



Select Committee on the European Union

Home Affairs Sub-Committee

Oral evidence:

Brexit: EU student exchanges and funding for university research

Wednesday 12 December 2018

10.40 am

Watch the meeting

Members present: Lord Jay of Ewelme (The Chairman); Lord Best; Lord Haselhurst; Lord Kirkhope of Harrogate; Baroness Janke; Baroness Massey of Darwen; Baroness Pinnock; Lord Ricketts; Lord Soley; Lord Watts.

Evidence Session No. 2

Heard in Public

Questions 10 - 25

Witnesses

I: Amatey Doku, Vice-President—Higher Education—National Union of Students; John Latham, International Projects Manager at Lancaster & Morecambe College, Association of Colleges; Gail Armistead, Associate Director of the Office of Global Engagement at the University of Nottingham, the Russell Group.

II: Professor Andrew Thompson, Executive Chair of the Arts and Humanities Research Council, UK Research and Innovation.

Examination of witnesses

Amatey Doku, John Latham and Gail Armistead.

- Q10 **The Chairman:** Welcome to you all and thank you very much indeed for coming to give evidence to us; we are very grateful to you. We are conducting an inquiry into the potential implications of Brexit for Erasmus and for Horizon. Clearly this is the Erasmus part of that. There is a degree of uncertainty about what will happen next, but we have concluded that the only thing to do is to press ahead with a slightly longer-term view than you see bothering the press at the moment. This session is a public session, as you know. It is being broadcast and will be transcribed. After the session has ended, we will send you a transcript of your evidence so that you can look at it and make certain that it reflects what you actually said. Would you like, first, to introduce yourselves and your organisations so we are absolutely clear who you all are?

Amatey Doku: I am Vice-President for Higher Education at the National Union of Students.

John Latham: I am from Lancaster & Morecambe College. Today, I am representing the Association of Colleges.

Gail Armistead: I am Associate Director of the Office of Global Engagement at the University of Nottingham and I am representing the Russell Group today.

- Q11 **The Chairman:** Thank you very much. That just about covers the beneficiaries of Erasmus, if I can put it that way. Could you start by saying what impact the current Erasmus programme, or the Erasmus+ programme as I suppose we should call it, has had in the UK on enhancing opportunities for co-operation and mobility? Could you say at the same time how it has helped to increase opportunities and improve upward mobility for students from disadvantaged backgrounds, which I know is one of the issues that concerns you?

Amatey Doku: First, I should like to thank you for inviting us here today to speak about this issue. I am one of the lead officers on Brexit. When you take the broader politics out of it and it comes to the substantive issues that our students care about, this comes at the top of the list, and I am really pleased to have a chance to talk about this today. Whatever outcome we get, we were very clear from the outset that keeping this much the same, and expanding Erasmus and the Erasmus+ scheme, was absolutely key. Our members and our students tell us that it is hugely beneficial. We know that over the last 30 years alone of the Erasmus+ programme over 300,000 students from the UK have benefited from a period of study or work abroad. That was about 15,000 in 2014-15 alone. When you speak to students who have been on the programme, and students who study here as part of the programme, you see that it is hugely beneficial. There are opportunities for students to learn more about other countries and cultures and about other people. It is seen as hugely valuable to them. It is not just about what happens in the classroom, as it were. There are cultural events and targeted outreach

programmes in schools, community groups, and interaction with local residents as well. These programmes contribute to a greater understanding of one another, and of different nations, cultures, traditions and perspectives. My understanding is that Universities Scotland has done some research which has shown the social and cultural benefits of a diverse international learning environment, and we absolutely want to improve on that. I may touch on some other things later, but there is a really important element around employability, and you mentioned social mobility as well. We know that black and minority-ethnic students on these programmes are 41% less likely to be unemployed than those on non-exchange programmes, and that mobile students from disadvantaged backgrounds earn 6.1% more. There are huge benefits to students, not just from going on this programme and gaining understanding but when they leave university and go into the jobs market.

The Chairman: You mentioned one piece of evidence from Scottish Universities, and I think we know about that. Thank you very much. Mr Latham, do you want to go next?

John Latham: I am coming from a different angle and that is the vocational college angle. It is still an integral part of Erasmus+ and the fact that Erasmus+ has a big focus on mobility is not a coincidence. It is open to everybody and anybody, regardless of their social status or economic situation. The mobility programme contributes to general upward social mobility. It prepares people for higher education and for leaving home for the first time. It is often the first time that people have been on an aeroplane out of the country and sometimes even as far as the next big city. The change in young people is quite often remarkable and it is quite impressive to see first-hand. It also offers the opportunity to work locally. The Erasmus programme does not just have a mobility aspect, it includes co-operation projects; and for a modest-sized, community-based college in Lancaster & Morecambe, it enables us to work in partnership with universities and national associations as well as international associations. That clears the path somewhat for students to get a clear line of sight to employment prospects and career aspirations as well. It is really quite impressive to see. At the moment, there is the threat of it going, which is why we are met, and that challenge needs to be tackled.

The Chairman: Sorry, which challenge is that?

John Latham: The challenge of coming out of the Erasmus programme. This is why we are here today: to represent the college sector and to ensure Erasmus continues, because witnessing the change in young people first hand is quite impressive. I have seen people transform their lives directly as a result of Erasmus+.

The Chairman: Thank you, that is very helpful. Ms Armistead.

Gail Armistead: I should probably give a bit of context. The University of Nottingham is known as having one of the largest student mobility

programmes within Erasmus+ at university level. It is probably the type of Erasmus mobility that you are more familiar with, or that is perhaps cited more often than some other projects, although they are all part of the wider Erasmus+ programme. We support around 400 students a year undertaking Erasmus+ placements and that accounts for around a quarter of the outward mobility programmes that our students participate in. For me it is a fundamental part of the offering that we have at Nottingham. We want to be an outward-looking, international university. We know that many of our students choose to come to Nottingham for that very reason and they are looking for those opportunities.

To echo some of the comments already made, our students are for ever looking for new opportunities that allow them to be global in many ways. Even though there are to be changes in the UK's relationship with the EU, our students are looking to be as European as possible and they see mobility and opportunities to go and study or work in Europe as vital in many cases.

You also mentioned upward mobility. Erasmus supports students with extra grants if they come from what in the university sector are described as the 'widening participation' groups of students: those from disadvantaged or underrepresented groups. At the moment that tends to support only study placements, but it would be interesting to see that support other types of students. There is also extra support for students who have disabilities. We have had a number of students go on the programme who have quite complicated disabilities. We have been able to get extra money from Erasmus+ to support them, which we do not have in other schemes.

The Chairman: That is a very helpful start and thank you very much for that. I ought to say that we aim to finish at about 11.45 and we have got quite a lot to get through. Baroness Massey.

Q12 Baroness Massey of Darwen: Thank you for that confirmation of how exciting and useful Erasmus+ is—I think we all appreciate that. I have a couple of questions on the uncertainties in relation to Brexit. Have the Government's underwrite guarantee and the November draft withdrawal agreement helped to provide reassurance in this regard? I will run the two questions together. What is your understanding of how the underwrite guarantee would work in practice?

