



HOUSE OF LORDS

European Union Committee
Services Sub-Committee

House of Lords
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3 December 2020

Rt Hon. Gavin Williamson CBE MP
Secretary of State for Education
Department for Education and Skills
Sanctuary Buildings
Great Smith Street
London SW1P 3BT

Dear Secretary of State,

1. As you may be aware, the Committee launched a short inquiry on the future UK-EU relationship on research and education on 8 October 2020. We have taken oral and written evidence on this matter throughout October and November.¹
2. With fewer than 25 working days left before the end of the transition period, our recommendations require urgent action.

Summary

- The UK's **world-leading** research and education sector is a significant asset to the UK economy and brings a range of benefits beyond its financial contribution. The sector provides excellent long-term returns on investment.
- **International collaboration** has been a key strength of the UK's approach to research and education: over half of the UK's research output is co-authored with international counterparts.
- The terms of third-country association with the Horizon and Erasmus programmes are yet to be agreed at an EU level, but **uncertainty** about the UK's participation means that UK researchers are missing out on research funding and students are missing opportunities for academic exchanges.
- Under current EU proposals, the UK could end up as a significant net contributor to European research funding with little say over how it is administered. Any investment in research funding must be good value for the UK, and the Government should **weigh the benefits of association against the cost implications**, once these are clarified.
- Whether or not the UK chooses association with Horizon Europe, all **alternative domestic research funding framework** must be independently administered under a clear framework designed in consultation with the Devolved Administrations and should focus on building global collaboration, supporting SMEs and providing funding across the UK.
- The UK is currently seeking '**partial**' association to Erasmus. We urge the Government to consider the advantages of the Erasmus scheme which provides a

¹ EU Services Sub-Committee, *The future UK-EU relationship in research and education*:
<https://committees.parliament.uk/work/685/the-future-ukeu-relationship-in-research-and-education/>

common framework for placements that fit well within existing higher education structures.

- If the Government does not associate with Erasmus, a **domestic alternative** should be in place by the end of the transition period that supports inward and outward student mobility.
- The absence of a positive **data adequacy** decision would have a significant and negative impact on the UK's research and education sector.
- The lack of **guidance and support** on post-Brexit arrangements is providing a real challenge to an already-stretched sector.

3. The European Union Committee's Home Affairs Sub-Committee published a report entitled *Brexit: the Erasmus and Horizon programmes*, in February 2019.² This letter builds on the recommendations made in that report.

The UK's research and education sector

4. The UK is a world leader in research and education: the UK is the world's third most prolific producer of research, behind the US and China, in volume, but has ranked first internationally every year since 2007 for quality, as measured by field-weighted citation impact.³ Research by UK Research and Innovation (UKRI), a BEIS non-departmental public body that is responsible for directing research and innovation funding, found a £7 benefit to the UK for every £1 of public money spent on research and innovation.⁴ Professor Tim Wheeler, Director for International at UK Research and Innovation, told us that research and education are "intrinsically linked": world-leading research at UK universities attracts students from all over the world, who in turn contribute to the research environment.⁵
5. Trade in research and education makes a significant contribution to the UK economy. Exports of higher education internationally, including income from international students, amounted to £13.4 billion in 2019.⁶ In the same year, exports of transnational education (whereby education is delivered in a country other than the country where the awarding institution is based) amounted to £1.9 billion.⁷
6. UK higher education institutions benefit from the international exchange of students. There were 2.38 million undergraduate and postgraduate students studying at UK higher education institutions in the 2018/19 academic year, which included 140,000 students

² European Union Committee, [Brexit: the Erasmus and Horizon programmes](#) (28th Report, Session 2017-19, HL Paper 283)

³ [Q 1](#)

⁴ [Q 29](#) (Professor Tim Wheeler)

⁵ [Q 32](#)

⁶ HM Government, *Education generates billions for UK economy*, 24 January 2019: <https://www.gov.uk/government/news/education-generates-billions-for-uk-economy> [accessed 23 November 2020]

⁷ HM Government, *Education generates billions for UK economy*, 24 January 2019: <https://www.gov.uk/government/news/education-generates-billions-for-uk-economy> [accessed 23 November 2020]

from the EU and 340,000 from non-EU countries.⁸ Incoming Erasmus+ students in 2017 generated £420 million in income for the UK.⁹ In addition to this economic benefit, Maddalaine Ansell, Director, Education, British Council, told us that “an international student base makes our campuses vibrant and enables universities to keep open some strategically important subjects, which they could not do otherwise.”¹⁰

7. In terms of the staff composition of UK universities, 440,000 staff were employed at UK higher education institutions in 2018/19, around half of whom are academic staff.¹¹ 18% of academic staff with a known nationality had an EU nationality, while 14% had a non-EU nationality.¹²
8. The private sector, including companies and research institutes, also plays an important role in the UK’s research and innovation landscape. As the Royal Academy of Engineering told the Committee, “A strong innovation system, with extensive business participation, is necessary to reap the returns from the UK’s investment in research.”¹³ In 2018/19, 3,825 new graduate start-ups were created and 131 new university-owned or part-owned spin-off companies were established.¹⁴ International exports of private schooling amounted to £0.9 billion in 2019.¹⁵
9. The successes of the UK’s research and education sector also bring many less direct benefits. Make UK told us that “cooperation between the private sector and Universities is crucial for innovation, productivity and growth”, adding that the UK “need[s] the knowledge that funding research creates including the intangible benefits such as the development of ideas and the creation of new technologies.”¹⁶
10. The research and education sector brings many ‘soft power’ benefits to the UK which are difficult to quantify but are invaluable, like broadening the experiences and horizons of young people, cross cultural understanding enhancing research projects, and building long term intercultural relationships, among others. Kate Ewart-Biggs, Director of the Global Network at the British Council, provided a timely reminder:

“We should not forget the other important aspect of education and research, which is the development of the skills of the future generation of young people, who will be tackling the big issues that have arisen in the Covid pandemic, climate change and

⁸ Higher Education Statistics Agency, *Higher Education Student data*: <https://www.hesa.ac.uk/data-and-analysis/students> [accessed 23 November 2020]

⁹ [Q 1](#) (Hillary Gyebi-Ababio, National Union of Students)

¹⁰ [Q 32](#)

¹¹ Higher Education Statistics Agency, *Higher Education Staff Statistics: UK, 2018/19*, 23 January 2020: <https://www.hesa.ac.uk/news/23-01-2020/sb256-higher-education-staff-statistics> [accessed 23 November 2020]

¹² Higher Education Statistics Agency, *Higher Education Staff Statistics: UK, 2018/19*, 23 January 2020: <https://www.hesa.ac.uk/news/23-01-2020/sb256-higher-education-staff-statistics> [accessed 23 November 2020]

¹³ Written evidence from the Royal Academy of Engineering ([RAE0001](#))

¹⁴ Higher Education Statistics Agency, Chart 1 - Spin-offs and start-up companies 2014/15 to 2018/19: <https://www.hesa.ac.uk/data-and-analysis/providers/business-community/chart-1> [accessed 23 November 2020]

¹⁵ HM Government, *Education generates billions for UK economy*, 24 January 2019: <https://www.gov.uk/government/news/education-generates-billions-for-uk-economy> [accessed 23 November 2020]

¹⁶ Written evidence from Make UK ([RAE0004](#))

all the other important elements of the UK maintaining its relevance in research and education around the world.”¹⁷

International collaboration

11. Witnesses were clear that research and innovation is fundamentally collaborative and that collaboration across borders is a key strength of the UK’s approach. Professor Graeme Reid, Chair of Science and Research Policy, University College London, told us: “International collaboration is woven into the very fabric of research. It is not an extra that is bolted on top; it is so woven in that it becomes almost challenging to find examples of research that is done without international collaboration.”¹⁸ Given the UK’s leading status as a centre of research excellence, the international collaboration that UK institutions offer raises standards.

