



HOUSE OF LORDS

The Select Committee on the European Union

Home Affairs Sub-Committee

Oral evidence: Brexit: EU student exchanges and
funding for university research

Wednesday 5 December 2018

9.40 am

Watch the meeting

Members present: Lord Jay of Ewelme (The Chairman); Lord Best; Lord Haselhurst; Lord Kirkhope of Harrogate; Lord Lansley; Baroness Pinnock; Baroness Randerson; Lord Ricketts; Lord Watts.

Evidence Session No. 1

Heard in Public

Questions 1 - 9

Witnesses

[I](#): Dr Beth Thompson MBE, Head of UK & EU Policy, Wellcome Trust; Vivienne Stern, Director, Universities UK International.

Examination of witnesses

Dr Beth Thompson MBE and Vivienne Stern.

Q1 The Chairman: Good morning to you both and thank you very much indeed for coming to give evidence to us. Thank you also for agreeing to come earlier than we had originally suggested, but that is because the timing of the “Great Debate” has been brought forward and some of us need to get away for that. Professor Thompson from UK Research and Innovation is ill so is not with us, so we have just you two. It is a formal session of evidence. It will be recorded and we will send you the transcript of the session later to look at and to make certain that we have recorded you correctly. Could I ask you to introduce yourselves briefly—that would be very helpful—and then I will move on to the questions?

Vivienne Stern: I am the Director of Universities UK International, which is the international function of our representative body for UK universities.

Dr Beth Thompson: I am Head of UK and EU policy at Wellcome. You may know us already, but Wellcome is an independent charitable foundation and we spend around £1 billion a year, largely in the UK, towards our mission of improving health.

Q2 The Chairman: Your chairman is a respected Member of this House. Perhaps I could ask the first question, but, first, I thank you very much indeed for the written evidence that each of you and your organisations have provided. It has been extremely helpful to us. It is striking that the written evidence that we have received is unanimous in the view that the UK should seek full association with Horizon Europe, but the Government have not explicitly committed themselves to doing that. Could you give a sense of what would be lost to the UK if it can only participate in Horizon as a third country, which, in a sense, is the alternative to having associated status?

Dr Beth Thompson: First, an important bit of context here is that the next EU framework programme, Horizon Europe, is still going through its legislative process in Brussels, so it is a difficult time for anyone to make very clear commitments about what will happen next because of the uncertainty over what the overall programme will look like. It is very positive that we have seen in the Prime Minister’s Jodrell Bank speech and in the UK Government’s science and innovation pact very warm words about an intention to commit. As you say, we do not have a clear commitment yet, because everyone is waiting for the final detail.

The question that you ask, though, is a very important one because there are substantial differences between associated country status and third country status. One thing that we cannot say for sure yet is exactly what those differences will be in Horizon Europe, but I can tell you about what they would be in Horizon 2020, which is the current legislation. One of the important features of associated country status is that you get access to the single beneficiary schemes. These are things such as European Research Council grants—very prestigious grants that researchers in the

UK are keen to apply for. It is absolutely critical that the UK seeks to get access to those as an associated country in Horizon Europe. As an associated country you can also lead programmes and projects, which is critical for the UK's capability and capacity as a research leader. As a global research powerhouse, we should be seeking to lead projects. A final point in terms of how the funding programmes work is that with third country status you do not necessarily get access to the whole programme. A country will negotiate access to some components of the overall framework programme. As an associated country, you more or less participate as a member state and have access to the whole lot. That is a key difference. As I say, that is the Horizon 2020 rules and the legal basis for that may shift in Horizon Europe.

Q3 The Chairman: That is very helpful. Could you say a little about the uncertainty that remains about the nature of Horizon Europe? How much do we know about what it is going to be and how much and what areas of it are uncertain?

Dr Beth Thompson: At the moment we have a partial general approach from the Council of Ministers. The European Parliament has agreed its position. They are about to start trilogue discussions to finalise the text, where the Commission will come in. The aim is to have that legislative text agreed before the European Parliament elections next year. That is the window for resolving that. The timetable for that is ambitious but, because we have now reached a partial general approach and Parliament's position, it is achievable.

