though we pay for that fee—it is only £65—you have to have collated all of that evidence. If you have led, how shall I put it, a complicated life with divorces and things in it, then it becomes very difficult to collect the evidence for the clerks who ratify all of that. That is where a lot more focus needs to be put and simplifying the bureaucracy around all of that.

Alastair Sim: I could not put numbers on it. The anecdotal evidence from speaking to university leaders in Scotland is that they have been concerned in cases where it has been difficult to get the leading candidate from the EU to accept a job because they are really concerned about what their family's status is going to be in the United Kingdom. As I said at the beginning, it is not just about visa status. It is also uncertainty as to whether they are going to have access to schools and the health service and things like that.

We need the earliest possible assurance that the UK Government are going to make it easy for EU talent to come here to contribute and to benefit from public services even as they are contributing to our overall economic and social life. Yes, please, can we as early as possible be as welcoming as possible to recognising that we still need to attract talent from the EU if we are going to be the open and vital country that we want to be?

Q182 Marion Fellows: I suppose we have already heard a lot of this, but anything else would be useful. What can the Government do to give a clear message that they welcome the best university staff from all over



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the world? Is there something additional that the Government need to be doing post-Brexit?

Professor Stevenson: I guess the issue is about the Government not just painting itself into a corner that they are going to wait to make all these decisions and using the EU staff here as the bargaining chip in order to get UK citizens into other European countries. I think that is a bit of a problem because you then have a huge talent pool back here who are wondering if the Government loves them, and it is analogous to the international student issue. It is about being consistent in your messages and being open about it all, and I think that is critical.

Shirley Atkinson: I think it is more than just about the staff themselves, it is about their families and how secure they may feel about coming to the UK. We need greater clarity on what could be expected for the family unit and not just the individual academics that we may want to attract.

Professor Wathey: I would simply agree that the position of existing staff from the EU working in the UK is one of the most pressing issues. I think someone else has said this somewhere else, but people do find it difficult to put their lives on hold and removing that sense of uncertainty is probably the most important thing that could be done at this point.

Chair: Thank you. Lilian, Horizon 2020?

Q183 **Lilian Greenwood:** I am sure that everyone was happy that continued collaboration in research and science is one of the Government's 12 negotiation priorities in the recent White Paper, but if the UK fails to negotiate access to EU research funds—and maybe our approach to free movement could be a barrier to that—what would be the best way for Government to replace them?

Professor Wathey: Clearly continued access to Framework 9 and other European funds would be very strongly positive, but if that were not available then I think we have some models already there, for example the Newton Fund, which is a bilateral match, so both sides put up money that then funds projects, or UKRI, and Newton Bhabha in India, for example, would be another case. The money is important but it is not the most important thing. The most important thing is having access to the networks and avoiding the isolation that would then compromise the UK's research strength.

Lilian Greenwood: Do other members of the panel want to comment?

Alastair Sim: The other thing I would point out is that Switzerland, by not accepting free movement, now has a half-in half-out status in Horizon 2020. There is another example that is quite interesting, which is Israel, an associate country, which is very successful at leveraging funds from Horizon 2020 and doing collaborative research in the European Union but does not accept the full pillar of free movement of people. So there may be an example there that requires a bit more exploration as we move to



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define our future relationship with Horizon 2020 in a way that works for the UK.

Professor Stevenson: The issue will be that at the moment we influence our Horizon 2020 themes and where money is spent. If we just become an associate then you lose that impact and impetus, and of course we get more out of Horizon 2020 than we pay in and we should not lose sight of that. It is about £2 billion a year, I think.

Q184 **Lilian Greenwood:** I will come back to that point, because I think it is an important one, but is the view across the panel that maintaining access to Horizon 2020 is far preferable to trying to come up with an alternative?

Dr Simpson: Yes, and also maintaining access to or influencing the direction of it, not just receiving the benefit from it.

Q185 **Lilian Greenwood:** I was going to ask about the associative status and whether that meant that there was a danger that other EU states could modify the programme to target geographic and developmental needs over research excellence. Is there a consensus that that input is really important?

Professor Wathey: The input is important and that is a risk, I think.

Q186 **Lilian Greenwood:** That is good. Trying to look at the more positive side of things, how could international research collaboration beyond Europe be enhanced post Brexit?

Professor Wathey: I think others will probably have more to say on this, but those bilateral match funds have proved very helpful with developing countries. That is an approach that could be more broadly used and there is a point about joining the formation of international research partnerships to other aspects of the Government's overseas activity policy and programmes. We have talked about international trade. There are also other aspects of relationships with other countries and joining UK research in the universities into that is another probably productive avenue to explore.

Q187 **Lilian Greenwood:** Any other ideas about how we could strengthen collaboration with other parts of the world?

Shirley Atkinson: I think Andrew is right and we covered it earlier on. It is about having that supportive framework across government for how we go into those territories, whether they are the right territories, whether they fit with what UK might view as being helpful to the industrial strategy or regional economic strategies, how we do that collectively so it is not as fragmented as it may feel at times at the moment.

Dr Simpson: As the bilateral trade negotiations are beginning to kick off with multiple countries around the world, there is an opportunity to think about research and innovation in that same conversation rather than do one and then do the next.



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Q188 Lilian Greenwood: When we took evidence in Oxford we heard that potentially there were relationships that took a back seat once we became members of the EU. Do you see any possibility that there are places where there are really big opportunities that we have neglected?

Alastair Sim: I think we have to keep exploring. For instance, we have had missions out to Colombia and to Brazil. Brazil, at the time, was looking very promising and it will probably come as a very promising entry. We have to keep the radar working extremely hard as to where the really emerging research economies are where we can build relationships that may not have been possible in the past when they were at an earlier stage of development.