12. Over half of the UK’s research output is co-authored by international counterparts, and 60% of those collaborations are with partners in the EU.¹⁹ Maddalaine Ansell told us that work carried out in collaboration “tends to have more impact, is more highly cited and is generally judged to be of higher quality.”²⁰ The United States is the largest single country for collaboration with UK researchers, amounting to almost 150,000 internationally co-authored publications between 2013 and 2017.²¹ But as a bloc, UK researchers collaborated more with EU-based researchers than those from the United States. Among those EU-based collaborations, Germany, France and Italy are the preferred countries for partnerships. It should also be noted that beyond the EU and the United States, UK researchers undertake a significant amount of collaborative research with Australia, China and Canada.²²

¹⁷ [Q 29](#)

¹⁸ [Q 17](#)

¹⁹ [Q 1](#) (Vivienne Stern)

²⁰ [Q 29](#)

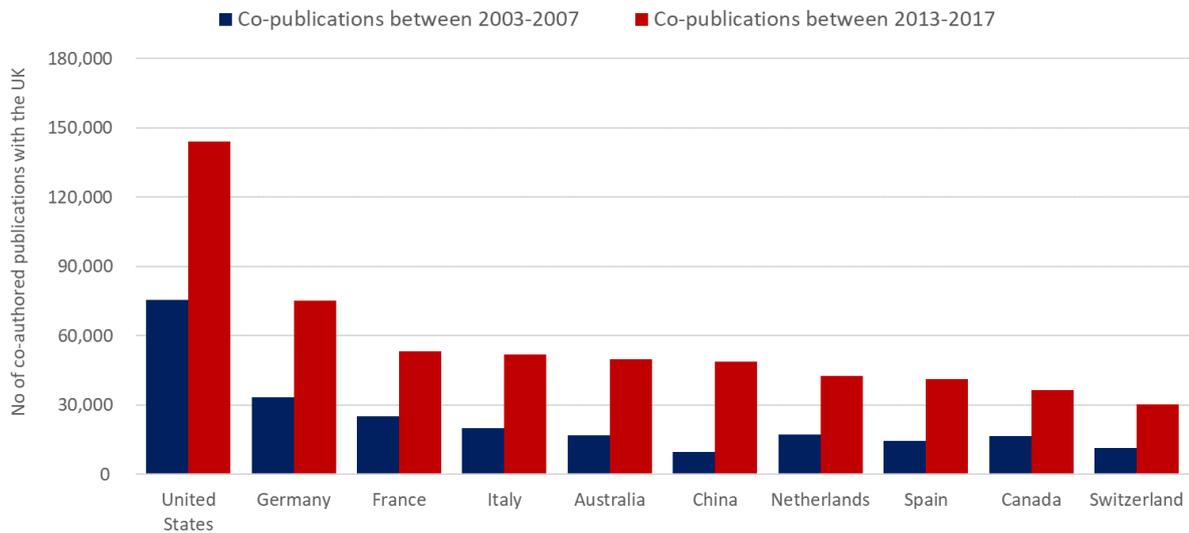
²¹ Professor Adrian Smith and Professor Graeme Reid, *Changes and Choices: Advice on future frameworks for international collaboration on research and innovation*, July 2019:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 23 November 2020]

²² Professor Adrian Smith and Professor Graeme Reid, *Changes and Choices*:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 23 November 2020]

Figure 1: UK's top 10 collaboration partners (2003-2017) by volume of internationally co-authored publications²³



13. Catherine Guinard, Policy and Advocacy Manager, Wellcome Trust, described the research and education sector's links to Europe as a "national asset", and said that it is "impossible to think about UK research and science without thinking about our links into Europe and elsewhere."²⁴ EU funding has played an important role in developing these international links. The EU's Horizon 2020 programme was a collaborative fund developed to promote Europe's global competitiveness in research and innovation, running from 2014 to 2020. It was the largest ever European funding programme for research and innovation, with a budget of €79 billion. The programme aimed to "put Europe at the heart of world-class science and innovation."²⁵
14. As a world leader in research and development, the UK has a strong track record in securing Horizon funding. Between 2014 and 2020, around 14% of Horizon 2020 funding has been allocated to the UK, amounting to €5.7 billion, with three British universities in the top ten recipients to date (University of Oxford, University of Cambridge and University College London).²⁶ However, analysis by the Royal Society last year showed that the UK's annual share of EU research funding has fallen by nearly a third since 2015.²⁷ The Horizon 2020 programme ends at the end of 2020 and the EU is still in the process of agreeing its successor programme, Horizon Europe.

²³ Analysis of Elsevier SciVal in Professor Adrian Smith and Professor Graeme Reid, *Changes and choices*: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 1 December]

²⁴ [O I](#)

²⁵ European Commission, *What is Horizon 2020?* <https://ec.europa.eu/programmes/horizon2020/en/what-horizon-2020> [accessed 23 November 2020]

²⁶ House of Commons Library, *EU funding in the UK*, Library Note, [CBP-7847](#), 11 September 2020

²⁷ The Royal Society, *Brexit uncertainty harming UK science*, 16 October 2020: <https://royalsociety.org/news/2019/10/brexit-uncertainty-harming-UK-science/#:~:text=The%20UK's%20share%20of%20EU,has%20fallen%20by%20a%20third> [accessed 1 December 2020]

15. Erasmus+ is the EU programme running from 2014 to 2020 to support university student exchanges, training placements, youth projects, and opportunities for staff working at all levels of education to teach or train abroad. Extra funding is available for people from disadvantaged backgrounds and those with disabilities or additional needs, to ensure these mobility opportunities are inclusive. The programme also funds cooperation projects between universities, schools and colleges across Europe, and brings together young people and decision-makers to help improve youth policy. Under this programme, around €1 billion has been allocated to the UK between 2014 and 2020.²⁸
16. Until the end of the current Horizon and Erasmus funding periods, UK participants can continue to receive funding through these projects. However, the terms of third country association to the new Horizon Europe and Erasmus+ programmes are yet to be agreed.
17. While there is precedent for free trade agreements to include commitments on participation in programme such as Erasmus and Horizon, it is also possible to have stand-alone agreements. While the UK's choice of whether or not to associate with Horizon and Erasmus "will clearly be a political decision", as Professor Wheeler set out, "the legal basis of Horizon Europe allows for a dedicated association agreement to be a stand-alone agreement between the EU and any non-EU country."²⁹ On the other hand, Catherine Guinard said that a scenario where there is no broader deal would make it harder to agree a deal for science, adding that the science and research sector is "working so hard at the moment to embed association to the programmes in the broad talks and negotiations that are going on now".³⁰
18. The EU's draft future relationship agreement set out proposed general conditions for UK participation that would apply to all EU programmes listed in a protocol to the agreement. However, the protocol is left blank in the draft legal text therefore it is not clear whether this would apply to Horizon and/or Erasmus. The proposed general conditions include a requirement for the UK to make a contribution to the EU budget as a condition of participating in a programme. The payment would consist of a participation fee and an operational contribution. The EU could suspend UK participation if the UK did not pay its financial contribution.
19. **The UK's world-leading research and education sector is a significant asset to the UK economy, with international higher education exports alone amounting to £13.4 billion in 2019. Over 480,000 students came to study abroad in the UK in the 2018/19 academic year.**
20. **This diverse sector includes businesses and research institutes in the private and third sectors as well as universities and higher education institutions. The strength and status of the UK's research and education sector mean that it brings a very significant range of benefits beyond its financial contribution, including developing the workforce and promoting the UK's 'soft power' overseas. The sector provides excellent long-term return on investment.**

²⁸ European Commission, *Erasmus: Facts, Figures & Trends*, 2015: https://ec.europa.eu/assets/eac/education/library/statistics/erasmus-plus-facts-figures_en.pdf [accessed 1 December 2020]

²⁹ [Q 35](#)

³⁰ [Q 14](#)

21. **International collaboration has been a key strength of the UK’s approach to research and education: over half of the UK’s research output is co-authored by international counterparts. 60% of those partners are within the EU, though the US is the single country with the most collaboration with UK researchers.**

Research funding

22. The Committee welcomes the aims set out in the Government’s Research and Development Roadmap published in July 2020, to strengthen the UK’s global position in research, “unleash a new wave of innovation” and “revitalise international ties”.³¹ We recognise the Chancellor’s commitment in March to increase public investment in research and development to £22 billion per year by 2024/2025. We support the Government’s commitment to continue to grow the UK’s world-leading research sector.

