



House of Commons  
Scottish Affairs Committee

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# Universities and Scotland: Government Response to the Committee's First Report

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**Fourth Special Report of Session  
2021–22**

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## The Scottish Affairs Committee

The Scottish Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Scotland Office (including (i) relations with the Scottish Parliament and (ii) administration and expenditure of the offices of the Advocate General for Scotland (but excluding individual cases and advice given within government by the Advocate General)).

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Committee reports are published on the [Committee's website](#) and in print by Order of the House.

### Committee staff

The current staff of the Committee are Rosie Akeroyd (Committee Specialist), Stephen Aldhouse (Senior Committee Specialist), Pete Brook (Financial Analyst, Scrutiny Unit), Samantha Colebrook (Committee Operations Officer), Deborah Courtney (Committee Operations Manager), Nerys Davies (Committee Specialist), Chloe Jago (Senior Media and Communications Officer), Alex Knight (Senior Economist, Scrutiny Unit), Leoni Kurt (Clerk), Zac Mead (Second Clerk), Ellen Parry (Committee Researcher) and Chloe Smith (Committee Specialist).

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## Fourth Special Report

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The Scottish Affairs Committee published its First Report of Session 2021–22, [Universities and Scotland](#) (HC 54) on 28 May 2021. The Government's response was received on 31 March 2022 and is appended to this Report.

## Appendix: Government Response

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The UK Government is grateful for the Scottish Affairs Committee report that was published on 28 May 2021 as part of their inquiry, Universities and Scotland. I would like to thank the Committee and all those who contributed evidence to it for their efforts. The UK Government has carefully considered the Committee's recommendations and has responded to each in turn below.

While higher education remains a devolved responsibility of the Scottish Government the inquiry provides an important opportunity to consider how areas of reserved UK Government policy can have an impact on the sector. It will be important to continue our close and constructive working relationships with the Scottish Government as we look to support the sector and recover from the challenges posed by COVID-19. Scotland has a strong global reputation for higher education and research and we need to work together to ensure this continues.

### Working together

1. **We recommend that the UK Government continues to work with the Scottish Government (and the other devolved administrations) acknowledging that higher education cuts across the competencies of all UK Governments and should outline how the Governments will work together to better deliver higher education in Scotland, for example through the tripartite meeting.** (Paragraph 13)
2. **The Scottish Government and Scottish universities should work with the UK Government and universities in other parts of the UK to seek out examples of best practice in diversifying income streams away from potentially volatile international student fees. In doing so great care should be taken to ensure that core focus on education and research is not lost in favour of commercialised corporate ventures.** (Paragraph 52)

Higher Education in Scotland is, for the most part, a devolved responsibility. We recognise that the whole of the UK benefits from stability across Higher Education. We appreciate the importance of continuing to work closely with the Scottish Government as we recover from the COVID pandemic. There has been and continues to be engagement at ministerial and official level with the Scottish Government (and the other devolved administrations) to exchange information and policy developments across a range of issues facing education systems in the UK. Furthermore, the UK Government has been working tirelessly to support businesses and the economy in Scotland including our universities.

International students bring fresh ideas and new perspectives and in doing so help challenge thinking, making for an enriching learning environment for all students, including those from the UK. For our young people, this cultural exchange helps build

life-long friendships, as well as laying the foundation for future networks, and important business, political and diplomatic bridges. International students also help stimulate demand for courses, add to the UK's impressive research capacity and have the potential to contribute invaluable to the UK skills base—particularly in key subjects where they benefit the UK economy by filling a number of sectoral skills shortages, for example engineering, technology, health and social work.

