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Scottish Affairs Committee

**Universities and
Scotland**

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to the report*

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The Scottish Affairs Committee

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Conclusions and recommendations

Scottish universities and devolution

1. Although higher education is a devolved competence, reserved UK Government policies—such as foreign affairs, immigration and research and development—have significant consequences for UK and Scottish universities. *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)

Finances of Scottish universities

2. In mid-2020 insolvency was a very real prospect facing a number of universities in Scotland. Both the UK and Scottish Governments should be congratulated on their efforts and significant financial investments into Scottish universities in response to the pandemic. It is quite possible that without that support, some institutions may not have survived. We also welcome the commitment made by the Scottish Government that it will make every effort to ensure that no university becomes insolvent as a result of the pandemic. (Paragraph 38)
3. Public sector funding for higher education in Scotland has reduced by 12% in real terms in seven years. In addition, despite the policy of free tuition for Scottish students, and a cap on Scottish student numbers, only 90% of the costs of teaching Scottish students at Scottish universities are covered by the Scottish Government. We recognise that this leaves a 10% gap in funding that must be filled via alternative means. The main way Scottish universities fill this gap is through international students, who account for more than 16% of all income across Scottish universities, a large proportion of which comes from Chinese students. As we have seen with large fluctuations in the number of Indian students studying in the UK and the implications of the pandemic, international student numbers are potentially volatile and can be influenced by a number of internal and external factors. *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)
4. EU students paying international student rates can provide a new and potentially lucrative income stream for Scottish universities, though this new income stream may face the same risks posed to fees from international students. Although applications from EU students have dropped by about 40% for 2021–22 (that year being the first year that EU students will pay the new rates), this is a lower drop than many in the sector had feared, and Scottish universities will now receive four to five times more income per EU student than was previously the case. That said, it is important that, following Brexit, Scotland is still able to attract the brightest and best from the EU.

This is not only because EU students tend to gravitate towards vital STEM subjects (which can otherwise be difficult to recruit for), but also because EU students are more likely to stay on in Scottish academia/research once they graduate than other international students. These students can play a key role in our economic recovery following the pandemic. *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)

Student welfare, experience and opportunities

5. Students in Scotland, as with so many groups, faced unprecedented challenges over the course of the pandemic. Whilst we welcome the investments the Scottish Government has made in student wellbeing and mental health during this period, we have heard evidence of structural underfunding that predated the pandemic, long waiting lists and poor triaging of mental health inquiries. This is, in turn, pushing the provision of student mental health support onto academic staff, many of whom report facing challenges of their own, and may not be appropriately trained. *The Scottish Government should look again at the provision of mental health services to university students, including by reviewing current triaging processes related to mental health inquiries, to ensure that students are being quickly directed to the appropriate services and support providers. The Scottish Government should also consider whether further investment may be needed in order to shorten mental health support waiting lists for university students (in the same way it has recently done for college students and staff through an additional £4.4 million of mental health support), thereby also reducing pressures on higher education academic staff.* (Paragraph 73)
6. 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)
7. Until 17 December 2020, one week before the EU-UK Trade and Cooperation Agreement was reached, the UK Government was reassuring Parliament that UK participation in Erasmus+ was intended to be included within the UK-EU deal. Given that Erasmus+ disproportionately benefited Scotland compared to other parts of the UK, we are disappointed that no agreement on this could be reached. Nevertheless, we support the Government's Turing Scheme, especially that it should benefit 35,000 UK students per year (compared to 17,000 under Erasmus+), and that it will open international opportunities wider than just the EU. We look forward to working with UK Government on this and the International Education Strategy. (Paragraph 100)

8. We note with regret however that the Turing scheme will not—as currently envisaged—support inward placements to the UK. As the Government recognises, as well as providing Scottish universities and local economies with an important income source, inward placements support the cultural education and experience of UK students in a way that is difficult to replicate by other means. They also support Scottish universities’ internationalisation agenda by promoting them on a global platform and building international networks that can last a lifetime. We also regret that there is currently no long-term funding commitment beyond year-one of the Turing Scheme to the principle of international student exchange. *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)
9. *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)