Horizon Europe

23. The former EU Home Affairs Sub-Committee’s report noted that UK contributions to the new Horizon Europe programme are likely to be higher than contributions under the Horizon 2020 scheme, but recommended that the UK should secure association to Horizon Europe. The report emphasised that UK universities would benefit from retaining full access to EU funding opportunities and participating in, and leading, collaborative research projects.³² Participation in research projects across Europe provides opportunities to collaborate with the leading minds in some of the most challenging and innovative research fields.
24. Witnesses to our inquiry emphasised the importance of continued association to EU programmes, also noting that some fields are more dependent on Horizon funding than others. Professor Reid told the Committee that while just 3% of research is funded through European framework programmes, in some research domains the proportion of funding from the EU is much higher. In archaeology and software engineering, more than 30% of research funding comes from the EU. In chemistry and architecture, the figure is more than 20%.³³
25. As Figure 2 shows, the UK has seen a significant drop in its share of Horizon 2020 grant funding since the Brexit referendum. Figure 3 shows that the decline in Horizon funding experienced by the UK exceeds any trends or fluctuations seen by other European nations.

³¹HM Government. *UK Research and Development Roadmap*, 1 July 2020:

http://data.parliament.uk/DepositedPapers/Files/DEP2020-0377/UK_Research_and_Development_Roadmap.pdf [accessed 23 November 2020]

³² European Union Committee, *Brexit: the Erasmus and Horizon programmes* (28th Report, Session 2017-19, HL Paper 283)

³³ [O 18](#)

Figure 2: UK share of Horizon 2020 funding (2015-2018) and international comparison³⁴

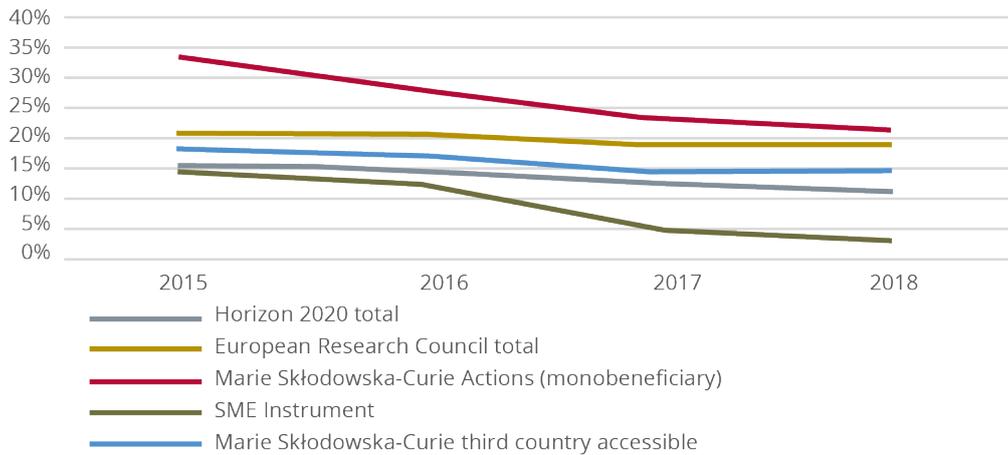
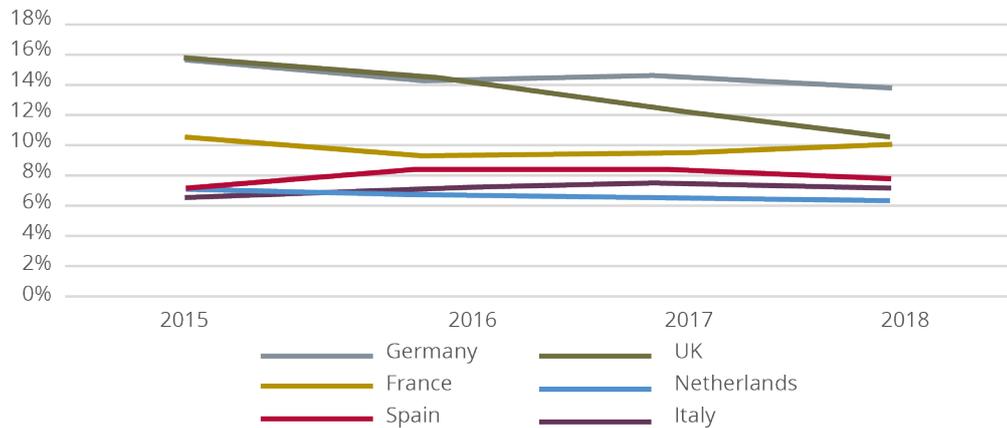


Figure 3: Horizon 2020 funding (2015-2018) international comparison



26. We recognise that negotiations on the terms of third-country association with Horizon Europe are ongoing within the EU and important decisions are yet to be taken on how contributions to the scheme are calculated. The EU has proposed that the UK pays a proportion of the 2021-2027 research budget based on its gross domestic product as a share of EU GDP, which currently stands at 18%, with administrative and participation fees on top. The EU proposals on Horizon Europe also include a ‘one-way’ correction mechanism which ensures that any third country cannot be a net beneficiary of programme funding, but does not protect third countries from an imbalance in the opposite direction. In July 2020, the Wellcome Trust coordinated a joint letter to the Government and Commission, signed by over 100 researchers and research organisations, which advocated for a “two-way correction mechanism for balancing substantial disparities between initial contributions and eventual receipts from the

³⁴ The Royal Society, *Brexit is already having a negative impact on UK science*, October 2019: <https://royalsociety.org/-/media/news/2019/brexit-uk-science-impact.pdf?la=en-GB&hash=BE140E62C37560A6A7523B7134949F11> [accessed 1 December 2020]

programme.”³⁵ It would be very difficult to justify UK participation if it entailed a multi-billion Euro net contribution over the lifetime of the programme.

27. Vivienne Stern, Director, Universities UK International, reinforced this view: “The crux of the issue is that at the moment the Commission is suggesting that there should be a one-way financial correction mechanism, which means that the UK contribution could go up if we win more than we contributed originally, but it could not go down if we win less than we contributed originally.”³⁶ As the Horizon Europe budget is estimated to be €80 billion, UKRI calculated the UK’s contribution would be around €15.2 billion over the course of the programme. Vivienne Stern told us that in order to receive the equivalent to €15 billion in receipts, the UK would need to win 16% of funding from the programme, but the UK currently only wins around 13% of the relevant funding. She noted that this implies that if the UK continues to participate at the current level, there would be a net contribution over the life of the programme “of about €3 billion”.³⁷ She concluded: “Even we think that does not look fair, and we have been saying to our European counterparts, ‘You want us in this club. Come back with a two-way correction mechanism so this does not have to be an argument about money’.”³⁸
28. Third-country participation in the Horizon programmes does not extend to some funding streams, including European Research Council grants, some Marie Skłodowska-Curie Actions and the SME instruments. Grants under these programmes accounted for around 44% of total receipts from Horizon 2020.³⁹ Even if the UK does pursue association with Horizon Europe, the Government must make sure that any future domestic research funding fills these important gaps in funding for collaborative research, the mobility of researchers and research funding for SMEs.
29. While we recognise the recommendation in EU Home Affairs Sub-Committee’s report *Brexit: the Erasmus and Horizon programmes*, regarding securing association to Horizon, events have moved on.⁴⁰ It is clear that any investment in research funding must be good value for the UK and while association to the Horizon programme may have attractions, the Government should weigh the benefits of association against the cost implications, once these are clarified.