Gail Armistead: I was also part of the Universities UK working group that met over the summer. We talked quite a lot about the underwrite at that point. In subsequent months we have discussed it ever more. We feel that there is some reassurance from the Government, but we would like to ask for more. We had initially expected there to be a transition period and we could see how the underwrite might come into play if that were the case. Obviously, situations move on and we are now looking at what may be a no-deal scenario. In that case, questions are already being asked about students currently overseas who on 30 March might not be part of the Erasmus programme, if that is the way the Brexit situation evolves. I have also asked how long the underwrite will

continue. Colleagues at Universities UK have tried to reassure me that it will continue for the 2019-20 academic year and potentially the 2020-21 academic year, but I have my doubts about that. Reading the technical notice, I cannot see how it goes beyond the 2019-20 academic year. Why that is key for me is that we have students who have started on courses this September who are planning to be in Europe in 2020-21, and at the moment you are absolutely right that the key word is “uncertainty”. We are trying to reassure students, to ensure that we continue to support them and to deliver the exchanges and experiences they anticipate. Greater clarity on how the underwrite will work, and the practicalities of that, would be hugely beneficial because we will have only more questions and queries on this, particularly after the Christmas break if things have not developed.

John Latham: I echo that completely. At a practitioner level, as someone who applies for projects and funding, I feel that our partners abroad are also worth mentioning. Sometimes we are dealing with money, which is a very emotive topic in further education across the country, just as it is in our modest-sized, community-based college. Partners hedge their bets when it comes to partnering on projects, whether it is sending or hosting students, or doing small, medium or large-scale co-operations under the Erasmus+ key action 2 strand. At the moment they are asking questions and perhaps looking elsewhere—regardless of the technical notes; the European Union has published something slightly different. Although the guarantee is quite clear, and in black and white, it does not stop somebody erring on the side of caution when a substantial amount of money is in play. In my experience, we have been invited onto fewer projects this year. That is a practical impact on practitioners that is happening now.

The Chairman: You would put that down clearly to Brexit and the uncertainty it has created, would you?

John Latham: It could be personal. I do not know.

The Chairman: I was not suggesting that.

John Latham: I think it is the uncertainty over Brexit.

Amatey Doku: I would echo those points. There are two elements to this. There is the practical side of things, where, as has been rightly pointed out, the underwrite does not extend far enough for students who are starting university this academic year or for those students currently applying for universities for the next academic year. There are some specific technical and practical points around that which need to be addressed and are not covered there.

The broader picture is the message that is being sent. If the idea behind this underwrite was to reassure applicants and students, I do not think that has happened. Even though this year we have seen a slight incline in EU student applications through UCAS, that has not recovered since the

vote in 2016. There is clearly some concern broadly around mobility and students wanting to study here.

It is one thing to say that we will underwrite it and another thing to talk about the conditions in the immigration regime to permit those sorts of things to take place. We have not seen the Immigration White Paper published yet. We do not know from a practical point of view whether those students will be able to study and in what way the arrangements will be different. There are some real concerns around that.

Q13 Lord Kirkhope of Harrogate: For many years I was a Member of the European Parliament, until fairly recently, and I am sure that the original Erasmus programme and the Erasmus+ programmes have been enormously beneficial—we have had reports both here and on the other side of the Channel. Could I ask you to turn your thoughts slightly across the Channel to your connections and your work with your European friends? We have various scenarios as to what might occur here in terms of the negotiations, but let us assume for the moment that we have a no-deal scenario or a scenario which does not sufficiently cover a programme such as Erasmus+. Do you have any views about whether from the European perspective—and I am thinking specifically of the Commission and those implementing the programme there—there is a problem about us not being allowed, regardless of what the Government decide in underwriting terms, to continue to take part in the specific projects and placements which exist under the scheme? If that were to be the case, have you any thoughts as to how we could be alternatively involved in a way that would be helpful in the same way as Erasmus+ is for students now?

Amatey Doku: Our position is quite clear that a no-deal scenario would be catastrophic. You cannot isolate this specific question from the broader political landscape and the way in which a no deal comes about. If a no deal comes about because negotiations have completely failed, with threats on whichever side and bad blood, the idea that this will be top of the agenda of things to be sorted out is completely ridiculous. Earlier this year we met the education division of the European Commission and it said that education and Erasmus had not yet been discussed or finalised as part of the negotiation because they were still trying to iron out all the other issues. There might be some will and pressure from universities wanting to keep this going but, at the higher level, if the politics have broken down, it makes it harder to see how those programmes could continue in the way they work at the moment.

I would refer back to what I said in my previous response. If overnight the immigration status of students, practitioners and academics changes suddenly, which everyone expects in a no-deal scenario it will—and not to anything we know but to a completely uncertain situation—it is unclear to me how the fall-out from that could be resolved quickly enough to allow a seamless transition and continuation of many of these programmes. That is really our concern.

The point was raised about students currently studying who will be on their year abroad potentially when we hit 29 March. We may see a situation where embassies and high commissions in Europe get involved in trying to get people back home and vice versa. There are some real concerns here if there is not a very clear landscape and a clear understanding of what people's status will be, if we get to a no-deal Brexit.

John Latham: I echo the same concerns for the vocational education and training sector across the country. I believe that the UK is the most popular destination for vocational students across Europe entering the UK.

The Chairman: Are there any figures on that, do you know? Perhaps you could send them to us afterwards if you have some. That would be helpful.

John Latham: I can certainly arrange for them to be sent to you afterwards.

The Chairman: Thank you.

John Latham: With the uncertainty around the immigration status of volunteers as well as students, the same concerns apply. There is no doubt that there is a desire for a vocational college such as ours to continue and it is probably the same across the country. A lot of this will boil down to funding. I do not know if it has been mentioned yet, but Erasmus+ gives a full subsidy to young people to go abroad. It is fully subsidised and it means that anybody can take part. With all the will in the world, it needs to be backed up with money as well. Regardless of a no deal or any other scenario, that has to be the case, come what may, for it to continue.

Gail Armistead: I urge those who have the opportunity within government to continue to talk to the European Commission about us remaining through the transition period. The Erasmus programme goes on until the end of 2020, as do many European programmes. I urge anybody who has the opportunity to speak with the Commission and to look at a way that we can at least associate to the end of that programme and debate what comes in in the next programme.

I spend a lot of my time at the moment talking to colleagues from across Europe, in various ways, and they are also trying to figure out what this all means. For example, in Germany I have had colleagues trying to contact the DAAD and working out where that all fits together. They are also very concerned. However, they are determined to continue to work with us. I am getting a very positive message from universities in Europe at the moment that, as a collective, they do not want to lose these connections and collaborations either. We have an opportunity within that wider collective to be able to come together.

Lord Kirkhope of Harrogate: Regardless of the will that appears to be

there, are you getting the feeling—and my question was meant to probe your relationships in Europe particularly—that whatever the political outcomes might be, there is a strong wish to maintain something equivalent to, if not exactly the same as, Erasmus+ in the exchange arrangements with those countries?

Gail Armistead: My colleagues in similar positions to me in Europe wish the UK to remain in Erasmus+ in all its forms, because they see it as valuable and vital to so many of their connections across Europe. I hope that gives you a very succinct view from me.

The Chairman: Thank you. That leads on rather well to Lord Best's question.