In terms of the actual areas of uncertainty, it still means that every element is up for grabs. Article 12 is the piece of the legislation that looks at how other countries can join and participate. We will not know the final details until later. At the moment it looks like Norway and the EEA countries will have a different route to association from the UK and that that will be weighed up based on the benefits to the EU of participation. The good news is that we have consulted widely with European countries, or organisations in EU countries and other associated countries, and they see real value in UK participation, so hopefully under that article it will be quite possible to negotiate a good deal that works for the UK and the EU.

Lord Best: May I ask a supplementary? As this high-level negotiation is currently being carried out, is it fair to say that the UK is disproportionately influential in that process, and how will that change if we become an associated country afterwards? Are we punching above our weight at the moment in setting the overarching future framework?

The Chairman: Ms Stern, if you want to come on that, please do.

Vivienne Stern: Perhaps I will start with that question. Historically, it is true that the UK has carried a lot of weight, not only because we are considered to be a very important player within the research space in Europe but because—and perhaps this sounds a little complacent—we have been told by our European counterparts that they look to the advice that the UK Government and bodies such as the Wellcome Trust, the

Royal Society and ourselves produce as issues arise in Europe. We have influence both directly and indirectly because the quality of that input has been seen to be strong. It has been true in the past, including in the big discussions around the original creation of entities such as the ERC, that the UK has been a really significant force in those discussions. We are in such an odd position now that I think it is inevitable that our influence on the debates around the future programme has been diluted. We have still participated actively in those debates nationally, both through the Government and other bodies, but it has hampered our ability to act in the way that we would normally act, especially given that it is not certain that we will be part of this programme which we are seeking to influence. I think that has been rather difficult.

Beyond this period, there is every reason to think that the UK would remain an influential voice at the European level, even in the event that we lost our formal voting rights in committees. I would base that on two grounds. First, we know that both Switzerland and Norway have a strong voice in debates about the development of programmes, notwithstanding their associated country status, and we have been advised by them that they achieve that influence primarily by showing up and actively engaging, and by engaging at a level of substance in the questions the Commission is asking. Secondly, as I have indicated in our case, the quality of that input is seen to be good. There is reason to believe that we could continue to exercise influence.

The Chairman: Thank you. Lord Lansley.

Q4 Lord Lansley: Could you tell us a little about what the experience has been thus far? It is just over two years since the referendum. There has been a degree, and, if anything, a heightening degree, of uncertainty about some aspects of what the future holds. How has that impacted on participation in research projects, for example British institutions taking the lead in consortia and things of that kind?

Dr Beth Thompson: It is difficult to say categorically, and the data is more anecdotal than statistical. We are hearing that UK researchers are sometimes receiving signals from their colleagues in the rest of the EU that it would be helpful if they were to not lead the project or, indeed, if they were to step away. We are hearing that that is changing the dynamics of some of these things, and it feels like it is having an impact on UK leadership at the moment. I hope that is a temporary blip, if you like, and that it relates to the uncertainty of the current situation and what will happen after Horizon 2020 ends. It is entirely possible that once Horizon Europe is in place, and we are an associated country within that, we could regain that leadership. However, it is having an impact so far. At Wellcome, it is becoming more difficult to attract talent. Some of our centres are saying that they are struggling to recruit, which is not something that they normally face. Some individuals have turned down a Wellcome fellowship or Wellcome funding because they are concerned about whether they will also be able to apply for ERC grants in the future and what the scientific landscape in the UK will look like after Brexit.

Vivienne Stern: We have started to see in the share of funding distributed some evidence of impact. Between September 2016 and June 2018, the UK share of total European Commission funding under Horizon 2020 dropped from 15.3% to 14.3%. There are two things to say about that. The first is that it is a bit like looking at the stars: you are looking back in time, because the bids for the grants that are being evaluated now were prepared and submitted some time ago. Often there is an 18-month or longer lead time for such projects, so you may see UK participation, success rates and co-ordination fall more sharply from this point on.

The second point is that you could say that is a rather positive indication that, by and large, it is understood across Europe that it is mutually beneficial for us to continue to work together. The political statements that have been made, both on the UK side and on the European side, have tended to suggest that this is a shared aspiration. That has shored up some of the uncertainty within institutions. It has not been helped by some of the messaging from the Commission which has pointed to the risk to consortia if they include UK participants, but, broadly speaking, our message to European counterparts has been: "Keep working with us as you always have because we are going to find a solution to this problem one way or another". That message is getting a little harder to put across with credibility because of the prospect of a no-deal Brexit. It is pretty critical for us, and I think that loss of confidence which Beth has described, and is there, is increasing.