Academic research by universities in Scotland

10. The UK Government should be praised for its UK Research and Development Roadmap, especially the commitment to reach 2.4% of GDP spend in this area, which has been extensively welcomed by academic institutions in Scotland. *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)
11. The work of Scottish universities in combating covid-19 has been nothing short of remarkable. Going forward, the academic outputs of Scottish universities will not only support our economic recovery following the pandemic but also bolster the UK’s standing in the world as we forge new post-Brexit international relationships. In return, Scottish academic research institutions deserve appropriate recognition and influence at UK-level. *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)
12. The Horizon programme has been, and will continue to be, vital to Scottish academic research. It aids Scotland’s universities in their quest to tackle the biggest global challenges. We praise the UK Government for ensuring the UK’s continued participation; it is an investment worth making. Concerns have however been raised about the UK’s status as a non-EU member. *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)

13. Scottish universities are inherently international institutions; international collaborations play a big part in their successes. In addition, Scottish universities act as much-valued international hubs in their local communities, bringing important cultural benefits. Scottish universities' internationalisation agenda should therefore be supported. The UK Government has a major role to play in this in terms of how it develops its foreign and immigration policies. The UK Government should be praised for introducing the post-study work visa, which plays a key role in attracting, and then retaining, the brightest and best students from overseas. The Global Talent visa is also very welcome, but its cost should be addressed. Wellcome has highlighted that, for an international academic with a spouse and children to move to the UK, it would cost around £13,000 for visas (and associated costs) to work in the UK under a five-year Global Talent visa, compared to around £1,000 in France. *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)*
14. Academic institutions in Scotland depend on partnerships and connections with institutions across the EU. That includes academics who come from the EU to work in Scotland, who often specialise in highly technical areas which can be difficult to recruit from elsewhere. Whilst immigration policies are key, it's also important to create a hospitable environment where academics feel welcome. We have heard during our inquiry that academics from the EU working in Scotland have been returning to the EU, and that job applications from EU academics are being withdrawn. We have been told that this is not because they are not allowed to stay or come to Scotland, it is because they do not feel welcome following Brexit. *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)*

1 Introduction

Universities in Scotland

1. Scotland has 19 universities,¹ five of which are in the top 250 in the world: Edinburgh, Glasgow, Aberdeen, Dundee and St Andrews.² In the 2017–18 academic year, there were 230,940 students studying in Scottish universities.³ Typically, the higher education sector in Scotland survives on a combination of international student fees, research grants and funding from the UK and Scottish Governments. This inquiry comes during a period of intense pressure for the sector. Scotland’s universities face a “perfect storm”⁴ as long-term budgetary challenges combine with the effects of covid-19 and the UK’s departure from the EU. The pandemic has necessitated significant interventions by both the UK and Scottish Governments to support research, institutions and students, but questions remain over whether it will be enough.

2. This Report examines the challenges and opportunities faced by Scottish universities (and their students and research arms) as the sector adjusts to the pandemic and life outside the EU, and accesses what further action is needed by the UK and Scottish Governments. This Report breaks down those challenges and opportunities into three key areas: (i) the finances of Scottish universities (Chapter 3), (ii) student welfare, experience and opportunities (Chapter 4), and (iii) academic research by Scottish universities (Chapter 5).

Our inquiry

3. We launched our inquiry, *Universities and Scotland*, on 5 August 2020 and published a call for written evidence to address the following terms of reference:

- i) The scale and nature of challenges and opportunities around funding for Scottish universities including funding models, deficits, overseas and EU students’ fees;
- ii) How Scottish university research fits in with UK university research; and
- iii) UK Government policy and how it effects universities, students, employees and research in Scotland.

4. As part of the inquiry we held seven public oral evidence sessions, including with Ministers from both the UK and Scottish Governments, and held two private informal roundtables, one with students and one with academics. We would like to thank everyone who contributed to our inquiry—whether in person or in writing—especially during what has been such challenging period for the sector.