Q14 **Lord Best:** My question goes a little further to the member states and, at a higher level, what the other 27 in Europe feel about us. We heard earlier that the UK tends to punch above its weight and is influential and important in Erasmus, but, equally, that we get more out of it, and more of our students benefit than those from other countries. At a higher level than the academic community, among the people directly participating in the programme, is there support for or resentment towards—hostility even—the UK's participation? Gail, this is probably one for you: at member country level is there support for a continuation into the next phase of Erasmus for us?

Gail Armistead: In every conversation that I have had at an institutional level, where the Russell Group and Universities UK have been talking to relevant national agencies or similar bodies in those countries, they are overwhelmingly supportive of us remaining in Erasmus+, both for the next two years and in the successor programme. They very much want us to be involved. It is key for them for us to be involved, yes.

Amatey Doku: I was at the Paris European Higher Education Area conference earlier this year and I spoke to a couple of Ministers and student union counterparts as well, and the message from them was very clear that they want us to remain. The question, though, is how quickly that mood would shift if immigration status becomes so different from what it is at the moment? You have only to think about the hoops and hurdles that students from outside the EU have to go through to prove that they are not going to drop out. They cannot work too much and they have to get out after a certain number of months. There are huge restrictions around that which currently do not apply to EU students and will be completely alien to them; for example, having to get a guarantor and having a certain amount of money in your bank account before you arrive. The reason why those restrictions are so tough on students from outside the EU is that citizens from outside the EU have to demonstrate those sorts of things when they come here as well. They are not treated the same as EU nationals. If we suddenly transition towards a much tougher immigration regime, where there is much more attendance monitoring for students, we will start to lose some of the capital that we have at the moment in these conversations. It is a huge risk.

The Chairman: Is that a risk which will arise only, in your view, if we were to leave without a deal and no transition period, or is it a risk that that will happen in any event?

Amatey Doku: There are lots of different scenarios being played out. Even with the Prime Minister's deal, because one of the key tenets is ending freedom of movement, the only conclusion you can draw from that is that for EU nationals there will be more stringent immigration controls. It is unclear to me at this point what that would mean for students who want to study here for longer than a couple of weeks, and what sorts of things would have to be put in place to ensure that, from the Home Office's point of view, young people are not using the Erasmus scheme as a way to come in, drop out, and stay in the country. That is the sort of language that will be used. In that context, it is likely that there will be more barriers than there are at the moment, or at least more hurdles to ensure that the system is not "abused". I would be deeply uncomfortable with any change to the system in that sense.

Gail Armistead: May I make a quick point about immigration? This cannot necessarily be dealt with in the UK, but more and more at the university level, when we see students go to Europe on Erasmus student mobility schemes, they are undertaking work placements. We appreciate that there will be immigration changes and we are very concerned about the status of students if they wish to undertake employment as opposed to a university-based study placement. In a university such as Nottingham, we may see changes. Students may take up more opportunities within universities rather than working if immigration status changes. That is a concern across the sector and in many Russell Group universities because there are colleagues working in universities whose Erasmus students—perhaps the majority—are undertaking work placements. Those students are the very students who on graduation are undertaking jobs related to Europe in business, law, economics, or going to work in Europe in similar ways. We cannot resolve that, but coming back to the point about working with national agencies, or at a government level, the transition period would at least give us a period to plan and to look at those differences. It could have quite a big effect on the opportunities that students have. That is on the flip side. There are certainly concerns about immigration on both sides.

Q15 **Lord Haselhurst:** We know the draft Regulation for the 2021-27 Erasmus programme allows for third countries to become associated on similar terms to any EU member. There is also the alternative of participating on a more limited basis in agreed projects and activities. Have you done any work on the likely costs and benefits of these options and is there one that you would prefer if it comes to that?

Gail Armistead: I struggle a little with this question only because consideration of some of the costs is quite difficult. A lot of the costs related to Erasmus are not publicly available and I am not necessarily privy to what it would mean in that sense. Looking at the next phase and the successor programme to Erasmus+, we are keen for the UK to continue to consider association to that programme. There is some

discussion about extending the programme and increasing the amount of mobility that might take place. That appears to have a potentially higher cost to it that I am aware the Government would want to negotiate on, but I would want them there at the table trying to help formulate what that new programme looks like so that it best reflects the type of mobility that the UK wishes to participate in. We are keen to encourage more funding, for example, to go towards WP students—those from widening participation backgrounds. We are keen for more projects that have short-term mobility attached to them because we know that students who are currently underrepresented in mobility will take part in them. We are keen to be at that table now and helping to formulate that successor programme and, hopefully, to make it as relevant as possible to what our students are currently looking for.

Lord Haselhurst: Is time running out therefore to pursue either option with any certainty?

Gail Armistead: It certainly feels like it from where I sit, yes. I suppose we had worked to the summer with the expectation of a transition period, and over the last few months, as situations have changed, we have had to re-think. When I am working with students who already are or are wanting to take part in such projects, and I am trying to enthuse and recruit them, it feels to me, and I am sure to colleagues, like time is now very short. I want the UK to be at that table and helping to mould what it looks like because we have a lot to offer as a country. Our students have a huge amount to offer throughout Europe.

John Latham: I echo the same sentiments from the Association of Colleges' point of view and from the members. We would prefer full access to the current arrangements, including a seat at the table. Limiting access will affect the quality of the co-operation and collaboration that already exists and the development of further co-operation. At the moment Erasmus+ remains open at college level to anybody who wants to take part, regardless of their financial status, and it needs to be guaranteed as well. The FE sector needs to be on an equal footing with HE. It might even be the case that, post-Brexit, we need to invest more to ensure that we are not estranged from our European colleagues and friends. I am sure that will come up in some later discussions.

There is no doubt that the young people who we deal with need to have a lot of preparation, even for short-term mobility. We need to know as far ahead in advance that we can introduce the idea and sell it to them. For some people it is a life-changing opportunity. It may sound like only two or three weeks abroad but, back to that message, it is a big step in their career and a big step in their future, whether it is work based or in higher education. We need full access as it is now and that should be the benchmark we aim for.

Amatey Doku: I would have to agree with that. I imagine that any change to the current arrangements will result only in further costs and less say. Let me give an example that we have been dealing with on the

student representation front. I am a lead delegate to the European Students' Union, which is not affiliated to the EU and has students represented from outside EU countries. One of the really interesting conversations is around education, and tertiary education in the broader sense. There are a lot of schemes alongside Erasmus which are trying to integrate with and bolster the status of education in Europe. One of the conversations has been around a European student union card. We have quite serious concerns about the impact that a European student card might have on our student unions and discounts, and all the rest of it, and whether it will be integrated enough. We think it should be delayed and then rolled out. We have a seat at the European Students' Union table to make the case for that on behalf of the UK, but if our Government do not have a corresponding seat at the table to put forward the case for the other things that might be happening, we might end up partaking in something like Erasmus+ but with other integrated parts which we cannot take part in. We might not have a say in the design of the whole Higher Education joined-up landscape being proposed.

Our view has always been that we want to be as involved as possible in Erasmus+ and the other initiatives which are happening around education so that we can shape them. We have, give or take, 4 million to 7 million students in the UK who could access some of these programmes. We want to make sure that their voice is represented in whatever future Europe educational arrangements there are.