Lord Lansley: Is that likely to increase, in your view, as, presumably, more projects are being brought forward which are likely to extend beyond the end of 2020?

Vivienne Stern: Yes; notwithstanding the Government's very clear guarantee to underwrite the funding for UK participants in collaborative projects, there is a great deal of uncertainty in the UK, and even greater uncertainty in the EU, on how that will work in practice. Some very critical decisions will need to be made at the Commission level about, for example, minimum numbers of participants from EU member states. It is rational behaviour in a way, to start thinking, "What does this mean?"

Lord Lansley: Because those rules relating to member states will, on the face of it, exclude us after 2020.

Vivienne Stern: Yes.

Lord Lansley: During the period up to the end of 2020 could we still be included in that or not, because the transition is not necessarily the status quo?

Vivienne Stern: Under the transition deal we would continue to participate exactly on the current basis. The uncertainty arises from the prospect of us trying to continue to be part of these projects as a third country in the event of a no deal.

Dr Beth Thompson: I think that is very clear.

Q5 Lord Kirkhope of Harrogate: I want to drill down a little further on this question of the sorts of reassurances that you have had from the Government so far in the event of a no deal. At the moment, we know the political tumult here and we do not know what is coming—whether we are going to get a deal or not, or anything else. You have had contact with the Government over this, and I think it is the universities’ written submission that says the Government have taken some steps to provide certainty in a no deal scenario. I would like to drill down a little and see what those steps are and, in particular, the nature of any guarantee that the Government may have given to cover the cost of the successful funding bids in the event of a no deal scenario. Is it satisfactory? Do you have proper assurances and, if so, from whom and over what timescale? It is presumably the timescale of the original bids or the nature of those bids? Could you clarify a bit more here because I want to know whether you have very much at all?

Vivienne Stern: To put it in a crude fashion, I think the guarantee was good up to a certain point. We are now at a point where we need a little more detail about how it will work in practice. The statement of intent gives an open-ended commitment that the UK Government will fund the UK’s participation in projects, not only for bids that have been approved before the point of Brexit but for those that are in mid-flight, where applications have been submitted but not yet evaluated, and a subsequent guarantee that the UK Government will, in effect, write a blank cheque that, should a UK participant want to be part of a consortium for a bid not yet submitted, the Government would underwrite the costs of that on a third country basis. Up until this point, that has been regarded as very helpful. We said right at the beginning when that guarantee was issued very early on in the process, “You will need to answer quite practical questions about how the flows of money work. Is this you contributing to the Commission pot and the Commission disbursing the money as they would have previously, or UK funding going to UK participants? Crucially, what about those areas of the programme we cannot participate in on a third country basis? About 60% of all the funding that the UK wins comes from ERC or Marie Skłodowska-Curie actions. Those are not open to third country participation: what about those?”

There are some technical issues, which, to be honest, in 2017/early 2018 we thought, “Okay, we are going to work that out nearer the time. What will the audit requirements be? What will the status of these grants be?” Now we are getting to the point where these questions really do need to be answered. The answers are not yet forthcoming and the guarantee therefore feels a little thin. To be fair to the UK Government, I do not think it is that they are not aware of the areas in which they need to give some further clarification. One problem is the lack of direct engagement with the Commission, because some of these questions can only be resolved in dialogue with the Commission. I understand that the UK is

finding the Commission unwilling to engage at that level of technical detail.

The Chairman: So the lack of engagement is the Commission's fault, if I can put it that way, rather than the Government's fault for not trying, or a bit of both?

Vivienne Stern: I am not going to use the language of fault, but I think there has been an unwillingness to get into the detail and our message now is that we need to get into the detail.

Dr Beth Thompson: Can I add something on a different aspect? This entirely echoes our view on planning for no deal and the grants that are already in the system or have already been awarded. There is another aspect that it is important to look at, and that is the fact that if we get to a no-deal situation, those researchers who have relied on EU funding and are used to that pot being there will suddenly lose a funding source. Perhaps we can come back to this later, but it is also important that the Government are thinking about the contingency and how they will address that gap in the funding, which cannot just be through beefing-up current schemes. The EU schemes offer very particular modes of funding that would be quite challenging to replicate, and the UK Government need to think about that and where the money will come from.