Dr Simpson: One thing it would be worth thinking about leveraging is the UK's Global Challenges Research Fund, which is going to be an increasing proportion of the Research Council budget and is specifically thinking about opportunities to do ODA of all types of research. One could then think about certain countries that one could leverage partnership with if one was creative with how that fund was deployed.

Professor Wathey: There is more to do globally, including with the US and of course still with Europe.

Q189 Chair: Just on Lilian's earlier point, do you think that bringing together research councils under the UKRI is a good idea, Andrew?

Professor Wathey: I think there will be some advantages there. Bringing research councils into close connectivity with innovation, with Innovate UK, is strong and bringing them into a similar contact with Research England, which is currently inside the Higher Education Funding Council for England. This is a very England-focused answer, obviously. There are some benefits of synergy there, but in terms of the way that the future environment works it will all be about relationships and join-up. Making sure that we have connectivity between research councils, Research England, the Office for Students and other parts of the landscape will be paramount.

Q190 Chair: Do you think UKRI should be used as a vehicle to develop some of the questions and ideas that we have been probing you about, such as reaching beyond Europe for other research opportunities? If so, how should it be tooled-up? Who wants to have a go at that?

Professor Stevenson: I think the glib answer is, yes. How should it be tooled-up? What you can't afford is to have the six or seven research councils going off and doing their own thing. It is going to have to be central capacity built into UKRI to do that with Research England in order to make that happen but it is going to require extra resource in that particular domain.

Alastair Sim: How do we realise the opportunities from UKRI? In a sense I've touched on some of this before. I think it really does need to be looking across the UK. I approach this from a point of view of Scotland



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and a need to work with a devolved funder of research and to have a deep collaborative consultative relationship with a devolved research funder so that the UKRI's research strategy is genuinely UK-wide.

The same is true also for the regions of the UK outside that framework. The UKRI does need to pay attention to working for the whole of the UK and not just the golden triangle. We need to make sure that there is a proper firewall between English funding and UK-wide funding within UKRI and that is something we are working to influence at the moment. There are risks for various parties if that is not done properly.

Genuinely I think Innovate UK, which is a splendid entity but I don't think has necessarily had as robust a focus across the UK as it might have had, does need to understand that as well as there being a UK level economic policy there are economic policies in each of the developed jurisdictions. There are economic priorities in the regions of England. It needs to be sensitive to that diversity, which is a work in progress.

Q191 Chair: According to the Industrial Strategy Green Paper, 46% of all research is within the golden triangle, Oxford, Cambridge, London, but of course we all know that European funding is more evenly spread. First of all, do you accept that that is a problem and, secondly, if you do, what do you think we should be doing to spread out that 46% more fairly?

Shirley Atkinson: I do think that is a bit of an issue. It is very hard for some universities to get access to some of that research funding. We have relied on European funding and on funding from the business community to do some of the research that we do. I am hopeful that in the industrial strategy and that recognition of translational research and applied research we may see the opportunity for some redistribution of some of the research funding that is there. It fits very nicely with that agenda.

Q192 Chair: That would be one of your asks from the Department for Business, Energy & Industrial Strategy?

Shirley Atkinson: Absolutely would be, yes. May I say something about the question you asked before on UKRI? I do think we have to be careful that that is not too divorced from the student angle because some of the research that is done there must feed back into the university environment and be shared with students. That is one of our little worries that the split is—

Dr Simpson: One of the things that we have been doing in the north and other regions is science and innovation audits to exemplify using evidence of what the actual strengths in research and potential strengths in translational innovation are. What I would like to see, both from Government and UKRI, is using that evidence in decision-making. I think what Phil Hammond has indicated recently is that he is not going to do the "springing rabbits out of a hat in the budget" type funding of major research innovations whose evidence base is uncertain. I would like to



think that the evidence base across the regions as to where the strengths and opportunities for investment lie will be used by UKRI to make sure that investment outside the golden triangle is still investing in world-class research; not all of world-class research sits in the golden triangle. Those types of evidence base should enable us to articulate on a national dialogue where funding should go and how you ensure you invest in excellence and in place at the same time.

Professor Wathey: I concur with much of what my colleagues have said. It may be worth taking a closer look at some of the data behind the point. I am thinking in particular where ERDF and ESF funding have bled into the research area and may be affecting our picture of the geographic spread. More generally, in terms of how do you allocate funds, supporting excellence wherever it lies has to be the way forward, as it has been in the past.

Q193 **Chair:** Lurking behind this question, of course, is the issue of devolution. Do you think that a stronger set of devolved powers for the northern region would help to deal with this issue about research that I am focusing on but others too? Shirley, you are smiling, so you might.

Shirley Atkinson: I do think that we need to have a regional view on research. We have a strategic economic plan. We have strength in the region, different strengths in different institutions. If we could collaborate under a shared consensus about what was important, that would be quite impactful. Whether we need a separate governance structure underneath that is a different question to be answered, so I will leave that one hanging.

Professor Stevenson: The complication, of course, is the north of the Tyne and the south of the Tyne don't see quite eye to eye on this particular issue at the moment.

Chair: We picked that up yesterday.

Professor Stevenson: We are fully supportive of where the north of the Tyne has gone.

Chair: Are there any further questions or comments anyone wants to make? I want to thank you all very much indeed for this. It has been an absolutely fabulous session. It has been a great place to have it in, so thank you, Andrew.

Thank you to all of you for very interesting and comprehensive answers. We are immensely grateful. This is our last evidence-gathering session in this form. We will be producing our report shortly and I look forward to seeing what your reaction is to it. Thank you very much indeed.