Universities are aware of the possible risks associated with dependence on a single source of funding, whether that is from a single organisation or from a single nation. Ensuring student recruitment is from a diversified base, in order for growth to remain sustainable in the longer term remains a key strategic priority—our commitment to this is set out clearly in the International Education Strategy. As part of this strategy, which was launched last year and will be updated this year, we also announced the Graduate Route, among several other measures to attract new international students. The UK Government's International Education Strategy and recent update make clear that the internationalisation of our higher education sector cannot come at any cost – universities must ensure they have appropriate processes in place to manage risk. We will look to work closely with colleagues in Scotland and the other DA's to continue to work on this aim.

### **EU Students studying in the UK and Scotland**

**3. The UK Government should launch a new or expanded scholarship scheme to encourage the most talented EU students to study in the UK and Scotland. This would help heal UK-EU divides following Brexit, assist in combating falling EU student numbers in Scotland and provide a new pathway to attract and retain the brightest and best from the EU. In addition, the UK Government should increase funding to Study UK in order to increase their capacity to target EU students who may be hesitant to study in the UK. (Paragraph 62)**

In February 2021, the UK Government published an update to the International Education Strategy, recommitting to the ambitions of the original strategy. These ambitions are to sustainably increase international students in the UK to 600,000 per year, and increase the value of education exports to £35 billion per year, both by 2030. This update set out a number of new actions aimed at supporting the sector's path from pandemic recovery, back to sustainable growth. We are making good progress against the ambitions. International enrolments increased by 9% in the 2020 to 2021 academic year, with a total of 605,130 compared with 556,625 for the previous academic year. With this we have now met the Government's ambition for the first time of hosting at least 600,000 international students per year by 2030.

A world-class student experience is essential to the UK's globally competitive offer. That's why the strategy sets out several actions to support each stage of the international student experience. This includes working with the sector to ensure a simple, streamlined application process, and work looking at alternative student finance, student experience and employability. Our International Education Strategy makes clear that Europe remains an important regional market for international student recruitment.

In the 2020 to 2021 academic year there were 152, 905 higher education enrolments from the European Union studying in UK HE providers. These students make a valuable

contribution to university life in the UK. We will continue to welcome European students to the UK and to promote the world-class UK education offer to prospective European students and ensure that they have a positive experience.

Representatives from the devolved nations are represented on the Education Sector Advisory Group. This group is co-chaired by the Minister for Skills, Alex Burghart, and the Minister for Exports, Mike Freer, and coordinates efforts to boost UK education exports. The UK International Education Champion also meets regularly with officials from the devolved administrations.

The Foreign, Commonwealth and Development Office (FCDO) also provides £86m to fund scholarships for students from developing countries to study for post graduate degrees at British universities throughout the UK, including Scottish universities, through two scholarship programmes: Chevening, which is open to applicants from 160 countries, and has awarded over 1500 scholarships this year; and Commonwealth scholarships, which are awarded to around 700 candidates from Commonwealth countries each year. In addition, the Marshall Scholarship programme, established by an Act of Parliament in 1953, provides scholarships to talented young Americans to study for Masters' degrees at any British University.

There is regular collaboration between the British Council Study UK Team and relevant stakeholders in Scotland to ensure that the campaign provides the correct information on the different structures and support in place for international students in Scotland. In addition, the campaign is delivered with direct input from Scottish Universities to ensure that it represents the breadth of the offer available to international students in Scotland as appropriate.

## **Immigration**

**4. Scottish universities are dependent on immigration decisions made at UK-level but have limited opportunities to influence those decision-making processes. Given that the UK and Scottish Governments both recognise the importance of reflecting Scottish interests in UK immigration policies, the UK Government should submit a full formal response to our predecessor Committee's Report of 4 July 2018 on Immigration and Scotland, which covered the immigration issues associated with international students in Scotland. It would be particularly helpful if the Government would respond to the parts of the Report which focus on issues affecting students.** (Paragraph 81)

The UK Government is absolutely committed to supporting the UK higher education sector, and to increasing the number of international students and academics that come here. This is demonstrated in the migration statistics which were recently published.