Lord Kirkhope of Harrogate: Can I explore that a little further? Obviously, a lot of these bids have components. They are not just a bid for a project; sometimes components are shared internationally or shared with our European partners. Also, the very nature of the bid itself is almost dependent upon the position we hold; in other words, whether we have access to certain things. You talk about the Commission here and responsibility and so on, but you have been given some assurances, and I want to clarify this. The Government have presumably been clear, to that extent, in saying. "Don't worry, we'll look after you", that sort of stuff, even if it is as general as that. What I am anxious to find out is what can you get hold of in terms of the nature of the bids? Is this putting people off pursuing bids because of the uncertainty, for instance?

Vivienne Stern: The answer to that question is partly reliant on anecdote and I cannot give you evidence to support this, but, anecdotally, it has had a chilling effect on UK researchers putting forward proposals. One institution, and I will not name it, talked about an almost absolute cessation of proposals to co-ordinate projects from a position where in any previous period you would have expected quite a high number of proposals. I am not going to give a number because you would probably be able to work out which institution I am talking about if I did.

Dr Beth Thompson: We have heard the same thing, and it is anecdotal, but it sounds as if the UK's leadership of bids is being affected. The Government's offer of the underwrite is really important but, as Vivienne says, it is not stemming all the uncertainty that there is at the moment.

Lord Watts: Given the uncertainty of the funding, is there any

demonstration that academics are planning to leave and move to mainland Europe, on the basis that their futures are more secure there and they are likely to get funding for the projects that interest them?

Dr Beth Thompson: Again, I can only speak anecdotally. We have had one person decline one of our fellowships because they were concerned about access to EU funding. This is a prestigious Wellcome grant that normally people would snap up, but they decided to go elsewhere. We have a Wellcome-funded researcher who also has a European Research Council grant, who has decided to move to Germany. It is having some impact on where people choose to go. We do not have numbers for that more broadly and, clearly, lots of people are staying, and some people are still applying, but that uncertainty is in the air, and speaks to the need both to manage preparations for no deal as strongly as possible and, should there be a deal, to resolve as quickly as we can the uncertainty through a science and innovation agreement.

Q6 Baroness Pinnock: My question clearly follows on from the discussion we have just had. In planning for a no-deal scenario, which is the purpose of this bit of work, the Government have said they will try to mitigate potential adverse impacts. What list of priorities would you give the Government? In what order would you say, "Right, we are going to mitigate—this is what we want you to do"?

Vivienne Stern: I would start with people. As you have heard, we are highly reliant as a system on international academic staff. That is true overall, but it is particularly true in certain disciplines where over 50% of academic staff may be from outside the UK. Our position, in a sense our reputation, our ability to compete in these international competitions for funding relies on us being able to retain those outstanding researchers. There is a great deal of uncertainty about the future arrangements for EU staff, and indeed students, and I would like to particularly draw attention to postgraduate research students as a group within that who are very important to us.

We are in this funny situation where we have to think about at least three possible scenarios simultaneously. Starting with the no-deal scenario, we need some reassurances as soon as possible about what would happen in the event of a no-deal to those EU staff and students who are here currently. We assume from what the Prime Minister has said that citizens' rights would be unilaterally protected, and we need to see some detail about how that would work in practice. The Government have done some very helpful things, including fast-tracking academic staff in the settlement scheme so that university academic staff will be able to apply early for that settled status, and that, of course, is part of the envisaged withdrawal period arrangements. We have much less clarity about what would happen to those members of our staff who might be temporarily working in another member state. One of the things that we have to ask our Government to do, and ask our counterparts in other European member states to do, is to clarify what would happen to UK-based staff who were spending some time with a partner institution in Spain or France or Germany. What is the answer to that? That, of course, will also

apply to students who are on Erasmus placements, which I think is the topic of discussion next week.