Domestic research funding

30. Professor Sir Adrian Smith and Professor Reid’s report *Changes and Choices: Advice on future frameworks for international collaboration on research and innovation*, published July 2019, made recommendations on how to shape a future domestic funding framework.⁴¹

³⁵ Wellcome Trust, *Securing a strong outcome for research in the EU-UK future relationship: Reaching an agreement on UK participation in Horizon Europe*, 22 July 2020: [reaching-agreement-uk-participation-horizon-europe.pdf](https://wellcome.org/reaching-agreement-uk-participation-horizon-europe.pdf) (wellcome.org) [accessed 23 November 2020]

³⁶ [Q 10](#)

³⁷ [Q 10](#)

³⁸ [Q 10](#)

³⁹ European Union Committee, *Brexit: the Erasmus and Horizon programmes* (28th Report, Session 2017-19, HL Paper 283)

⁴⁰ European Union Committee, *Brexit: the Erasmus and Horizon programmes* (28th Report, Session 2017-19, HL Paper 283)

⁴¹ Professor Adrian Smith and Professor Graeme Reid, *Changes and Choices*: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 23 November 2020]

These recommendations focused on a scenario where the UK did not associate with Horizon Europe, but a similar research budget was available domestically. Professor Reid's evidence to the Committee reinforced the key recommendations set out in the report.

31. In the event of no association to Horizon Europe, the report states that the public funding that would previously have been allocated to EU's research funding programmes should be directed towards wider forms of international collaboration. Professor Reid told the Committee that the UK would benefit from "attracting a higher level of foreign direct investment in research and development from global corporations", and that this international dimension would be essential to what should be the Government's ambition of increasing research and development investment to 2.4% of GDP.⁴² He also told us that "levels of foreign direct investment in research and development have increased by about 70% over the decade", and the "EU is not a particularly large or fast-growing area of foreign direct investment."⁴³
32. The Smith-Reid report proposes that the Government could achieve higher levels of foreign direct investment through implementing financial incentives, such as setting up an international version of the UK Research Partnership Investment Fund with rewards for universities that attract foreign direct investment in research and development. Professor Wheeler also told the Committee that "UKRI and others continue to provide opportunities for global collaboration with non-EU countries." These include the Fund for International Collaboration, which provides support for UK collaboration with the world's leading nations for research and innovation—for example, the US, Canada and Japan. The Newton Fund supports collaboration with the higher end middle-income countries, and the Global Challenges Research Fund supports collaboration with the less developed nations of the world. Professor Wheeler said: "There will continue to be opportunities to collaborate across the world, both with non-EU countries, through those programmes and others, and through either full association or the domestic alternative pathway to ensure continuity of funding opportunities with EU nations."⁴⁴ Witnesses were clear that under any domestic funding framework, the Government should make sure to capitalise on existing funding schemes to collaborate with non-EU countries and seek to expand international funding streams.
33. Whether or not the Government chooses association with Horizon Europe, the UK must take this opportunity to build an ambitious vision for its world-leading research and innovation sector.

Funding across the UK

34. Witnesses also stressed the importance of regional research and development investment to develop local economies. Figure 4 shows the distribution of European Structural and Investment Funds and Horizon 2020 funding across the UK. The Smith-Reid report proposed measures that could be taken within a future domestic research funding framework to aid regional research and development. Historically, EU structural funds and regional development support, combined with research and development funding,

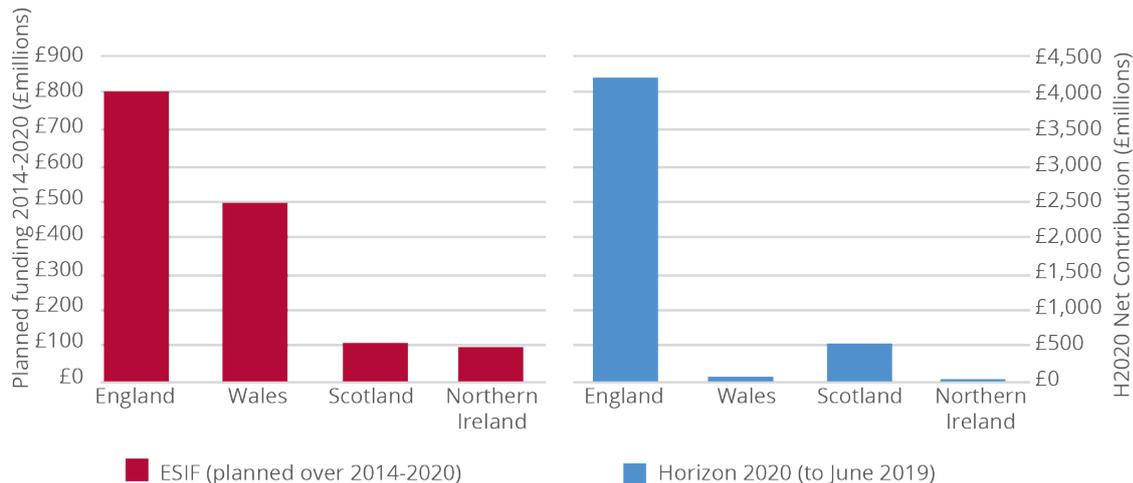
⁴² [Q 17](#)

⁴³ [Q 17](#)

⁴⁴ [Q 38](#)

have played a vital role in developing local economies. As the British Academy told the Committee, the European Regional Development Fund is “particularly important in the devolved nations because it provides funding administered locally, for research and innovation”. Some regions of the UK “often leverage further funding from the EU and from the UK and devolved governments, creating complex interdependencies.”⁴⁵

Figure 4: Distribution of European Structural and Investment Funds and Horizon 2020 funding across the UK (2014-2020)



35. The Smith-Reid report proposed that the Government’s Shared Prosperity Fund should be further developed to support research and development being integrated with economic development in all areas of the UK.⁴⁶ Professor Reid emphasised that “some parts of the UK, notably Wales but also parts of the north of England and south-west of England, have quite a high dependency on European regional development funding” and that this “regional development funding will come to an end.”⁴⁷ Professor Reid also said that this issue “has not had as much attention as it might in the Government’s planning for the future beyond the EU”.⁴⁸ The Government, in consultation with the Devolved Administrations, should capitalise on the opportunity to encourage local economic development through regional research and development funding and ensure that investment is allocated effectively across the nations and regions of the UK.

Future funding framework

36. The Committee share Professor Reid’s view that any future framework should “not at all be afraid of copying good ideas”, especially regarding lessons that may be learned from the European funding system.⁴⁹ We note the Discovery Fund proposed by the Government in the Research and Development Roadmap, which will offer “sizeable grants over long periods of time to talented early, mid and late-career researchers, whether in the UK or coming here ... to pursue discovery led, ground-breaking

⁴⁵ Written evidence from the British Academy ([RAE006](#))

⁴⁶ Professor Adrian Smith and Professor Graeme Reid, *Changes and Choices*: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 23 November 2020]

⁴⁷ [Q 18](#)

⁴⁸ [Q 18](#)

⁴⁹ [Q 20](#)

research.”⁵⁰ This fund seeks to replicate positive aspects of the European Council approach to research and development funding, including its consistent support for research “at the frontiers of knowledge”.⁵¹

37. Professor Reid told us that any future domestic funding framework could replicate the EU’s approach to research and development funding in other areas, including making funding more accessible. He continued: “The UK research funding system is dominated largely by grant awards that are issued through competitive processes”, which restricts the ability of the research community to be “more responsive to unexpected opportunities”.⁵² The Smith-Reid report recommended an “agility fund” to “gain an advantage of many competitor nations”.⁵³
38. Building on best practice from the UK and EU, the Government in consultation with the Devolved Administrations should ensure that all future domestic research funding is administered independently from Government with clear frameworks and criteria for the allocation of funding.