1 Audit Scotland, *Finances of Scottish universities*, September 2019, p 4

2 Times Higher Education, ‘[World University Rankings 2021](#)’, accessed 27 April 2021; a factual correction was made to this sentence of the Report on 2 June 2021

3 Audit Scotland, *Finances of Scottish universities*, September 2019, p 4

4 [Q3](#)

2 Scottish universities and devolution

Responsibilities

5. The Scotland Act 1998⁵ saw education, including **higher education**, devolved to Scotland. Funding and policy decisions on higher education are now taken primarily by the Scottish Government, Scottish Parliament and Scottish Funding Council.⁶ There are numerous areas of public policy that have implications for higher education in Scotland that either straddle the competencies of the UK and Scottish Governments, such as research and development, or that are entirely reserved to the UK Government, such as immigration and foreign affairs.

6. Public funding for university **research and development** in Scotland is delivered by a ‘dual support’ system comprising (a) a block grant given by the Scottish Funding Council, and (b) competitively awarded grants from UK-wide Research Councils.⁷ Scottish Funding Council research funding is provided to universities through the Research Excellence Grant. In academic year 2020–21 this Grant is providing Scottish universities with £240 million.⁸ UK funding for research and development mainly comes through UK Research and Innovation (UKRI), which is a non-departmental public body sponsored by the UK Government Department for Business, Energy and Industrial Strategy.⁹ It has UK-wide remit in respect of the science and humanities councils¹⁰ and is the UK’s largest public funder of research and innovation.¹¹ UKRI spent £593 million in Scotland in 2018–19,¹² although not all of this went to universities.

7. **Foreign affairs and immigration** are reserved to the UK Government and UK Parliament and have major implications for Scottish universities. For example, the RSE Young Academy of Scotland told us that Brexit, visa regulations and the cost of immigration impact on the attractiveness of Scottish universities as destinations for potential students and staff.¹³

Collaboration between the UK and Scottish Governments

Formal mechanisms for collaboration on matters affecting higher education

8. There are various formal mechanisms to facilitate UK and Scottish Government collaboration on matters affecting higher education in Scotland, such as Joint Ministerial Committees and Ministerial Implementation Groups.¹⁴ In addition, every fortnight there is usually a ‘tripartite meeting’ between Iain Stewart MP, UK Minister for Scotland, Richard Lochhead MSP, Scottish Minister for Further Education, Higher Education

5 [Scotland Act 1998](#)

6 Universities UK, [‘Universities Scotland’](#), accessed 24 January 2021

7 Scottish Government, [‘Science and research’](#), accessed 7 April 2021

8 Scottish Funding Council, [‘Research funding’](#), accessed 7 April 2021

9 UKRI, [‘Who we are’](#), accessed 7 April 2021

10 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 38

11 UKRI, [‘What we do’](#), accessed 7 April 2021

12 UKRI, [Regional distribution of UKRI spend](#), March 2021, p 19

13 RSE Young Academy of Scotland ([USC0006](#)) p 1

14 For more information on the relationship between the UK and Scottish Governments, please see our predecessor Committee’s Report: Scottish Affairs Committee, Eighth Report of Session 2017–19, [The relationship between the UK and Scottish Governments](#), HC 1586

and Science, and Michelle Donelan MP, UK Minister of State for Universities, to discuss higher education in the UK and Scotland. Minister Stewart told us that these meetings are a “very useful opportunity to catch up and look ahead at the different challenges that universities across Britain face, particularly in respect of the covid crisis”.¹⁵

State of the relationship

9. In relation to the intergovernmental working between Edinburgh and Westminster on higher education, Minister Lochhead informed us that there was “good engagement with our [UK Government] counterparts”.¹⁶ However, he expressed concern that:

Quite often we have the support of our UK counterparts in terms of the spirit of what we are asking for, but they are overruled, [...] by the Home Office and the Treasury when it comes to either funding issues or immigration issues.¹⁷

10. At the top of Minister Lochhead’s ‘wish list’ for improving collaboration between the UK and Scottish Governments on higher education is: “a joint plan, the two Governments acknowledging that higher education is something that, by design, straddles the devolved and reserved territories”.¹⁸

11. In relation to the intergovernmental working between Edinburgh and Westminster on higher education, Iain Stewart MP, UK Minister for Scotland, had the view that:

Behind the headlines, which I know excite politicians and journalists, there is very constructive working [...]. There is a perfectly amicable and constructive dialogue that goes on on a whole wide range of policy areas.¹⁹

12. Minister Stewart gave the example of the tripartite meetings as illustrative of the constructive relationship between the two governments.²⁰ He also told us that:

There is official contact at many levels, and then indeed through Universities Scotland and Universities UK. There are a lot of demands that come up and that is part of the discussion. To give you a concrete example, there was a strong ask from the university sector in Scotland for the post-study work visas, and that ask directly influenced UK Government policy.²¹

13. Although higher education is a devolved competence, reserved UK Government policies—such as foreign affairs, immigration and research and development—have significant consequences for UK and Scottish universities. 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.

15 [Q239](#)

16 [Q179](#)

17 [Q179](#)

18 [Q12](#)

19 [Q251](#)

20 [Q239](#)

21 [Q239](#)

3 Finances of Scottish universities

Introduction to the funding model

Free tuition policy

14. There are large variances in public sector higher education spending across the UK. In 2018–19, £272 was spent per head in Scotland, the highest in the UK, compared to around £40 per head in some English regions, and as low as £19 per head in the East of England.²² In terms of international comparators, Mary Senior from the University and College Union Scotland told us that the UK spends 0.47% of GDP on tertiary education; Germany and France spend over twice that; and Norway spends more than three times that amount.²³

15. Higher public sector spending on higher education in Scotland compared to the rest of the UK is predominately a consequence of the Scottish Government policy of free tuition for Scottish students (and until recently EU students). Scotland is the only country in the UK that offers fee-free university tuition. This is a policy which has support across the political spectrum in Scotland, with the Scottish National Party, Conservatives, Labour, Liberal Democrats and Scottish Greens all backing it.²⁴ Debates continue however about the impact this policy has on students and Scottish universities.²⁵ The Secretary of State for Scotland, Rt Hon Alister Jack MP, told us that:

In order to meet the costs of this policy, the Scottish Government provides £213 million in funding (approx. £1,800 per student per academic year for a degree programme) with a cap on places to control costs. In England, UK and EU students are personally liable to pay up to £9,250 per academic year for a degree programme. While income from undergraduate students only represents part of the funding picture, this difference in approach between Scotland and England clearly contributes to the budgetary pressures that institutions in Scotland face.²⁶

16. As noted by Audit Scotland, the ability of universities in other parts of the UK to charge higher fees allows them to generate increased income, which can be invested in maintaining or improving what they can offer to prospective students and researchers.²⁷

Unofficial 'cap' on Scottish student numbers

17. Although there is no formal cap on the number of Scottish students who can study at Scottish universities, in order to budget effectively, the Scottish Government predefines the funding it provides to Scottish universities each year to cover the cost of tuition for Scottish students. This has the result of creating an unofficial cap on the number of Scottish students who can study at Scottish universities each year. According to the Scottish Government:

22 *Education spending in the UK*, Briefing Paper [1078](#), House of Commons Library, 4 December 2020

23 [Q54](#)

24 *"Douglas Ross: Scottish Tories to support free university tuition"*, BBC News, 6 October 2020

25 The Scottish Parliament (SPICe Spotlight), *'The price of free tuition in Scotland'*, accessed 24 January 2021

26 Secretary of State at the Scotland Office ([USC0011](#))

27 Audit Scotland, *Finances of Scottish universities*, September 2019, para 50

Each institution is allocated a number of full time equivalent funded places via the Scottish Funding Council for eligible Scottish domiciled [...] students on full-time undergraduate courses. The total number of funded places in Scottish universities [was] over 128,200 in 2019–20. International students and those from other parts of the UK [...] are not eligible to access the funded places which have been protected for Scottish [...] students. To enable flexibility in student recruitment, the Scottish Funding Council allows universities to recruit up to 10% above the number of funded places available. In addition to this, universities are able to offer as many places to [students from other parts of the UK] and international students as they wish.²⁸

18. As students pay for their own tuition in other parts of the UK, a similar cap does not exist elsewhere (other than for a temporary period during the covid-19 pandemic).²⁹ It was reported in 2020 that, for the previous academic year, the unofficial ‘cap’ had led to only 55% of university applications from Scottish students being offered a place at Scottish universities, compared to 74% of English students at Scottish universities,³⁰ raising questions about impact the free tuition policy has on widening access for Scottish students.