We are expecting an immigration White Paper. There is a real question about what the impact would be of moving EU nationals to, in effect, a level playing field with international counterparts. I would like to draw your attention particularly to the Tier 2 salary thresholds. We have griped and griped about the Tier 2 salary thresholds. I think the Government understand very well that we have a problem with, particularly, the technician-level staff in the universities who do not tend to meet the £30,000 salary threshold. I think in this environment they should look again at that. For me, the best possible outcome would be a statement through that immigration White Paper that said to EU nationals, and indeed to citizens of other countries beyond the EU, we think academic staff, technicians and students are an extremely prized asset to the UK system and we want to make their journey to the UK as frictionless as possible. We want to make this as close as possible to an easy and attractive mechanism. I do not think that is what we have in the Tier 4/Tier 2 arrangements currently. There is an unprecedented opportunity to fix that not just for EU nationals, who are very important to us, but more generally. We look forward to the White Paper and hope for some positive news in that.

Baroness Pinnock: That is one priority.

Vivienne Stern: Sorry, I went on about staff and students. The second point in the no-deal scenario is clarity about how the financial underwrites would work. We have gone into that. The same is true on Erasmus; there are the same questions about how the underwrite will work in practice. I do not think we yet have an absolute guarantee from the Treasury that they will fund a replacement mechanism for ERC or Marie Skłodowska-Curie. That is 60%, as I have said, of our total receipts, so it is really quite important that the Treasury says, "We have not just issued this underwrite for those collaborative projects; we are going to make sure that the UK has a replacement mechanism for ERC should that need arise". I will stop there. There are other things.

Dr Beth Thompson: I would absolutely echo those as our first two priorities. Our perspective on immigration is very similar. Free movement has served research incredibly well because we know that research thrives on the movement of people and their ideas across borders. If we get no deal, that will end very abruptly, and, from Wellcome's perspective, we cannot rely on an expansion of the current system to serve the EEA nationals who we will have to bring in, because it is not quick or agile enough, and we have this salary threshold which is not a good proxy for skill in our sector. It is absolutely critical that that is resolved for no deal and more broadly. We look forward to seeing the White Paper as well.

On funding, this point about alternatives to ERC and the Marie Curie awards, and some of the big collaborative proposals that go in through the EU framework programmes at the moment, are critical. It is

important that the Government think about how to replicate those European schemes as far as possible and that we get Treasury backing for that, because, clearly, that would leave a big hole.

The third priority I would add is regulation. For projects based solely in the UK, we will have certainty through the Withdrawal Act about what UK legislation looks like, but if you are trying to collaborate across borders and you have collaborators in other member states, there is a large degree of legal uncertainty on the legal basis for how some of your collaborations will operate. I am thinking of things such as the data protection rules. If you are working with personal data, say you are an epidemiologist doing public health research, and you have a really rich dataset which has individual identifiable data in it; how will you make sure that can be shared with your collaborator when the free flow of data would stop at no deal? That is clearly not just a worry for research, it spans lots of sectors, but it is absolutely critical.

For clinical trials, at the moment we operate clinical trials under a UK regulation based on an EU directive. A new EU regulation is coming into force. Broadly, the rules on clinical trials are harmonised and that makes it reasonably easy to run your trials across multiple sites. You might therefore have a sponsor in the UK who has sites in other European countries and the legal status of that is going to be challenging. The MHRA, the UK regulator, has put out no-deal guidance, but there is a lot more work to do before the people on the ground doing those trials really understand what is going to happen to them.

Vivienne Stern: May I add one other thing? Even in the event of a no deal, we think the Government should seek association to the Horizon Europe programme. The prospect of us seeking association does not depend on a wider deal. It is open to countries such as the UK to participate on an associated country basis, to try to negotiate that, even in the absence of a broader trade agreement. We would say deal or no deal, seek full association to the successor programme, even if you have to put in place something temporary for what would have been covered by the withdrawal agreement.

The Chairman: Could I ask one follow-up? Dr Thompson talked about the importance of data. Is it possible to say how much of the research that depends on data coming from the EU would be, in a sense, at risk, or could be?

Dr Beth Thompson: It is very difficult to say. If you look at the UK's overall research portfolio, research involving personal data is a reasonably small part of that, because most people will be using research data that is completely unrelated to humans. However, for health research projects, such as clinical trials and public health studies, it is often a key part. Researchers will use anonymous data where they can, but if you look at genomics, which is a real strength in the UK, it is very difficult to anonymise datasets without losing the richness in them. It does not apply to all UK research, by any means, but for a good portion of UK-based health research, it will be important.