Research and innovation funding for SMEs

39. The Royal Academy of Engineering emphasised the importance of EU research funding for SMEs. Stressing how the Covid-19 pandemic has shown the importance of investment in research and technological innovation, Make UK highlighted that other countries, such as Germany and Japan, “have extensive support systems in place to help their manufacturing SMEs modernise, and it is important that their UK counterparts are not left behind.”⁵⁴
40. The EU SME funding provides grants to businesses with fewer than 250 employees and an annual turnover of under €50 million for exploring and assessing the technical feasibility and commercial potential of a breakthrough innovation. Under the current rules, third-country association with Horizon does not extend to the SME funding mechanism. Between 2014 and 2020, private companies in the UK received 17.9% of Horizon funding allocated to the UK.⁵⁵ The Royal Academy of Engineering told the Committee:

“SMEs received the majority of funding awarded to UK businesses from Horizon 2020, with 65% of total funding granted to UK companies between 2014 and 2016. As SMEs account for only 5% of total business investment in research and development in the

⁵⁰ HM Government. *UK Research and Development Roadmap*, 1 July 2020:

http://data.parliament.uk/DepositedPapers/Files/DEP2020-0377/UK_Research_and_Development_Roadmap.pdf [accessed 23 November 2020]

⁵¹ [Q 16](#)

⁵² [Q 22](#)

⁵³ Professor Adrian Smith and Professor Graeme Reid, *Changes and Choices*:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/844488/Changes_and_Choices.pdf [accessed 23 November 2020]

⁵⁴ Written evidence from Make UK ([RAE0004](#))

⁵⁵ European Commission, *H2020 Country Profile: Key Figures*, 10 September 2020:

<https://webgate.ec.europa.eu/dashboard/sense/app/a976d168-2023-41d8-acec-e77640154726/sheet/0c8af38b-b73c-4da2-ba41-73ea34ab7ac4/state/0> [accessed 23 November 2020]

UK, EU funding constitutes a much higher proportion of total research and development spend for SMEs than for the business sector as a whole.”⁵⁶

41. The Royal Academy noted the importance of business participation in order to “reap the returns from the UK’s investment in research.”⁵⁷ However, Professor Reid told the Committee that despite the benefits of EU support of the private sector, some businesses have complained that accessing support involved “excessive levels of bureaucracy and about arrangements that were so compromised by the involvement of the 28 member states that they were not serving the interests of that sector in the UK.”⁵⁸ In its future research and development funding framework, the Government should ensure that SMEs, for example those involved in agricultural research and innovation, continue to be supported and recognise the opportunity to improve how efficiently this support can be accessed.

Preparedness for the end of the transition period

42. We remain concerned about how the Government will implement its guarantee to replace EU funding in the event of temporary or permanent non-association with Horizon Europe. This concern was highlighted in the former EU Home Affairs Sub-Committee’s report, *Brexit: the Erasmus and Horizon programme*, which recommended that the Government should clarify its intentions regarding the terms of future research funding to mitigate uncertainty in the sector. This recommendation was made over a year ago, but there has been little clarification since.
43. In the Research and Development Roadmap, the Government states: while it is their ambition to fully associate to Horizon Europe “if there were any gap before we became formally associated, we would implement short-term alternative funding arrangements through proven, attractive UK schemes.”⁵⁹ The Roadmap adds that “During any gap, we would provide funding to UK partners who are successful in bidding to programmes open to third country participation. If we do not formally associate to Horizon Europe ... we will implement ambitious alternatives as quickly as possible from January 2021 and address the funding gap.”⁶⁰ Vivienne Stern told us that this third-country participation guarantee needs to be further clarified to avoid a ‘double jeopardy’: “If UK participants have to go through another layer of application or scrutiny to receive funding to be a part of those projects, you will see UK participation plummet, to all our cost.”⁶¹
44. Uncertainty about levels of funding at the end of the transition period was a common concern amongst witnesses. Professor Wheeler told us: “It is extremely difficult for organisations to prepare for all outcomes in an association pathway or a non-association pathway, given the major uncertainties we still have while negotiations are ongoing”.⁶² He

⁵⁶ Written evidence from the Royal Academy of Engineering ([RAE0001](#))

⁵⁷ Written evidence from the Royal Academy of Engineering ([RAE0001](#))

⁵⁸ [Q 23](#)

⁵⁹ HM Government. *UK Research and Development Roadmap*, 1 July 2020: http://data.parliament.uk/DepositedPapers/Files/DEP2020-0377/UK_Research_and_Development_Roadmap.pdf [accessed 23 November 2020]

⁶⁰ HM Government. *UK Research and Development Roadmap*, 1 July 2020: http://data.parliament.uk/DepositedPapers/Files/DEP2020-0377/UK_Research_and_Development_Roadmap.pdf [accessed 23 November 2020]

⁶¹ [Q 15](#)

⁶² [Q 36](#)

also told the Committee that the research community needs more detailed guidance than that provided in the Research and Development Roadmap regarding the continuity of funding: “This is important not only for the UK community, which needs to access the new funding opportunities in an association or non-association pathway, but for those with whom they are looking to collaborate.”⁶³ He added that these potential research partners “need confidence that, if they are committing to collaborations that include UK participants, those collaborations will follow through in an association or a non-association pathway.”⁶⁴ The lack of clarity from the Government on future research funding means that UK research projects could miss out on key funding over the next couple of years.

45. **The Government must act quickly to provide clarity about the options for research funding at the end of the transition period and ensure short-term stability for the sector in the event of a transition towards a new funding framework. The lack of guidance from the Government means that UK researchers are already missing out. The Government should provide clarity on which areas will be covered by the proposed third-country funding guarantee and how funds would be accessed.**
46. **We note that the terms of third-country association to Horizon Europe remain unclear and the costs of affiliation are yet to be agreed at the EU level. Despite the potential for a significant net contribution, most witnesses favoured association to Horizon Europe, based on its reliability as a source of research funding and its esteem. We recognise the potential scale of the trade-off and any investment in research funding must be good value for the UK. While association to the Horizon programme may have attractions, the Government should weigh the benefits of association against the cost implications, once these are clarified.**
47. **Any alternative domestic research funding framework must be independently administered and should also seek to learn from the strengths of the Horizon funding scheme. These include the importance of international collaboration, accessible processes, a focus on supporting the private sector, and sufficient resourcing.**
48. **The Government should capitalise on the opportunity to encourage local economic development through regional research and development funding and ensure that investment is allocated effectively. The Government should also seek to ensure the Shared Prosperity Fund integrates regional research and development with local economic development to ensure opportunities across the UK.**
49. **Third country association with Horizon Europe would still mean that UK businesses would not be eligible for Horizon Europe’s SME fund. The Government should ensure that SMEs continue to be supported and use this opportunity to improve on how this support can be accessed.**

⁶³ [Q 37](#)

⁶⁴ [Q 37](#)