In 2021, there were 432,279 Sponsored study visas granted (to both main applicants and their dependants), 89% (203,313) more than the previous year and 52% (147,558) higher than 2019. Of the 432,279 Sponsored visas granted, 13,128 (3%) were under Tier 4 rules and 419,151 (97%) were under the new Student and Child Student routes introduced on the 5th October 2020.<sup>1</sup>

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<sup>1</sup> Please note that year-on-year changes may have been impacted by changes to travel plans and patterns due to the pandemic.

The number of Sponsored study visas granted in 2021, is the highest on record with the substantial increase representing both a recovery from lower numbers during the Covid-19 pandemic but also an increase on the pre-pandemic period. It is 41% higher than the previous record of 307,394 which occurred in the year ending June 2010.

We have significantly improved the offer to students made by our immigration system to ensure the UK is as attractive as possible to genuine international students. As part of these changes we launched the Student and Child Student route in October 2020 and the Graduate route in July 2021. The new routes are streamlined, simplified, and provide clearer pathways for students and graduates who want to progress through their academic career and seek employment in the UK via a skilled work route after their studies.

We have also introduced a series of concessions to support the education sector and international students across the UK during Covid-19, providing certainty to students and the sector by enabling distance and blended learning for international students until April next year; ensuring that Covid-related absences will not count against students; and ensuring reporting and compliance assessment requirements do not place unnecessary burden on sponsors whose students defer their studies, or withdraw from a course, as a result of the pandemic.

We shall submit our response to the Committee's Report on Immigration and Scotland shortly.

**5. Subject to positive year-one results from the Turing Scheme, we recommend not only that the scheme continue with at least the same level of funding in future years, but that it be expanded to incorporate the funding of international student and academic staff placements to the UK. (Paragraph 101)**

**6. The Scottish Government has indicated a desire to remain in the Erasmus+ programme. Should they decide to continue down this path and be willing to cover the associated costs, and should the EU consent to Scottish participation, the UK Government should not block this endeavour (at least until such a point that the Turing Scheme can facilitate inward exchanges). (Paragraph 106)**

At Spending Review 2021, the UK Government confirmed funding for the Turing Scheme for the next three years, including maintaining total funding for mobilities and delivery of the scheme at £110 million for the 2022/23 Academic Year. We are committed to international educational mobility and have a clear aim to use the Turing Scheme as part of the long-term ambitions for a Global Britain.

The impact of the first year of the Turing scheme will be evaluated so that we can continue to develop the scheme in subsequent years, to ensure it delivers on its objectives, supports students to make the most of their international experiences, and is aligned with government priorities. The Turing Scheme prioritises pupils, students and learners over staff and inward mobility funding to ensure that as many of our students as possible can benefit, including a focus on widening access for disadvantaged students. We will continue to closely engage with the Devolved Administrations going forward and ensure their views are taken into account in the future development of the Turing scheme.

Regarding the Erasmus+ programme, President Von Der Leyen has previously confirmed that association by part of a country is not legally possible.

## UKRI

### **7. The UK Government should ensure that the commitments it made in the UK Research and Development Roadmap are not derailed as a result of the temporary reduction in UK ODA spend. (Paragraph 120)**

The 2021 Spending Review set out the government's plan to cement the UK as a global science and technology superpower and demonstrates our commitment to delivering on the R&D Roadmap and the Innovation Strategy.

The UK Government is providing the fastest ever sustained uplift in research and development (R&D) funding, increasing public spending on R&D to £20 billion per annum in 2024/25—£5 billion more than 2021/22, an increase of around a quarter in real terms over the Spending Review period. This represents a significant uplift against one of the most challenging fiscal positions of the last century and provides certainty to our R&D partners of government plans for the next three years. This will help the whole R&D sector plan ahead, which will be particularly welcome given recent fiscal challenges from Covid.

This settlement will make significant progress towards the government's ambition to increase public R&D spending to £22 billion by 2026/27, and drive economy-wide R&D investment to 2.4% of GDP in 2027.