One of the interesting things, as you say, is the transfers from the EU to the UK that become particularly problematic because of the way the General Data Protection Regulation works. The data often ends up flowing in both directions. If you look at something such as the UK Biobank, which is an incredibly rich resource of half a million participants' tissue and data, when UK Biobank has a bid from another European country to use that data, it will send as much of the data as it can, and the researchers can work on it, but they add their findings and send it all back to UK Biobank, so the data ends up going in both directions. We have some really rich cohort studies in the UK. Typically you would see hundreds to thousands of applications, I would say, from EU countries to use those resources within a year.

The Chairman: That is very helpful, thank you very much. Lord Watts.

Q7 **Lord Watts:** If we end up with a no deal, do you anticipate a large increase in national applications? If you do, is there a system in place to manage that and to manage the funds in any way? Do you think the funding will be available to do that?

Vivienne Stern: I think Andrew Thompson would have been very well placed to talk about this. The UKRI already has demand management systems in place, and what we are assuming is that the quantum of funding which UK researchers would have been able to access under European schemes will be made available through other mechanisms—through underwriting third-country participation in European projects, through a replacement mechanism for things such as ERC and Marie Skłodowska-Curie—but, in a way, what you might hope is that it is not all displaced into existing national schemes but that there is some additional capacity for people who would have otherwise been successful in bids for European funding.

The point Beth made earlier is worth coming back to about the difference in the distribution by subject, and distribution by institution, of European research grants compared to UK research grants. There are two differences, in broad terms, between UK and European funding. First, European funding is spread slightly more widely across the UK research system; and, secondly, in many cases, European funding is the major source of research income for the arts, humanities and social sciences for institutions.

When Andrew Thompson comes to speak to you, he could speak very eloquently about that as the chair of the AHRC. It is not just a question of expanding capacity in existing mechanisms. If we were in a no-deal scenario we would have to think about replicating some of the features of European grants, at least in the short term, because there is a prospect of a high degree of instability being introduced if you just said that the national schemes are all we can offer.

Dr Beth Thompson: I agree. The UK schemes that we have at the moment would not substitute for what we get from the framework programmes. Having this alternative is the really critical thing. At the

moment, someone might hold, say, a Medical Research Council award and a European Research Council award, and it would be problematic if they lost one source of funding altogether. This alternative arrangement and ensuring that there is financial commitment to that from the Treasury are very important. Replicating those key features, as Vivienne said, is crucial within that. We need to work out what the really important features are of EU funding at the moment and carry those over. Those would be things such as the ERC awards made to individuals based in a European member state but where you can be from anywhere. It would be important that we opened up an ERC-like scheme, where you do not have to be a UK national or already based in the UK to apply for it. It would be great to be able to attract talent from elsewhere, and if they can apply from wherever they are currently working and finishing off their other research project at the moment. There will be lots of details such as that that will have to be worked in for it to be really effective.

Lord Watts: What you say is that you accept there will be a need for stronger management and there will need to be a system put in place to replace the funding that was there before from Europe. Have the Government given any indication that they are working on some of those proposals? Do they understand the complexities you have just gone through?

Dr Beth Thompson: There is a good understanding of the difficulties there. Seeking the financial commitment to do that is probably the biggest challenge at the moment.

Q8 **Baroness Randerson:** You talked earlier on about the issue of people. I will not ask you to repeat that, but we are still in the position where the White Paper on immigration has not been published and, therefore, we have very general assertions to base future ideas on. Can you tell me if the proposals you have heard about so far on, for example, short-term visas, would be satisfactory for people doing research? What proposals have been made in terms of general immigration systems? How are those going to fit your needs? Perhaps you could distinguish between students, undergraduate and postgraduate, and staff. I ought to declare an interest as pro-chancellor of Cardiff University, as I notice that the evidence from Universities UK refers to our vice-chancellor.

Vivienne Stern: Perhaps I should start there. Professor Colin Riordan, who is Vice-Chancellor of Cardiff University, has led some thinking about what arrangements we need to support reciprocal mobility of students on a short-term basis, and the starting point would be that we want more of this. We are quite lucky to be one of the most popular destinations for students who come for a short period under the Erasmus scheme. They do not have to worry about visas and there are no hurdles in that sense. We also want to double the proportion of UK students who go abroad and, again, at the moment, one of the things they do not have a worry about is whether they need a visa to go and spend some time in Italy or Spain or Poland.