- Q16 **Lord Ricketts:** Assuming we go for full association, how will we make it work? If we are in the scenario of having a deal and having a transition period, at least the Government have a little bit of an opportunity to negotiate the future. An association agreement would give us some opportunity, one hopes, to influence, but we would be a rule-taker rather than a rule-maker. We would not be sitting at the table making decisions. I think that is clear from the EU side. If that is true, and I think the answer follows, from your experience of how the Erasmus programme works at the Brussels level, how much access and influence in shaping things could we expect to have? What would be the best way of going about that? Would that be done just through government or can universities, student unions and other bodies in the Erasmus family help to ensure we keep that influence, on the assumption we are going for association?

Gail Armistead: What an individual university can do is limited, although associations such as LERU and various networks that universities are participants are often invited to the Commission to discuss new proposals. At that point, there is a way to have a collective voice across Europe rather than purely that of the UK. Without us having that opportunity to shape the programme, we may miss out on the chance to voice some of the concerns that we have in UK Higher Education and Further Education that may be particular to our students. I appreciate that it is a programme that covers a wide range of countries and certainly each time a new programme starts, there is a new element which has not

been seen before. Some are useful from a UK perspective, others are not, but that is part of being a collective.

When I look at it and where it fits in the wider portfolio that I work with, it is one of those foundations. We have learned a lot from working across Europe through Erasmus+, whether that is learning how to do administration at a very high level or how to make things more cost effective by working in certain ways with partners. If I compare creating a new Erasmus agreement with a university in Europe with creating an agreement in Australia or the US, it is a much quicker and easier path to follow. We understand one another's bureaucracy and other elements because we are all working under this charter; otherwise, it is a far more time-consuming process and resource-heavy endeavour. There are huge benefits which allow us to work collectively across Europe. I would like us to develop more of that because I see only more opportunities for our students. Yes, there will always be a negotiation element to it. I like the idea of working through a transition as the successor programme will be much easier to consider. If not, at best we will be an associate to the programme and merely have to accept what is given as opposed to being able to mould it in any way.

John Latham: Association without being able to make any of the rules or policies would be better than nothing, but I do not think it would be ideal. I do not know how much influence we could have. There are other countries that are not in the EU which also have a say in shaping Erasmus+. Norway and Turkey are big players in Erasmus+ and there is Iceland, et cetera. They are still valued partners in Erasmus+ and each of them brings something different, on a different scale. Other countries are allowed to participate in certain strands of the programme. They are all valued. To address the local and unique problems that the UK faces, I still think that being able to participate in Erasmus+ and fund projects addressing those concerns is crucial. Not to have a say or be able to get projects to tackle those concerns would be a real travesty.

Amatey Doku: I addressed your question in some of the previous points about the European student card, certain concerns we have and the way we might want to influence that. The sorts of conversations that we have had in the past to give us the influence we need to change things and have a say are often quite informal. They are not always about formal settings; they are about relationships. The broader political question is that, if we have a traumatic exit from the European Union, it would permeate the negotiating teams on both sides. It would become much harder to have a say on things such as this if the broader divorce, if you will, is not very pleasant.

Lord Ricketts: We could have an ambition to maintain the informal, upstream shaping of how the programmes are going to be, even if we are not at the meeting of the Council that takes the decision on it. That sounds to me to be quite important. Thank you.

Q17 **Lord Soley:** I want to dig down a little into the three possibilities: full association, limited partnership or no participation at all, and the amount

of preparation and effort you have to put into those three. Let us start with what I think is the easiest one, full association, which you would obviously prefer. How much time do you need to prepare that? Presumably, it is mainly administrative-type things that you would need to change. Do you need a lot of notice from the Government that that is their preferred option or could you do it at fairly short notice?

Gail Armistead: Full association to me also presumes that we continue during the transition period in the current programmes. On that basis, having gone through three Erasmus programmes now, yes, there is added administrative work to do when the programmes move into the successor programme, and certainly it increases the workload at that time, but it is doable. We can plan for it and, regardless of what happens, we have already planned for next year, when we will start to talk about renewing agreements in the successor programme and what that means. I would say that the administration is already in place and we have planned for it and got the resource for it. It feels like it is doable and preferable even though we know that there will be an added burden, as there is each time a successor programme is created.

Lord Soley: Do you both agree with that?

John Latham: Time is of the essence really. Some of the projects in Erasmus+ have been running for a decade or more. I have personal experience of that, as do other member colleges of the AoC. When time is of the essence, it may lead to cutting corners, and you cannot do that when you are talking about young people going abroad. It is crucial to get everything right. I would not say it is unacceptable to take over a year to plan an exchange for students. Anything less than that and you will be putting something at risk and the quality assurance aspect of the projects will be affected. It is not quality assurance in the everyday sense; it is the quality of people's lives. Young people have to be nurtured and really looked after when they are sent on exchanges or go on project exchanges abroad. Time is of the essence there, but a year or more is necessary.

Lord Soley: If we look at the second one, the limited partnership, I guess that is very complex because we do not know what form the limited partnership would take. Again, the Government will have to tell you at some stage which of the three options they are going to go for. Presumably, you want as much notice as possible and to know what type of limited partnership it would be. Can you give us any more guidance on your views on that, other than that you would rather not be in that position?

Gail Armistead: We have certainly discussed this at some length with Universities UK and it was part of the Erasmus paper we presented in the summer. We gave the guidance that we would like to know by October/November 2018 what was going to be happening. We have already missed one of our aspirational milestones. There was another one for early 2019, so I suppose we could shift it a bit and work towards that. For me, the answer is: as soon as possible. As we have said in many of

our answers, we are dealing here with real people. We have students currently abroad, students preparing to go abroad and projects we want to apply for funding for. In the work we do, I look at student support matters and the realities of the situation. We would ask for it to be as soon as possible. We appreciate that there is much going on and we know Erasmus is not always at the top of the agenda when it comes to the question of leaving the EU, but if there is any way that could be encouraged, we would ask for that assistance.

Lord Soley: People are discovering that it is a complex issue. Do either of the other two witnesses have anything to add to that?

Amatey Doku: Ideally, we would have known this two years ago. In terms of where we are now, I cannot see a situation where, even with full association, there will not be some disruption, even if it is at the level of messaging. What are we telling people the scheme looks like? If it is not going to be the same, how different is it going to be post-2020? I would be very surprised if we got back to the same levels of participation as we saw before 2016 in the next couple of years. We have to expect some kind of disruption because things will change.

Lord Soley: Your key answer to the limited partnership is, first, you want to know as soon as possible and, secondly, you want to know what sort of limited partnership it will be. Let us turn to the third scenario. If the Government decide, or it is decided because we come out of Europe at short notice and have not thought everything through, that there is to be no participation, does that mean you will have to wind everything up?

Gail Armistead: For me absolutely not. From the day after the referendum we were very clear at Nottingham, and I think many universities were saying the same, that we are absolutely open for business with our European counterparts and our colleagues. We will endeavour to retain as many of the student mobility opportunities as we have. That will be difficult. As we have already said, even the next six months could be very difficult, not even thinking more broadly. At every turn when we have spoken to European colleagues about continuing the student mobility and the relationships we have, it has been overwhelmingly positive and we all wish to continue to work together. As has been said, that could be affected by disruption, and we are not ignoring that fact. However, I would hope that at least within the education sector we will continue to be as European focused and collaborative as we have always been, although it may be in a different form and with different partnerships. That is what we are going to be working on.

Lord Soley: That follows on because it seems to me the key issue would be whether the funding came from the EU, the UK Government, through charging, or whatever. Is that part of your considerations?