As the custodian of the R&D system, BEIS has been allocated £39.8 billion for R&D over the Spending Review period, the largest ever R&D budget committed to BEIS or its predecessors.

During the Spending Review 2020, the UK Government took the difficult decision to reduce ODA spending target from the current 0.7% of GNI to 0.5% of GNI in 2021/22. The 2021/22 R&D ODA SR settlement reflected extraordinary challenges—the fiscal impact of Covid-19 on the UK economy and the overall ODA budget.

The UK, however, remains a world leading aid funder, having committed over £11 billion of ODA in 2022/23 to fight poverty, tackle climate change, and improve global health. In light of the government's careful stewardship of public finances and the strength of the recovery, the Spending Review 2021 set aside provision to take ODA funding to 0.7% of GNI in 2024/25, should the fiscal situation allow. This delivers on the government's commitment made to Parliament to return to spending 0.7% of GNI on ODA when, on a sustainable basis, we are not borrowing for current spending and underlying debt is falling.

The UK Government also recognises the importance of R&D to delivering ODA objectives, and including developing nations in the global research system, which is why we're increasing our R&D ODA spend to £1bn per annum by 2024/25. International collaboration remains a vital aspect of the ambitions set out in the R&D Roadmap, and the government remains committed to delivering on this goal.

### **8. Scottish institutions should be given greater prominence and influence within UKRI decision-making structures. That should include a seat on the UKRI Board (as is already the case for English institutions such as the London School of Economics and the University of Cambridge), which is at the discretion of the Secretary of State for**

**Business, Energy & Industrial Strategy, and a seat on the UKRI Executive Committee, for example for the Scottish Funding Council (in the same way that Research England are already represented), which is at the discretion of UKRI CEO (who should take into account public sector goals, such as ensuring that the voices of all UK nations are appropriately welcomed and heard).** (Paragraph 130)

Appointments to the UKRI Board are made on personal experience and skill set via open competition. Appointees are not recruited to represent any constituency, sector or regional grouping as it is essential that they operate collectively for the overall benefit of UKRI and the UK. The legal requirement for BEIS Secretaries of State to have regard to experience of research and innovation conditions in Scotland, Wales and Northern Ireland when appointing UKRI's Non-Executive Directors is, however, also taken into account, alongside a range of other issues, during recruitment exercises to ensure a balanced Board.

In addition to this legal requirement, it is essential that UKRI operate with an effective understanding of the diversity of the UK R&D landscape. This is achieved through regular engagement and collaboration with the Devolved Administrations and their delivery bodies (as described below) and informed by BEIS' and Territorial Offices' own engagement, including discussions between the Science Minister and DA counterparts.

UKRI engages with people and organisations across the UK through a number of mechanisms, including regular senior-level meetings with the CEO, Dame Ottoline Leyser, UKRI Strategy Directors and individual Council Executive Chairs. These include representatives from devolved governments including the Chief Scientific Advisers, individual institutions and businesses. The UKRI Board will also be seeking to hold regular meetings outside of London and is keen to liaise closely with the Devolved Administrations in their planning.

Dame Ottoline Leyser has conducted virtual visits to Scotland, Northern Ireland and Wales during her first year in post. Research and Innovation stakeholders from across the UK are also engaged through groups that are convened by UKRI, for example the UKRI Science and Innovation Strategy Forum (SISF) a mechanism for senior-level engagement to ensure the strategic alignment of R&D priorities and policies between the Devolved Administrations and the UK Government, and to provide high-level strategic direction which helps to enrich the UK's research and innovation landscape.

Research England is a legal component of UKRI, and thus the Board and CEO have responsibility for its proper running. In particular, the CEO is the responsible Accounting Officer for the budgets spent through Research England and it is essential that Research England and its Executive Chair are part of the overall UKRI governance structure including the Executive Committee. As a component of UKRI, subject to the same internal policies e.g. on staffing, assurance and finance, it is necessary that Research England is appropriately integrated within UKRI's corporate operations. There is no equivalent corporate role for the other UK HE funding bodies within UKRI.