Mobility

Student mobility

50. Erasmus+ is an EU programme which supports university student exchanges, training placements, youth projects and opportunities for staff working at all levels of education to teach or train abroad. To ensure these mobility opportunities are inclusive and accessible, extra funding is available for people from disadvantaged backgrounds, and those with disabilities or additional needs. The programme also funds cooperation projects between universities, schools and colleges across Europe, and brings together young people and decision-makers to help improve youth policy.
51. Under this programme, €1 billion is expected to be allocated to the UK between 2014 and 2020. Around 53% of students who study abroad do so through the Erasmus programme. In 2017/18, there were a total of 17,048 outgoing students and trainees and total of 31,877 incoming students and trainees from the EU.⁶⁵ In 2017/18, the most popular host countries for UK students on Erasmus study placements were Spain (2,220), France (2,049), Germany (1,302), the Netherlands (812), and Italy (711).⁶⁶ In the same year, France (8,083), Germany (5,190) and Spain (4,321) sent the most students to the UK through the Erasmus programme.⁶⁷
52. In terms of non-Erasmus student mobility, in 2015/16 provider-led programmes accounted for 50.6% of all mobility; most of these programmes were for study (75.0%), followed by work (21.5%) and volunteering (3.6%).⁶⁸ The majority (63.7%) of instances were long-term mobilities of 14 weeks or more, while just over a fifth (21.0%) were for fewer than four weeks.⁶⁹ Between 2014 and 2017 the most frequent destinations for students undertaking international exchanges outside of the Erasmus programme were the United States (17.8%), Australia (8.7%), Canada (6.4%), Spain (4.7%) and China (4.2%).⁷⁰
53. In 2018, €64.5 million of Erasmus funding was awarded to UK institutions, the majority was grant funding for students which totalled €52.1 million or around €2,500 per

⁶⁵ European Commission, *Erasmus+: Country factsheet: UK*, November 2018:

https://ec.europa.eu/programmes/erasmus-plus/resources/documents/country-factsheet-uk_en [accessed 1 December 2020]

⁶⁶ House of Commons Library, *EU funding in the UK*, Library Note, [CBP-7847](#), 11 September 2020

⁶⁷ House of Commons Library, *EU funding in the UK*, Library Note, [CBP-7847](#), 11 September 2020

⁶⁸ Universities UK International, *Gone International: Rising aspirations*, June 2019:

<https://www.universitiesuk.ac.uk/International/Documents/2019/Gone-Intl-2019.pdf> [accessed 1 December 2020]

⁶⁹ Universities UK International, *Gone International: Rising aspirations*, June 2019:

<https://www.universitiesuk.ac.uk/International/Documents/2019/Gone-Intl-2019.pdf> [accessed 1 December 2020]

⁷⁰ Universities UK International, *Gone International: Rising aspirations*, June 2019:

<https://www.universitiesuk.ac.uk/International/Documents/2019/Gone-Intl-2019.pdf> [accessed 1 December 2020]

student.⁷¹ The Association of Colleges told us that over 100 UK colleges have received funding under the 2014-2020 Erasmus+ programme cycle with more than €114m in mobility funds awarded to vocational education and training through colleges and private providers.⁷²

54. The British Council, leads the UK's administration of the Erasmus+ programme with Ecorys UK. Kate Ewart-Biggs told us that "Erasmus+ is an incredibly important part of the picture for the UK economy."⁷³ She also highlighted some of the wide-ranging benefits of the programme: "The skills employers are looking for in the future world—intercultural skills and the ability to get on with and understand other societies—are an immensely important part of Erasmus+."⁷⁴
55. Like the Horizon Europe programme, the terms and costs of third-country association with the 2021-2027 Erasmus programme are yet to be set by the EU. The European Commission has set out proposals to double the funding for the new Erasmus programme to €30 billion. This would enable the EU to support 12 million people, tripling the number of participants. If the UK seeks to join the future Erasmus programme as an associated third country, the UK would be able to attend Erasmus programme committees but would lose its voting rights, reducing the UK's strategic influence over the programme. Currently, the following countries are non-EU members of the Erasmus+ programme: North Macedonia, Iceland, Norway, Liechtenstein, Turkey and Serbia. If the UK opts to be a non-associated third country of Erasmus 2021-2027, it would not have a seat at the table in Erasmus programme committees, and UK participants would have access to less funding and fewer exchange opportunities. Such non-associated third countries include: Algeria, Egypt, Syria, Armenia and Kosovo.
56. The report of the former EU Home Affairs Committee recognised that the cost of participating in the 2021–2027 Erasmus programme is likely to be higher than in previous years, but recommended that the Government should seek full association to Erasmus after Brexit to ensure that the financial support and flexibility of the programme is maintained.⁷⁵
57. On Erasmus specifically, the Government's February white paper said the UK would consider options for participation in the mobility elements of the programme on a time-limited basis, provided the terms were in the UK's interests.⁷⁶ There is no precedent for partial association with Erasmus. The Government has said that in parallel with its negotiations with the EU, it is "continuing to develop the option for a domestic alternative

⁷¹ Statistical Annex Erasmus+ Annual report 2018, Annex 17 KA103 Higher Education student and staff mobility projects only: [Erasmus+ annual report 2018 - Publications Office of the EU \(europa.eu\)](#) [accessed 1 December 2020]

⁷² Written evidence from the Association of Colleges ([RAE0002](#))

⁷³ [Q 29](#)

⁷⁴ [Q 29](#)

⁷⁵ European Union Committee, [Brexit: the Erasmus and Horizon programmes](#) (28th Report, Session 2017-19, HL Paper 283)

⁷⁶ HM Government, *Our approach to the Future Relationship with the EU*, 27 February 2020: <https://www.gov.uk/government/publications/our-approach-to-the-future-relationship-with-the-eu> [accessed 23 November 2020]

to Erasmus+, to ensure that we are prepared for every eventuality.”⁷⁷ We note reports that this domestic alternative may only provide for outward mobility for UK students. If there are not arrangements in place under a replacement scheme to enable European students to come to UK campuses for academic exchanges, there could be a negative impact for the vibrancy and reputation of UK universities.

58. As the House of Commons Education Committee noted in its 2017 report, *Exiting the EU: challenges and opportunities for higher education*, estimating the cost of a domestic alternative to Erasmus is not simple.⁷⁸ In 2014, the Swiss government established a Swiss-European Mobility Programme following the loss of Erasmus+ membership. It spent around €23 million to fund 6,000 outward placements and close to 5,000 inward placements. A basic analysis is that UK higher education mobility is around four times this, so a UK equivalent might cost around €100 million a year. This could be higher if any scheme were to target countries further afield.
59. Witnesses highlighted that the range of options for placements was a key strength of the Erasmus programme which range from short, one-off placements to longer study abroad options. Hillary Gyebi-Ababio, Vice-President for Higher Education, National Union of Students, was clear that any alternative to Erasmus+ would need to be “accessible and enabling for students from all backgrounds to be involved, and that it continues to give generous maintenance funding and support students to have those international experiences.”⁷⁹
60. Another strength of the EU’s Erasmus programme is that it provides a clear and structured pathway for student mobility with existing networks which fit in with the timetables for educational programmes. Professor Sir Richard Catlow, Foreign Secretary and Vice-President of the Royal Society, said that one of the challenges facing any domestic alternative to Erasmus “will be trying to find ways of keeping networks going, because we will not have access to these networks ... We will have to try to set up flexible, adaptable and agile international collaborative schemes.”⁸⁰ A survey of members of the Association of Colleges found that 76% of respondents felt that they would lose the connections with their European partners if the UK did not associate with Erasmus.⁸¹
61. Around 140,000 students come to the UK from the EU every year, which is just over a third of all international students. Leaving aside future decisions on grant and fees, Maddaline Ansell noted that the international student picture is currently dominated by students from China, but warned that “They will not continue to come for ever, because China is investing hugely in its own domestic capacity and wants not only to be able to educate its own students but to be a regional hub for other students from east Asia.”⁸²

⁷⁷ Written question [56134](#), Session 2019-21

⁷⁸ <https://publications.parliament.uk/pa/cm201617/cmselect/cmeduc/683/683.pdf>

⁷⁹ [Q 4](#)

⁸⁰ [Q 3](#)

⁸¹ Written evidence from the Association of Colleges ([RAE0002](#))

⁸² [Q 37](#)