Amatey Doku: Yes, that is definitely a part of it. My broader concern is around the facilitation of travel and immigration status because even if we leave with a deal and a transition period, if non-home, EU students

are treated the same way as international students are treated, there will be significant changes. We have been pushing quite strongly that there should be some sort of special status for EU students if this goes ahead, because that is the only way to minimise the disruption. In the event that they say, "We are not participating in it", it is a little far-fetched to think they are also going to turn round and say, "And, yes, it's fine, we'll make it easier for you to have some kind of mobility scheme as long as you do it on your own", because that is not going to be at the top of their agenda. Leaving schemes such as this would probably come alongside cutting ties completely with Europe. They are not going to make it easier for us to do this work. My concern would be that, while there may be a lot of good will and intention, and the funding may appear from somewhere—it may be raised on both sides of the Channel—there will be some technical things that will make it almost impossible for it to continue as it is today.

Gail Armistead: Can I pick up on the funding point? I have a concern about outward mobility in respect of the funding. If the Erasmus funding were lost, we would still have students wanting to go to Europe, and we want to grow the number and percentage of students participating who come from less well-represented backgrounds. That would become a much harder task, which worries me greatly because all the work we are doing at the moment within the university is to try to increase accessibility and ensure greater diversity in that student group. Without the Erasmus funding, I see that potentially contracting. That is the exact opposite of everything else we are trying to do internationally. From a funding perspective, that worries me greatly.

John Latham: May I add one thing, again from the colleges' point of view? Sadly, I think the mobility opportunities would stop in their tracks; they would not continue. In our own modest-sized, community-based college, it would possibly revert back to: those who can afford to go will go. We do not want to see that because at the moment it fully subsidises placements for students from any background. It will be a funding cut, for all intents and purposes, and it would probably not continue. In 2016, almost 10,000 vocational learners and staff went on vocational mobility abroad. It would stop. Sadly, that is the position for vocational colleges across the country.

Lord Soley: I will come back to that briefly, if I may. Somebody with different views about the future of Britain post Brexit would say, "Well, surely you can make arrangements with other countries around the world, the United States or Australia or whatever; why couldn't you set up something special?"

John Latham: In the vocational area you are possibly talking about short-term mobility placements for students who have special needs or difficult circumstances at home. Europe is their destination. It is a short trip. It is a short-term mobility experience. While a mobility experience in Canada or Australia sounds a really great opportunity and I would

welcome it on top of Erasmus+, it is possibly too risky to start looking at those opportunities when our real partners are on our doorstep.

The Chairman: Could I ask Ms Armistead a question? I was not quite certain earlier when you talked about “we” whether you were talking about Nottingham University or the Russell group. The question is: do you think the impact would vary from university to university?

Gail Armistead: It would in the sense that we are all running slightly different student mobility programmes. At Nottingham, we have a group of students who are going on both study and work placements. We know that more students might end up doing study placements in future. I know colleagues in other Russell Group universities have far more workplaces involved and are already seeing a shift. It depends across the sector as to how you engage with Erasmus, but the principles remain the same regardless, because we want to continue and increase the amount of activity. That would be the same at the FE level as well. We are all looking to have greater international opportunities for our students rather than fewer and none of this feels like it would increase it if we are not part of these programmes.

Q18 **Baroness Pinnock:** You have answered part of the question I had which is about the non-participation impact, but if you were able to draw up a manifesto for the future of Erasmus+ in whatever situation that we are going to be in, what would be on your tick list on this manifesto?

Gail Armistead: I am now thinking, “How long do we have?” I suppose that what I would like to see in the successor programme, when I have read the information, is much greater emphasis on encouraging all students to be able to access the programmes. I would like to see much more short-term mobility included in it, because we are seeing ever more demand for that from the student population in the UK, particularly at Nottingham. We have been doing it only during the past five years or so, but we are seeing that. I would like to see that real focus. It can sound simplistic, but it is a life-changing experience for many of our students. When those students come up to graduation, many of them reflect on the experience they have had, and they have so much potential to offer employers in the future. You look at that and feel that is why we are all fighting to stay in it, because we want to continue to offer those opportunities to students and broaden them out. For me it is about access, diversity, flexibility and different options within the successor programme. We may not get all that.

Baroness Pinnock: But it is on your tick list.

Gail Armistead: It is definitely on our tick list, yes.

Amatey Doku: It is quite a challenging question. I suppose the cop-out answer is to say that—

Baroness Pinnock: Do not do that.

Amatey Doku: There is a pretty good blueprint and it is what we have already, which is a broader metaphor for what Parliament and the public are thinking about Brexit in general. The points raised are really important because we are at a stage of trying to expand the programme. There needs to be a real focus on widening access. The way in which the programmes and schemes are communicated to students needs to improve as well. The support given to students while they are there also needs to improve.

One thing that we have been talking about internally is access to support services and financial support if students get into difficulty while they are studying abroad. Once they return, being able to showcase to employers and to people going on to further study—which happens at the moment—the real benefits of what they have studying is absolutely key. The barriers to accessing the programme and the barriers to them doing the mobility need to be as low as possible if there is any successor programme. As is probably quite clear from my remarks, the current system is our starting point.

Baroness Pinnock: But you have not mentioned immigration status in that list.

Amatey Doku: When I said that the transition into the actual mobility scheme needs to be as seamless as possible, that includes immigration status, absolutely.

Baroness Pinnock: Would you like to add anything?

John Latham: I concur with what has just been said. There is an obvious answer that we need to retain our participation in Erasmus+ as it is, but while it is welcome that we might be able to pick and choose some aspects of it, we are talking about barriers at the vocational level. We need to break down those barriers. Flexibility is a word that comes up quite a lot as well. We need to be more flexible in how we support young people—young people from challenging backgrounds, people who have jobs, because they have to have a job to study on a further education course and in order to live. We need to support those people with flexibility when it comes to the options of mobility abroad. I will take what we have now, but it can always be improved.

Baroness Pinnock: So funding.

John Latham: Funding and flexibility.

The Chairman: Thank you very much indeed. We are extremely grateful to you all for coming. I know Mr Latham has come rather a long way at short notice and we are particularly grateful for that. It has been extremely helpful to us and we are very grateful to all three of you for coming in and talking to us this morning.

Examination of Witness

Professor Andrew Thompson.

Q19 The Chairman: We move on to our next section with Professor Thompson. We are very grateful indeed to you for coming and giving evidence to us this week and we hope you are feeling better. We are sorry that you could not come last week, but we had a helpful session with Dr Thompson from the Wellcome Trust and Ms Stern from Universities UK International. I think that has helped form our thinking and, to an extent, form some of the questions that we want to ask you today.

It follows logically that you should be here after they have been here, if I can put it that way. Before we get into the questions, could you say a little about UK Research and Innovation and how it has come to be as it now is, what the logic of it is and what its responsibilities are? I think that will be a helpful start.

Professor Andrew Thompson: Thank you very much, and apologies to Committee members that I was not able to be with you last week.

I am the Executive Chair of the Arts and Humanities Research Council, but I am here in my capacity as the international lead or champion for UK Research and Innovation, so I am responsible for the totality of our international strategy and policy, which includes our EU funding. I am also, for a little and contracting bit of my working week, still a university academic; a historian at the University of Exeter.