Our starting point would be that the barriers should be as low as possible. In an ideal world we would maintain a system in which short-term mobility could be pursued without a visa. Some of the proposals the Government have made on that score are not entirely unhelpful. On the longer-term study options, if the Tier 4 system were applied to EU students as it is currently, we would be very concerned, because we look at our attractiveness as a study destination and, if you are thinking about applying for a visa to study in the UK from outside the EU, and you compare our system with systems in other countries via a variety of measures, we are just not that attractive. We seem to make it quite difficult for people to go through that process. Albeit a very high proportion of people who apply for Tier 4 visas succeed in getting them, we have managed to create an impression that we do not really want international students. I think that is a mistake.

There are certain features of the Tier 4 system that have to be looked at again. You have heard Universities UK talk about the opportunities for students who come to study in the UK under the Tier 4 scheme to be given opportunities to stay and work for a short period after graduation because, for many people, when they pursue an education, they are also thinking about their entry into the labour market. To have a little bit of work experience to go alongside your degree will position you better when you make your next step back in your home country or somewhere else in the world, and for many students, it is also a means of cementing the personal and professional relationships that you might have built up as a student. I think that is good for the UK.

We have some research that we will publish fairly shortly showing that, from a cohort of 16,000 international students, over 70%—I will write to the Committee with a correction on that, because I am perhaps not quoting exactly the right figure—would like to maintain relationships in business and trade, broadly described, with the UK.¹ I think that is great for the UK. Simply cutting and pasting what is currently available for non-EU citizens for the EU would be a real missed opportunity. We have an opportunity to think again about making ourselves more attractive in the round. I have talked about Tier 2 and the problems with the salary threshold, and particularly the salary threshold for technicians. We do not quite know what this White Paper is going to say. We can see what has been recommended by the Migration Advisory Committee and what the Government have said in broad terms, but I know there has been a bit of an argument at the political level about this White Paper, and we do not quite know what to expect.

The Chairman: Thank you. Dr Thompson.

Dr Beth Thompson: We are concerned that the MAC recommendations do not go far enough in terms of the movement of academics or the

¹ **Note by the witness:** The i-graduate International Graduate Outcomes survey, which questioned over 16,000 international and EU graduates who studied at UK universities, found from respondents that “81% will develop professional links with organisations in the UK as part of their career.”

research workforce. As Vivienne says, we do not know what the actual White Paper will look like, but we would be concerned if that just mirrored the MAC recommendations. Although they have made recommendations to improve the Tier 2 visa system, we do not think it is enough to copy and paste those rules for EEA nationals.

We have talked about some of those reasons already but we did not touch on cost. The UK visa system is hugely costly compared to other countries. If you look at a five-year visa for a researcher, with a partner and their three children, it costs in the region of £11,000 to bring them into the country. If you look at France, where they have a 'Talent Passport' visa, it is an order of magnitude less: about £1,000. It shows that the UK could use this opportunity to go back to the drawing board and think about how we welcome talent, both to give the perception of this being a welcoming place and to reduce the bureaucracy, the burden and the cost.

The Chairman: The £11,000 is what exactly?

Dr Beth Thompson: That is a five-year visa for a researcher with a partner and three children; the comparison with France being an order of magnitude lower. In terms of short-term travel, this is very relevant for the research workforce because travelling for conferences is such an important part of the job, as is meeting your collaborators or travelling abroad to learn a new skill. That is how research grows and thrives. We have been concerned recently that for the non-EEA, so the rest of the world immigration system, we have had problems bringing in researchers for academic conferences from Africa and Asia. We have seen a couple of examples of that recently. We have also had problems with people who are coming to interview for a fellowship at Wellcome who have had their visa declined. These are very short-term stays and I think that shows that the current visa system does not work well enough to think about expanding it.

The Chairman: We will have a question from Lord Lansley and then from Lord Haselhurst. I am conscious that we are coming towards the end.

Lord Lansley: On that point about the visa cost and the five-year period, is a significant part of that the health surcharge?

Dr Beth Thompson: That includes the NHS surcharge.

Lord Lansley: If one went to France from a third country, one would not have access to the French healthcare system through the visa system, but one would have to pay for it separately.

Dr Beth Thompson: That is true, so some of the costs come in other places. I can check the detail for you. We have some of the detail of that broken down.