Mobility of researchers

62. International mobility for researchers is very important to promoting research excellence. As Professor Wheeler put it, “The mobility of researchers is an incredibly important contributor to the quality of research and to the development of individuals as well-rounded, internationally collaborating researchers.”⁸³ He highlighted the importance of the Marie Skłodowska-Curie Actions which form part of the Horizon programme and provide grants researchers at all stages of their careers, from doctoral candidates to highly experienced researchers, to “encourage transnational, intersectoral and interdisciplinary mobility.”⁸⁴ Between 2014 and 2020, €923 million was awarded to 809 research organisations in the UK through the Marie Skłodowska-Curie Actions, which supported 1,318 researchers.⁸⁵ 20% of these organisations were private companies, and 5% went to SMEs.⁸⁶ Research by the Royal Society in 2019 showed a “dramatic drop” in the number of researchers coming to the UK under the Marie Skłodowska-Curie scheme, with 35% fewer research fellows coming to the UK in 2018 than in 2015.⁸⁷
63. Under the proposed terms of third country association to the Horizon Europe programme, the UK will not have access to funding from the Marie Skłodowska-Curie Actions. The UK must consider how domestic research funding can support the mobility of researchers when these arrangements are not in place. Maddalaine Ansell was clear that “We need to think about how we make it as easy as possible for global talent to move to the UK and from the UK to collaborate overseas.”⁸⁸ Often mobility for researchers also facilitates exchange of good practice in teaching methods. Kate Ewart-Biggs highlighted that “many countries around the world look to the UK for excellence in pedagogical approaches that are more creative and bring a broader range of skills to young people”.⁸⁹
64. While the UK’s future immigration system is outside our direct remit, we note evidence on the importance for the research and education sector of future arrangements that facilitate mobility and international collaboration.⁹⁰ There is a risk that the new

⁸³ [Q 33](#)

⁸⁴ European Commission, *Horizon 2020 - Marie Skłodowska-Curie actions*: <https://ec.europa.eu/programmes/horizon2020/en/h2020-section/marie-sklodowska-curie-actions> [accessed 23 November 2020]

⁸⁵ European Commission, *Horizon 2020 - Marie Skłodowska-Curie actions: Country fact sheet: United Kingdom (UK)*, 25 November 2019: https://ec.europa.eu/research/mariecurieactions/sites/mariecurie2/files/msca-country-profile-unitedkingdom-2019_en.pdf [accessed 23 November 2020]

⁸⁶ European Commission, *Horizon 2020 - Marie Skłodowska-Curie actions: Country fact sheet: United Kingdom (UK)*, 25 November 2019: https://ec.europa.eu/research/mariecurieactions/sites/mariecurie2/files/msca-country-profile-unitedkingdom-2019_en.pdf [accessed 23 November 2020]

⁸⁷ The Royal Society, *Brexit uncertainty harming UK science*, 16 October 2020: <https://royalsociety.org/news/2019/10/brexit-uncertainty-harming-UK-science/#:~:text=The%20UK's%20share%20of%20EU,has%20fallen%20by%20a%20third> [accessed 1 December 2020]

⁸⁸ [Q 31](#)

⁸⁹ [Q 31](#)

⁹⁰ We discuss the UK and EU proposals on the mobility of professionals in our recent report: European Union Committee, *The future UK-EU relationship on professional and business services* (13th Report, Session 2019-21, HL Paper 143)

immigration income thresholds could compromise the ability to assemble cross border research teams.

65. Catherine Guinard spoke of the opportunities open to the UK post-Brexit to set a new agenda to promote UK as an excellent place to come to do research:

“Once Brexit comes to a conclusion, there is a real opportunity for the UK to rewrite its own script and carve out a compelling and exciting narrative that speaks to researchers coming to the UK from elsewhere. It is a real opportunity for a reset and for the UK Government to think about who we are and who we want to be going forward.”⁹¹

66. The Government should actively embrace these opportunities. Any proposals for domestic alternatives to the Horizon and Erasmus programmes should set out a positive vision to attract researchers from around the world to the UK.

Preparedness

67. With the end of the transition period fast approaching, witnesses expressed concerns about the sector’s ability to prepare for any future arrangements on student mobility. Maddalaine Ansell said that while 50% of student mobility takes place through Erasmus+ at the moment, “if a good and effective domestic alternative at an appropriate scale is put in place quickly, although I am sure we will lose some of it, we will not lose all of it.”⁹² The uncertainty itself, however, is posing a challenge to mobility, with the British Council seeing a decrease in applications to study in the UK from EU students, while German, French and Dutch organisations are seeing an increase in applications.⁹³ There is a real likelihood that UK students in this year and next could lose out if there is no new agreement or continuity transition.

- 68. The mobility of students, researchers and professionals has been necessary for the success of the UK’s research and education sector. We urge the Government to consider the arrangements in place to support mobility in research and education. The Erasmus programme makes provision for students from disadvantaged backgrounds and allows for a range of placements.**

- 69. The Government is currently seeking ‘partial association’ to Erasmus by only participating in the mobility elements of the scheme. The UK and EU should seek to reach agreement on these terms of association as soon as possible to provide some certainty to students and universities.**

- 70. If the Government does not associate with Erasmus+, a domestic alternative should be in place by the end of the transition period that supports a wide**

⁹¹ [Q 9](#)

⁹² [Q 37](#)

⁹³ [Q 36](#)

variety of opportunities for inward and outward student mobility and also provides for students from disadvantaged backgrounds.

Data flows

71. The free flow of data across borders is essential to research collaboration across specialisms; in many cases, such as social, psychological and medical research, research data includes personal data. Professor Wheeler provided an example whereby “the Medical Research Council at UKRI funds a clinical trials unit at UCL [University College London], and at this time we can all appreciate how important health and medical dataflows are.”⁹⁴
72. Currently, the transfer of personal data across borders is guaranteed through the EU’s 2016 General Data Protection Regulation (GDPR) framework. Under the GDPR framework, the Commission may issue an ‘adequacy’ decision to a third country which confirms that the third country provides a level of data protection comparable to that in EU law. In 2019, the UK granted the EU and other EEA countries data adequacy on a transitional basis, but without a positive adequacy decision from the Commission, other arrangements will have to be in place for personal data to be transferred from the EU to the UK after the transition period. These arrangements include standard contractual clauses, template contracts which both parties must agree to, and binding corporate rules, which serve to facilitate data transfers within a company or group of companies. In the earlier example of UKRI/UCL medical research, Professor Wheeler told us that the project has been following best practice by “identifying projects within their portfolio where personal data has been transferred from EU countries and implementing the standard contractual clauses”.⁹⁵
73. We are very concerned that, with fewer than 25 working days left until the end of the transition period, it is still not clear whether the UK will be found to be ‘adequate’ for the proposes of data transfers. Catherine Guinard described a no adequacy assessment scenario as “a last resort”, and raised the “real risk that would undermine the research we can do.”⁹⁶ As we concluded in our report, *The future UK-EU relationship on professional and business services*, published in October: “Smaller operators in the UK remain unprepared for the possibility of no adequacy decision, with some unaware of the potential requirement for standard contractual clauses.”⁹⁷ The same is true for universities, third sector organisations engaged in research and education. Many operators will not be aware of the preparations required should no data adequacy framework be in place by the end of the transition period. In our October report, we also called on the Government to push for a data adequacy assessment from the Commission as soon as possible. We increase the urgency of this recommendation given the limited time remaining for implementation. We also ask the Government to ensure

⁹⁴ [Q 34](#)

⁹⁵ [Q 34](#)

⁹⁶ [Q 6](#)

⁹⁷ European Union Committee, [The future UK-EU relationship on professional and business services](#) (13th Report, Session 2019-21, HL Paper 143)

that model standard contractual clauses are up to date and include rights to any economic benefit from the data.