UKRI was formed in April of this year and it brought together the seven UK research councils, formerly Research Councils UK, with two other organisations, Innovate UK, which promotes collaboration with business and industry, and Research England. As you know, we are a partner body of our sponsor department, the Department for Business, Energy and Industrial Strategy, and we are the UK's largest research and innovation funder, with an annual budget of £6 billion. By 2021, compared to 2016, we will have seen a £2 billion annual uplift in our budget.

I have two key interests in being here in front of the Committee. UKRI is seeking to maximise UK engagement with EU-funded research, innovation and higher education activities, which includes but is not limited to the Horizon 2020 programmes. You might want to ask me later about the way we support collaboration outwith the European funding programmes from our own regular research council budgets. That was not touched upon in the earlier meeting, but it is quite important. We maintain one of our overseas offices in Brussels, which I can speak to a bit more later. That helps UK researchers, companies and businesses both to access and to influence European funding. We also work very actively alongside research funders from other member states and associated countries to influence the framework programmes.

On behalf of Sir Mark Walport, the chief executive of UKRI, I sit on the governing body of an organisation called Science Europe. We are committed to supporting and facilitating collaboration with the best international partners in the EU and beyond, and to ensuring that UK

researchers and businesses will have access to equivalent levels of funding that is currently available to them under the EU funding programmes and, critically, to necessary European research infrastructure. That is important.

The best outcome, as my two colleagues made clear in the previous hearing, would be to quickly negotiate full associated status, because that would allow us to continue to access framework programmes for research in the future under the same conditions as member states. However, as Committee members will understand, that requires both an agreed financial contribution and an association agreement between the UK and the EU. Therefore, we have to be prepared for a situation where it is not possible to achieve such a negotiated outcome for Horizon 2020 and its successor.

In closing, it is worth highlighting to Committee members that we at UK Research and Innovation have been given the responsibility by BEIS to deliver the underwrite guarantee for Horizon 2020 in the event of a no-deal exit and us having what is called third-country status, rather than being a fully associated state. Clearly, there is a very important piece of work on communicating to the research and business communities what that underwrite means in its two components, the period up to us exiting the EU at the end of March next year and the period after we exit for the duration of the programme that finishes at the end of 2020.

Q20 The Chairman: That is extremely helpful. Thank you very much for that. My question follows on very much from what you said at the end. If there is no deal, if we were to leave without a withdrawal agreement, how would the Government's guarantee to underwrite successful 2020 funding bids work in practice? Could you say a word about that?

Professor Andrew Thompson: It is worth saying, as Vivienne Stern pointed out—I know this is a technicality, but it is an important one—at least as I understand it, legally speaking no deal does not necessarily mean that we cannot fully associate. There will be political discussions to be had, but in and of itself a no-deal outcome does not preclude full association.

Even if full association was to be achieved, there are lots of questions about how quickly it could be achieved and what the interregnum period would look like, but it is worth chunking the underwrite out into two periods.

The first period is between now and us exiting the EU. Our researchers and businesses are eligible to apply for everything in the framework programmes in all three Pillars, and we have been actively encouraging them to do that. We think that, as of September, there are 10,000 live participations. I can explain the technicality of the word "participation" rather than "project" if necessary, but they are live grants, if I can use that term loosely. There will be a number of in-flight applications, things actively under consideration, and we do not have the number of those at the moment.

After we exit, our researchers and businesses are not eligible to apply for everything and, critically, they are not eligible to apply for the highly prized and sought-after schemes in Pillar 1, the European Research Council and Marie Curie, and for business something called the SME instrument. If you want to press me on what we are doing with some of the contingency planning for the uncertainty that we are dealing with, I will happily try to field more specific questions.

We are facing three potential scenarios with the underwrite. The first and optimal scenario would be that the funding for the underwrite is secure, and HMT has provided that security, and that the Commission would agree to administer the underwrite on our behalf. That is the first scenario.

The second scenario is that they would not do that. We would administer the underwrite, but it would provide us with the necessary data.

The third scenario, which we have to plan for because it is possible and it is more much more challenging, is that not only would we have to administer the underwrite ourselves but we would not have the data from the European Commission to do so.

The Chairman: You would not have.

Professor Andrew Thompson: No, we would not, and we have already been anticipating that. Quite a lot of work has been going on behind the scenes and we have set up a portal to help us gather that data. There are 129 universities in the UK. We are talking to those universities bilaterally, and we are pretty confident that by the time that we get to the end of March next year we will have all the data on the live awards or participations that we require.

We are still at the point of investigating how we would get the necessary data on the in-flight applications. We do not know which of those scenarios will be the case, but we have to plan for the worst-case scenario. The devil is in the detail of all that, and it will be quite challenging for us, but I think we are as on top of it at the moment as you reasonably or realistically could expect us to be.

The Chairman: That last question was about when the universities would know how it would work, which was clearly of concern to them last week.

Q21 **Lord Soley:** Could I pursue this a little further? You talked about the Government underwriting the process. I would like to know a bit more about what talks you have had with the Commission itself. Have you had any talks with the Commission? Perhaps you can touch on being able to continue to lead some of the consortia that have been set up and the data exchange that is required under the EU and the UK. Can you tell us a little about that and the talks you have had? Related to that, perhaps you could also tell us about talks with the British Government, although it is the Commission we are interested in.

Professor Andrew Thompson: As UKRI, we do not talk directly to the Commission, but our sponsor department, the Department for Business, Energy and Industrial Strategy, has. My understanding is that discussions on the administration of the underwrite and whether the Commission would be prepared to administer and/or to share the data to allow us to do that have not yet taken place, because for the moment the Commission has said that it is focused on the withdrawal agreement and has not wanted to go beyond the discussions on the withdrawal agreement to discuss some of the technicalities that I have just alluded to.

Lord Soley: Apart from the UK Government, do you have any other ways in which you could have an input and, if so, what are they?

Professor Andrew Thompson: Yes, absolutely. I mentioned at the beginning that we maintain an active, influential and important overseas office of UKRI in Brussels. That is different from our other overseas offices. It is a hybrid being supported by both UK Research and Innovation and its constituent research councils, and it is also subscribed to by many of our own universities. That gives us an important influencing presence.

The other organisation that I referred to is Science Europe, which is a membership organisation of both research funders and what are called research-performing organisations, such as the Max Planck Institute in Germany. It does not encompass every research funder or research-performing organisation in Europe, but it does encompass the vast majority of them, so it is quite a powerful organisation. As UKRI we have one of 10 places on the governing body.

To make that a little more tangible for you and what that all amounts to, I think members of the Committee will be aware that there have been discussions on what association might look like under Framework 9. There have been some suggestions from some Governments of some member states that there might, for example, be different categories of association according to whether you were part of the European free trade area or the European Economic Area, for example, with a suggestion that newly associated states, of which the UK would be one, might not have access, for instance to the ERC or Marie Curie.

A couple of months ago a resolution was passed through Science Europe. I have the wording here, if I could read it out, which absolutely made it clear that that would not be the position of Science Europe. The resolution was: "Horizon Europe, the next framework programme, should lay the foundations to allow for the full participation of European non-member states in the programme under conditions that respect the appropriate rights and obligations". That was a very positive resolution to have passed by Science Europe at that time.

In effect, there is no divide and rule in terms of association. The aim should be for all associated states to be fully associated and have access to all parts of the framework programme.