The Chairman: Thank you, that is a very important point. It would be very helpful if you were able to write to us setting some of that out in more detail. Lord Haselhurst.

Q9 Lord Haselhurst: If we assume that there is a deal, it would be followed by a transition period, and it seems that the United Kingdom would be treated as a third country with regard to participation in these research programmes from 2021. What further damage do you imagine might be done if there is an extended transition period?

Dr Beth Thompson: It is difficult to say what the terms of the transition would look like. We know at the moment that, for the transition up to 2021, the UK will in effect continue to participate as an associated country. That element is clear but what happens after 2021 is less clear, and it is complicated by the fact that the new multiannual financial framework and the new research programme Horizon Europe will start. I would be cautious about making an assumption that that would have to be as a third country. The point that Vivienne made earlier that it is theoretically possible to negotiate associated country status, even in a no-deal Brexit, is really important. Clearly, politically that could become significantly more difficult, but, technically, it is absolutely an option.

Lord Haselhurst: How far does the sheer quality of the research affect matters? If we have some programmes going which are thought to be of such a degree of excellence that there might be considerable interest by other European countries in being part of it, is that a significant factor?

Vivienne Stern: We can take some comfort in the fact that we are regarded as a leader in European research, and so should we find ourselves in that situation post 2021 where we cannot associate to Horizon Europe, we would say to our Government, "If you are kicked out of the champions league, create something even better", and there would be countries, I think, which would say, "Okay, we will come in and join you in a new club that would create a prestigious source of research funding open to international competition, perhaps portable on the same basis". My cautionary tale is that to do such a thing is ambitious and, therefore, would probably take some time. Within Europe some of our most important collaboration partners are already paying into a joint pot. Is it conceivable that they would find additional funding to join something additional with us? I think that is highly questionable.

We have said that it is possible to think about other ways of doing this and to maintain the UK's leadership in science through other mechanisms. We should be thinking about that and we should be thinking creatively, not least because we do not know whether we can associate. The clear and unanimous preference of our sector is to seek full association to the next framework programme, even if alongside that you are thinking about what you may do in a future scenario in which that is not possible for you, or the terms of association become unappealing.

Our plan A should be to seek association to the European framework programmes, even if we are thinking creatively about what we might do in an alternative scenario. To pick up on the points Beth was making, my real worry is about a period of discontinuity. The withdrawal agreement gives us associated country status, in effect, to the end of the current programmes. We do not get to negotiate association to the future

programmes until they are finalised, and they are not finalised, so we probably will not get into the nuts and bolts of an association negotiation until some point at the end of this year or sometime next year. Is it possible that we will find ourselves still negotiating association when that programme begins? I think it is possible because that is exactly what has happened to Switzerland on a couple of occasions. They are still negotiating their association agreement when the programme starts. We have to say to people, "Hurry up".

Lord Haselhurst: Have you confidence that the Government are thinking along these lines, and recognise the disadvantages on the one hand and possible opportunities on the other?

Vivienne Stern: Yes, I think there is certainly creative thinking going on. I would also say that the capacity in the Government to deal with all these things at once is a real source of worry.

The Chairman: We will have one final question from Lord Watts and then we will draw the session to a close.

Lord Watts: The Wellcome Trust plays an important part in research and development in the UK and influences government policies quite substantially. Has the Wellcome Trust a view about what should happen and what its position would be if there is no deal?

Dr Beth Thompson: We are very proud that we spend the majority—around 75% to 80%—of our £1 billion investment every year in the UK. The UK is a brilliant place to do science and that is why we are investing here. What we have said is that a no deal and the implications that will bring, if not properly dealt with, could lead to the UK environment for science changing significantly. While the UK is this powerhouse, Wellcome support is here, but we have said that our support is not unconditional in the event that that environment changes significantly.

The Chairman: Thank you very much indeed. That has been extremely helpful and we have learned a lot from you. Is there anything else that you think we ought to have asked you that we have not that you want to tell us just quickly?

Dr Beth Thompson: No, thank you.

Vivienne Stern: No, thank you.

The Chairman: You have offered to send us some written material, which would be extremely helpful. If there is anything else that you think would help us that you want to write to us about, please feel free to do so. We would welcome that, too. We are very grateful to you both and thank you very much indeed for giving evidence to us this morning.