74. **We are very concerned that there is still uncertainty about an EU data adequacy decision so close to the end of the transition period. As recommended in our recent report, the future UK-EU relationship in professional and business services, the Government should prioritise obtaining a positive data adequacy decision from the EU.**
75. **The Government must act immediately to provide advice on data protection regulations and standard contractual clauses and help organisations prepare.**

Preparedness for the end of the transition period

76. We share the concerns of our witnesses that so close to the end of the transition period it is still unclear whether the UK will be associating with the Horizon Europe or Erasmus programmes, and what form any domestic alternatives may take. Universities, research organisations and companies need to be able to plan for projects in the next academic year, and Professor Wheeler said that “the community feels that as a major source of uncertainty in how it is planning ahead.”⁹⁸
77. The sector is also unclear about the extent to which these issues will be addressed in any free trade agreement and whether any association will be agreed separately to the negotiations on the future relationship. Professor Wheeler said that if the Government chooses not to associate with Horizon Europe, the sector will need the stability set out in the Government’s Research and Development Roadmap, but will also need a clear idea of what future schemes, such as the Discovery Fund, will look like.⁹⁹ We heard from witnesses that clarity is very important for the sector, as potential international collaborators need confidence that projects with UK participants will be able to continue. There is a real risk that this uncertainty could cause UK researchers and institutions to miss out. Like universities and research organisations, the Royal Academy of Engineering made clear that “business and innovation, like research, are global endeavours and companies, including those based in the UK, have to make global decisions about where to situate high-value research and development and innovation activities.”¹⁰⁰
78. Additionally, the ongoing Covid-19 pandemic has had a significant impact on the research and education sector and will affect organisations’ ability to prepare. Kate Ewart-Biggs raised the concern that “The people who would have been preparing for the possibility of no deal have probably been put on to dealing with the pandemic. Institutions right across the sector have been severely affected by it.”¹⁰¹ Hillary Gyebi-Ababio highlighted that students have not received much communication on the various post-Brexit

⁹⁸ [Q 35](#)

⁹⁹ [Q 36](#)

¹⁰⁰ Written evidence from the Royal Academy of Engineering ([RAE0001](#))

¹⁰¹ [Q 36](#)

scenarios and the impacts on students.¹⁰² We agree that Government should urgently provide clarity on post-Brexit scenarios and opportunities.

79. **The Government should consult with and provide more guidance for stakeholder groups, including current and potential students, regarding preparations for any outcome at the end of the transition period.**
80. **The UK's world-leading research and education sector faces a challenging period as a result of the Covid-19 pandemic. Uncertainty about post-Brexit arrangements have exacerbated these challenges. With fewer than 25 working days to go until the end of the transition period, the Government must act immediately to set out a vision for the sector.**
81. Given the pressing nature of these issues, we look forward to your reply within 10 working days. I have copied this letter to the Commons Education Select Committee, Ministers in the Department for Business, Energy and Industrial Strategy, the Cabinet Office and the Department for Culture, Media and Sport.



Baroness Donaghy

Chair, EU Services Sub-Committee

¹⁰² [Q 8](#)

Appendix I: List of Members and declarations of interest

Members

Lord Bruce of Bennachie
Lord Cavendish of Furness
Baroness Couttie
Lord Davies of Stamford
Baroness Donaghy (Chair)
Lord McNally
Baroness Neville-Rolfe
Baroness Prashar
Lord Sharkey
Lord Thomas of Cwmgiedd
Viscount Trenchard
Lord Vaux of Harrowden

Declarations of interest

Lord Bruce of Bennachie
No relevant interests

Lord Cavendish of Furness
Category 1: Directorships
Category 2: Remunerated employment, office, profession etc.
Holker Woodlands (timber)
Income received from book sales
Category 3: Person with significant control of a company (PSC)
Holbeck Homes Limited
Burlington Slate Limited
Holker Estates Co Limited
Holker Holdings Limited
Cartmel Steeplechases (Holker) Limited
Vitagrass Farms (Holker) Limited
Guides over the Kent and Levens Sands Limited
Category 4: Shareholdings (b)
Holker Holdings Limited
Cartmel Steeplechases (Holker) Limited
Holker Estates Co Limited
Vitagrass Farms (Holker) Limited
Category 5: Land and property
Beneficiary of a Family Trust which owns land in South Cumbria, including residential and business property
Woodlands based in South Cumbria
Flat in London SW1 from which rental income is received
Category 10: Non-financial interests (a)
Director, Holker Holdings Limited
Director, Holker Estates Company Limited
Director, Cartmel Steeplechases Limited
Director, Cartmel Steeplechases (Holker) Limited
Chairman, Guides over the Kent and Levens Sands Limited

Director, South Cumbria Rivers Trust Limited
Director, Vitagrass Farms (Holker) Limited
Category 10: Non-financial interests (e)
President, Cartmel Cricket Club
President, Cumbria Gardens Trust
President, Dry Stone Walling Association
Trustee, Flookburgh Church Building Trust
Trustee, Guide over the Sands Trust
Vice President, Lakeland Housing Trust
Chairman, Leven Angling Association
President, Grange & District Wildfowlers Association

Baroness Couttie

No relevant interests

Lord Davies of Stamford

No relevant interests

Baroness Donaghy

Former President, TUC

Former member, European TUC Executive

Receipt of a university pension (USS)

Lord McNally

Fellow, University College London

Member, the Court of the University of Hertfordshire

Baroness Neville-Rolfe

Non-executive Director, Health Data Research UK

Baroness Prashar

Chairman, Cumberland Lodge

Non-Executive Director, Nationwide Building Society

UK Chairman, Federation Of Indian Chambers Of Commerce And Industry

Member, Advisory Board, IE Business School Madrid, Spain

Member, Advisory Board, Aspide

Patron, National Literacy Trust

Former Deputy Chairman, British Council and President of UKCISA

Lord Sharkey

Member of Council, University College London

Lord Thomas of Cwmgiedd

Chancellor, Aberystwyth University, but this is non-executive

First Vice-President of the European Law Institute, based in Vienna

Member, First Minister of Wales' European Affairs Committee.

Viscount Trenchard

No relevant interests

Lord Vaux of Harrowden

No relevant interests

A full list of Members' interests can be found in the Register of Lords' interests:

<https://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests/>

Appendix 2: List of witnesses

Evidence is published online at <https://committees.parliament.uk/work/685/the-future-u-keu-relationship-in-research-and-education/publications/> and available for inspection at the Parliamentary Archives (020 7219 3074).

Evidence received by the Committee is listed below in chronological order of oral evidence session and in alphabetical order. Those witnesses marked with ** gave both oral and written evidence. Those marked with * gave oral evidence and did not submit any written evidence. All other witnesses submitted written evidence only.

Oral evidence in chronological order

*	Professor Sir Richard Catlow, Foreign Secretary and Vice-President, Royal Society	QQ 1-15
*	Catherine Guinard, Policy and Advocacy Manager, Wellcome Trust	QQ 1-15
*	Hillary Gyebi-Ababio, Vice-President for Higher Education, National Union of Students	QQ 1-15
**	Vivienne Stern, Director, Universities UK International	QQ 1-15
*	Professor Graeme Reid, Chair of Science and Research Policy, University College London	QQ 16-28
*	Maddalaine Ansell, Director, Education, British Council	QQ 29-41
*	Kate Ewart-Biggs, Director, Global Network, British Council	QQ 29-41
*	Professor Tim Wheeler, Director for International, UK Research and Innovation	QQ 29-41

Alphabetical list of all witnesses

	Association of Colleges	RAE0002
	British Academy	RAE0005
*	British Council (QQ 29-41)	
	Make UK	RAE0004
*	National Union of Students (QQ 1-15)	
*	Professor Graeme Reid, Chair of Science and Research Policy, University College London (QQ 16-28)	
	Royal Academy of Engineering	RAE0001
*	Royal Society (QQ 1-15)	
*	UK Research and Innovation (QQ 29-41)	
**	Universities UK (QQ 1-15)	RAE0003
*	Wellcome Trust (QQ 1-15)	