UKRI's vision is for an outstanding research and innovation system in the UK that gives everyone the opportunity to contribute and to benefit, enriching lives locally, nationally and internationally. To do this it is essential that a wide range of stakeholders are regularly consulted by UKRI as outlined.

## Horizon

**9. The UK Government should ensure that the UK reaps the maximum possible benefits from Horizon Europe in areas such as health, climate and energy and is not disadvantaged as a non-EU member or inappropriately excluded from relevant programmes. In addition if, for any reason, the UK receives less in competitive grants than its financial contributions, the UK Government should explore why this might be and, if appropriate, seek to adjust its financial contribution accordingly.** (Paragraph 138)

The UK Government has agreed to associate with Horizon Europe through the Trade and Cooperation Agreement reached with the EU in December 2020. The UK Government stands ready to formalise our participation at the earliest opportunity but disappointingly there have been persistent delays from the EU.

Horizon Europe gives UK researchers and innovators access to the largest research and innovation funding programme in the world and the UK will participate in all areas of Horizon with the exception of the European Innovation Council (EIC) Fund. UK applicants are eligible to apply for Horizon Europe funding and participate on equivalent terms to organisations from EU Member States. The European Commission has published a comprehensive Q&A detailing this.

The Trade and Cooperation Agreement contains clear provisions ensuring that the UK Government does not pay for parts of the programme we are excluded from. Our first payment will be made only once we have associated with the EU programmes agreed to in the Trade and Cooperation Agreement. The terms we have agreed ensure our financial contribution is fair and appropriate and participation represents a real benefit to British people and industry.

As set out at SR 2021, in the event that the UK is unable to associate with Horizon Europe, the funding put aside for Horizon association will go to UK schemes, including those which would form partnerships internationally.

## Global Talent

**10. In order to allow Scotland to remain competitive and attractive to the best international research talent, who can bring so much to our economy and society, the UK Government should reduce the cost of visas for international researchers and their families, to a level competitive with countries such as France. If the UK Government decides not to reduce the cost of the Global Talent visa (and associated costs for the families of 'lead' applicants), the UK Government should seek to justify the reasons for these high fees in comparison to other countries. The UK Government should also take a pragmatic approach to researcher visa extensions, especially in light of covid-19, which has caused unavoidable delays to some research projects.** (Paragraph 147)

UK visa fees are broadly in line with our competitors across a range of visa types.

Visa products are, however, difficult to compare because visa offers including benefits and entitlements gained and duration of stay, vary significantly between countries. As a matter of course, we continue to keep visa fees under review. Income from visa fees helps to fund the migration and borders system and reduces the burden on UK taxpayers. There is little

evidence fee increases to date have affected demand on work, study and tourism routes, not least in light of the most recent migration statistics. We publish Impact Assessments when we make fee changes in legislation.

The Immigration Health Surcharge (IHS) is set at a competitive level. Private health insurance requirements operated in other competitor countries can be higher or may not provide comprehensive access to healthcare without the payment of direct charges for accessing them. Maternity services are often not included without additional cost, and many pre-existing conditions may not be covered.

IHS is paid by nationals subject to immigration control who apply to come to the UK to work, study or join family for a time-limited period of more than 6 months. It is also paid by nationals who are already in the UK and apply to extend their stay. It is designed to be paid up-front, in full, so an individual's healthcare is covered for the full length of time they are granted immigration leave in the UK. This ensures they do not need to worry about insurance or pay for unexpected medical treatment whilst they are here.

To date, the Immigration Health Surcharge has raised almost £2 billion for the NHS. This much-needed income is shared between the health administrations in England, Scotland, Wales and Northern Ireland, using the formula devised by Lord Barnett.