Lord Soley: Am I right in assuming that Science Europe covers more countries than just the EU countries?

Professor Andrew Thompson: Yes.

Lord Soley: Can I take you back to your office in Brussels? You will not have any British MEPs to talk to when you are there. Presumably you have been talking to them. Who do you talk to over there about these issues?

Professor Andrew Thompson: Science Europe, our own university vice-chancellors and UKRI have been actively engaging the Commission in its different guises, particularly but not limited to Commissioner Moedas, for instance. Those conversations have been very active and very live since the summer.

Lord Soley: You said a few moments ago that you did not talk directly to the Commission.

Professor Andrew Thompson: I would have to check this as a factual point, but I think Sir Mark Walport and John Kingman, the Chair of the UKRI Board, may have had one meeting with the Commission.

Lord Soley: It would be useful to know that.

Professor Andrew Thompson: You asked another question, which I know came up in the meeting with my colleagues from Universities UK and the Wellcome Trust: what is the latest state of intelligence on whether we are seeing applications drop off or not? I sought some feedback from our Brussels office which, if helpful, I could share.

The Chairman: If you could send that to us as part of our evidence, that would be extremely helpful.

Professor Andrew Thompson: Would you like me to summarise that?

The Chairman: If you could do so very briefly, because I am slightly conscious of the time, but, yes, that would be helpful.

Professor Andrew Thompson: I have to say that it is not easy to get beyond the anecdotal, as my colleagues said in the previous hearing. However, I think I have a little more than they were able to give you.

The picture is quite mixed. Some universities are saying to our Brussels offices that their success rates do not seem to have been affected since the referendum. Some have reported a decline in success rates, and some have reported a rise. I think it would be fair to say that in recent weeks the uncertainty about what our future participation might look like and what might happen over the longer term is beginning to be felt more palpably. Some individuals may have been put off by uncertainty, but others are taking this as potentially their last chance to apply.

There is a perception of fewer invitations from our European partners to join consortia due to the uncertainty and the perception that we may be a

more complicated or risky partner. I would put a health warning on that: it is anecdotal, and we do not have baseline data to compare what is happening now when it comes to invitations to participate in consortia with, say, two or three years ago.

A final comment, which was not fully made at the previous hearing, is that we need to remember the lag effect on any data on research funding. The data you see now tends to reflect a reality that might be 18 or 24 months old rather than capturing researcher behaviour as we speak.

The Chairman: Thank you, that is very helpful.

Baroness Pinnock: You talked about the determination of Horizon to encompass all European countries, irrespective of whether they were part of the EU. You talked about rights and obligations. What are the obligations? I presume they include funding, so my thought was where you would anticipate the funding coming from.

Professor Andrew Thompson: You are right to highlight that. The funding for the underwrite in both its phases is secure, but the funding beyond that is not. That falls into two parts. If we were not able to fully associate, it is highly likely that UKRI would want to work with the national academies to put in place prestigious and credible domestic alternatives to the ERC and Marie Curie.

You will understand that we would not be able to do that overnight, so we would look for some short-term bridging measures, for example in relation to the ERC and Marie Curie, whereby we would ramp up or expand our existing fellowships schemes in the academies and UKRI while we put credible long-term alternatives to the ERC in place. For both those scenarios, funding is not yet secure.

Baroness Pinnock: Do you have a quantum for the sort of figure for funding that would be needed?

Professor Andrew Thompson: As I think Committee members may be aware, the Commission has the ambition to expand the next framework programme to just shy of a €100 billion budget, and if the calculation is made on the same basis for Horizon Europe it is a calculation that is made according to the size of your economy, your GDP share. Until we know the overall size of Horizon Europe—FP9—we cannot put a figure on that.

It is worth saying, as I think this was not touched upon in previous discussions, that the relevant article that pertains to association is Article 12. There is a very live discussion at the moment on Article 12 and—I am quoting the Commission here—“ensuring a fair balance as regards contributions and benefits of participating countries”. I think that is code for “Switzerland is an associated country, but the UK or Germany as member states have drawn out considerably more than we have actually paid in because we are very successful in European funding”.

The question is whether there will be some form of financial correction mechanism to prevent those imbalances. That is not straightforward when you are driving competitions that are based on research excellence, so how you would square that circle remains to be seen. There is a live debate on that, but we do not know the resolution of it yet.

Q22 Baroness Janke: You have spoken for example about associate status and about strengthening your institutions within the UK. Those are fairly long term and, as you said, cannot be achieved overnight. In the event of a no-deal scenario, do you anticipate a huge increase in applications for national funding schemes? If so, what preparations are in place to manage this, and how confident are you about funding?

Professor Andrew Thompson: The answer to that question is that I would expect the displacement that you have just referred to. That is why it is absolutely important, in my view, that as well as working up—we do not want to be in a position where we have to do this, but if we are in that position because we are not fully associating—we need to work closely with the national academies to devise and develop a very prestigious alternative to the ERC and Marie Curie. Because that needs to be credible, it needs time to do it.

The other bit to focus on here is the short-term bridging measures. Our advantage is that the four national academies and the seven research councils already run prestigious fellowship schemes of their own. We have adapted those schemes so that they can do something that is productively different from what the EU schemes do. But we are also very actively involved now in looking with the councils at using those existing fellowship schemes to cope with the displacement of activity from those who would have otherwise applied to the European Research Council and Marie Curie. We are talking about a period of 18 to 24 months, so that probably means running a few competitions before the substantive alternative was ready, and there would need to be a degree of pragmatism in the way we did that.

However, I would in no way want, in front of this Committee, to downplay or underestimate the size or scale of the operational challenge that is involved in doing that. We will have to be absolutely on top of our game to deliver that, and we feel we are. If you just look at the logistics, we do not give grants unless they go through very robust and rigorous peer review. You all understand that.

The order of magnitude by which we will have to expand our peer review processes at very high speed, to use that phrase again, will be very challenging. We have a track record of doing this. I am responsible for a £1.5 billion fund for research for international development that was created in 2015 to provide real-terms protection for the science budget, and we had to move at very high speed to set that up. We were writing the strategy literally as we were writing the first call. Because it was research for international development we needed a lot of international peer expertise in the Peer Review College. We have experience to draw off, but it will be a big challenge for us to do it.

Baroness Janke: What about the distribution and the guarantee that there is a fair balance of funding across the different subject areas? What do you feel are the likely risks? What might happen if you are not capable of managing to work at this sort of speed?

Professor Andrew Thompson: You are absolutely right to peel the layers of the onion back a little, if I can use that metaphor, because some of our disciplines will be considerably more exposed than others. We can supply that data to the Committee, but to give you an example, if you are looking at the very prestigious European Research Council competition out of the data of 2016, and you look at the disciplines that are closest to me in my head of research council role in the humanities and social sciences, you will see that there are three forms of grant in the European Research Council according to where you are in your career stage: a starting grant, a consolidated grant and an advanced grant.

In 2016, 34.1% of starting grants went to UK-based researchers compared to an overall disciplinary average of 17%; 24% went towards consolidated grants based in the UK compared to an average of 18%; and 26% of advanced grants went to UK researchers compared to an average of 17%. There is a very high degree of exposure in the humanities and social sciences where some of our humanities and social sciences are absolutely world leading and equivalent to what the US achieves.

You go further than that, because there are individual disciplines, and I would not want to make this a story just about the humanities and social sciences, which are also very exposed because historically they have relied more on the EU for their funding. The two examples that are often given—these are not the only examples, but they give you a sense of the disciplinary range—are archaeology and astronomy.

In my experience, researchers—as I say, I am one of them at the University of Exeter—are pretty good at responding in quite an agile and nimble way to changing funding opportunities and situations, but when whole disciplines have been heavily mortgaged on a particular type of funding, that is going to be quite a big system change. When you have whole disciplinary areas, such as the humanities and social sciences, which if you add them together account for about a half of all UK active researches, that are more reliant on this funding, we need to be very mindful of that.

The Chairman: That is extremely helpful. Thank you very much for that.

Q23 **Lord Ricketts:** Following on from that and from Baroness Pinnock's point about overall funding levels, in a scenario where we have a deal and we are looking for association status, you quoted the draft regulation which the Commission is working up on Horizon Europe which refers to the need for a "fair financial balance of contributions and benefits". That, to my ears, sounds as if we would not be a net beneficiary and that there would be a fairly careful calibration to ensure that we did not get a pound more than we put in. How that squares with what you say about merit-based

winning of competitions and so on, I do not know.

Is there anything from what you have heard from the Commission to suggest that a particular level of funding will be necessary to get us successfully into this process of association? Can it only be based on our GDP key, or will there be the option of having rather lower funding and rather lower benefits as a result? Do you have a sense of how that balances?

Professor Andrew Thompson: I have not heard any alternatives to the GDP measure being discussed or proposed. If I was to try to strike a slightly more positive note, two things are worth clocking. Many European research funding systems have been struggling even to get back to the levels of investment in research and innovation that they were at before the global financial crisis.

We are one of the systems that have seen a considerable expansion of research and innovation funding, to the tune of an extra £2 billion a year by 2021. A lot of our European counterparts in the world of science will be looking at us, although not only for that reason, and will be quite concerned about the absence of UK participation in these programmes. The incentives are not all on our side for us to participate as fully associated to those programmes. We need to remember that, which is why, presumably, one was able to get that resolution through Science Europe in the way that we did.

We absolutely do not want to see 'divide and rule' with association. That would be an extremely bad outcome, not just for UK science but for European science as a whole. The international collaboration is hardwired into what we do as academics. It is part of what we are, what we do and the way we work. Seven of our top 10 collaborators are EU partners. Rounded up, 28% of academic staff in UK universities are from outside the UK, and nearly 31,000 of those are from the EU. We are an inherently and intrinsically international enterprise. The logic of that points in both directions, not just our desire and appetite to be part of these framework programmes but what I think the majority of our European colleagues would want to see.

Lord Ricketts: I am sure you are right to underline that, and it is one of the great benefits of Horizon: that it encourages you to have collaboration that you are responsible for and in a way that also enables it.

Would I be right in concluding that if you are right that association status is likely to lead to more of an adjustment between what you put in and what you get out, there will be a loss to be made good in the overall receipts for UK research, because we will not get back more than we put into Horizon Europe in those circumstances?

Professor Andrew Thompson: I think you would be right.

Lord Best: Could I add that those numbers will be very big? It is serious money.

Professor Andrew Thompson: Yes, there would be a shortfall if we could not draw out plus or minus 5% more than we put in to bridge. It is very difficult, given where negotiations are on the next framework programme, to know what the exact size and shape of that would look like.

It is worth saying that there are still quite a lot of things that appear to be undecided about the next framework programme. Perhaps in the previous hearing, that did not fully come through, but if I run down my list, one of them at the top absolutely cuts across a lot of what we have been discussing, and that is what is called widening participation—the geographical balance of funding particularly across east and west and the so-called RDI divide, which is the research development and innovation divide in what states receive. That is a very live discussion. It is a tension between the widening participation and the scientific excellence, and that has not resolved itself.

We do not know whether association would give access to the crucial mono-beneficiary schemes in Pillar 1. We do not know whether associated states would be able to co-ordinate projects. There is detail to be worked through on attendance rights at programme committees, working groups and strategic fora. That may sound quite prosaic, but it is consequential. We do not know what the shape of the missions would look like in Pillar 2 or the shape of the European Innovation Council in Pillar 3. We know roughly what the target is, but it is still to fully define itself, and that would inevitably affect the UK's position on what we would be willing to pay to fully associate. We would need to know what would come back to us in return.

Q24 **The Chairman:** Thank you. Could I add a couple of questions? First, you said earlier that you perhaps wanted to say something about the support that you were giving outside Horizon, but I was not quite sure whether you meant within the EU but outside Horizon or outside the EU.

Professor Andrew Thompson: I will do it quickly, but it may be helpful for Committee members to do it contextually, because I would not want to be misunderstood or misinterpreted here.

You have a sense from everything I have said that the absolutely desired outcome here is to fully associate to these programmes, and I think the future health, prosperity and success of the UK research and science base is significantly leveraged on that. However, our European collaborations are not all subsumed within or limited to our participation in the framework programme.

If you look at research council grants given between 2011 and 2016, 12.5% of our grants—we can double check this figure for you—averaged across the research councils have gone to non-UK EU nationals working in the UK. That is our own funding. If you look at new postgraduate research student starters funded by the research councils over the same period, depending on the council, between 9% and 25% of those new starters on PhDs funded by research councils are non-UK EU nationals.

This is my point about international collaboration to the core, and collaboration within Europe being hardwired into everything we do. Not everything is hinged on what we do in the European framework programmes, but those programmes are an extremely important part of the picture.

Q25 **The Chairman:** That is very helpful, thank you. I have one final question. A point has cropped up at a number of the evidence sessions we have had. Are you talking to BEIS at all about the implications of changing visa arrangements for research activity and people coming backwards and forwards across between the EU and here? This is certainly on their radar screen and I wondered whether it was on yours.

Professor Andrew Thompson: Absolutely, on both. I think my colleagues at the previous hearing, Beth Thompson and Vivienne Stern, were pretty eloquent on that subject.

The Chairman: And this morning when we were talking about Erasmus.

Professor Andrew Thompson: The only thing I would add—I am not even sure whether I am allowed to wear my hat as a University of Exeter researcher at this Committee—

The Chairman: You are: all hats are welcome.

Professor Andrew Thompson: —is that it is worth remembering that the visa issue is partly a matter of policy and strategy, and I think you covered that very well at the previous hearing. One of the Committee members made a very important point about not conflating salary and skills, particularly in this area, and I would underscore that.

Whatever the regime, whatever the policy, there is also the question of how it is implemented and communicated. The other half of the problem is that it is bureaucratic, cumbersome, and at times unfriendly. Whatever the policy, that is one set of issues to do with that. We are not implementing and communicating that policy as well as we could. We are losing out potentially on both fronts. I say that because you will hear time and time again from international colleagues wanting to come to the UK that this is bureaucratic, cumbersome, long-winded and, quite frankly, not very friendly or welcoming. It needs to be addressed on both levels.

I say that because perhaps in some ways it is easier to change the implementation and the tone on something than it is the policy itself, so I would very much like to put both those things on the Committee's radar.

The Chairman: Thank you very much indeed. We are extremely grateful to you for coming and giving evidence to us. Once again, we were sorry not to see you last week but happy to have you here now on your own. Thank you very much indeed. It has been extremely helpful.