The Global Talent category was introduced on 20 February 2020. It is for talented and promising individuals in the fields of science, digital technology and arts and culture wishing to work in the UK. 'Talent' applicants are already leaders in their respective field, while 'promise' applicants have shown the potential to become leaders in their field. Global Talent provides a number of options of fast-track visa options for those with specialist skills in science and research to come and work, study and live in the UK.

In summary, the route:

- Provides eligible people with a flexible visa for up to five years, during which they can come and go from the UK at will;
- At the end of three years, individuals are able apply for accelerated settled status (giving a permanent right to reside in the UK and access to benefits and services, including health care, on the same basis as British citizens);
- Ensure that where individuals are absent from the UK for longer than 180 days per year due to undertaking research overseas, this does not affect settlement applications adversely;
- No minimum salary requirement (unlike in the Skilled Worker route);
- No requirement for individuals to have a confirmed job offer and be sponsored by an employer (unlike in Skilled Worker); and
- Allow migrants to bring dependants (spouses/partners and children), with adult dependants broadly having full access to the labour market.

- Applicants have the flexibility to request up to 5 years in a single application and can apply to extend it. Individuals can obtain an extension if they have earned money in the field for which they were initially endorsed and have not had their endorsement withdrawn by the endorsing body.

Acknowledging the unique challenges created by the Covid pandemic, a temporary concession was put in place as part of the UKRI endorsed funder route, effectively reducing the threshold for those involved in this key area of research.

Individuals who were endorsed by one of the science bodies (Royal Society, Royal Academy of Engineering, British Academy and UKRI) are able to settle in the UK after spending 3 years continuous lawful residence in a combination of eligible routes. Where they have absences from the UK relating to activities in their field (for example overseas research), these do not affect their continuous residence.

**11. The UK Government must promote a positive narrative—including by using its significant diplomatic reach—that, whilst we have left the EU, the UK and Scotland remain an attractive place to work for EU nationals and the brightest and best the EU has to offer are not just 'allowed' to work here, but are actively welcomed.** (Paragraph 151)

We have now launched our new global, points-based immigration system, including most recently, the Graduate route, and have extensively promoted these new immigration routes throughout the EU and the rest of the world—sending out a clear message the UK welcomes the brightest and the best, whether they be at the start of their career as a young graduate, or a respected and experienced member of their profession. We continue to welcome international students, placing no limit on their numbers, and we remain committed to increasing the number of international Higher Education students in the UK to 600,000 by 2030, as set out in the Government's International Education Strategy.

As part of the new Graduate route, international students who complete a PhD from Summer 2021 can stay in the UK for 3 years after study to live and work; students who have successfully completed undergraduates and master's degrees to stay 2 years after study.

The points-based immigration system's new Student route includes several improvements to further streamline the immigration process, including extending the window in which prospective students can make visa applications, removing study time limits at postgraduate level and allowing all students to switch to another type of visa from within the UK.

The new points-based immigration system treats EU and non-EU citizens equally and provides simple, effective, and flexible arrangements for skilled workers from around the world to come to the UK.

The Government is working to radically improve our approach to attracting global talent to the UK and has set up the Office for Talent (OfT). The OfT will drive forward further visa reform and review the talent offer across all career stages to make sure that the coverage and attractiveness of programmes is among the best in the world. The OfT is working with delivery teams across government departments, ensuring the UK's talent offer is stronger than ever for students, those building their careers, and those who are already world leaders in their fields, and will make it easier for those with the most talent,

potential, energy and creativity to come to the UK from around the world. The OfT will also make sure that the coverage and attractiveness of the UK's visa offer enables highly skilled people of all career stages to come to the UK and make it their home. It will also feed into the wider policy landscape for R&D in the UK, ensuring the UK is at the forefront of developing diverse pools of talent and teams critical to delivering the government's vision for science and innovation.