Scottish university income sources

19. There are six main income sources for Scotland’s universities:

- Tuition fees;
- Funding grants;
- Research grants;
- Investment income;
- Donations and endowments; and
- Other income (including commercial)³¹

20. Audit Scotland’s 2019 report found that tuition fees were the single largest source of university income in 2017–18.³² This has remained the case in subsequent years.³³ The chart below, which relates to 2017–18 (from Audit Scotland’s 2019 report), shows that over half of that tuition fee income came from international (non-EU) students.

28 Scottish Government, ‘[University fees EU students: FOI release](#)’, accessed 7 April 2021

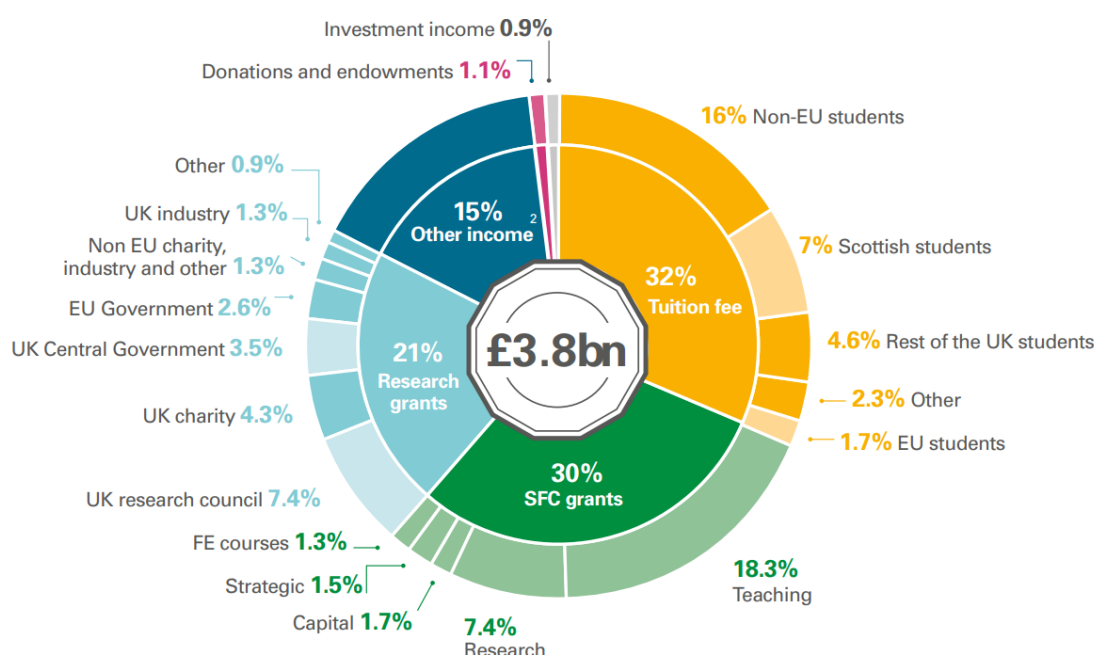
29 [Q249](#)

30 ‘*Scottish students ‘squeezed out’ of university places*’, The Times, 12 January 2020

31 The Scottish Parliament (Research Briefings), ‘[The impact of Coronavirus \(Covid-19\) on university funding In Scotland](#)’, accessed 24 January 2021

32 Audit Scotland, *Finances of Scottish universities*, September 2019, para 29

33 The Scottish Parliament (Research Briefings), ‘[The impact of Coronavirus \(Covid-19\) on university funding In Scotland](#)’, accessed 24 January 2021

Income profile for the university sector in 2017–18³⁴

21. Scottish Funding Council (SFC) grants made up the second highest income source in 2017–18. This has also remained the case in subsequent years.³⁵ Karen Watt, Chief Executive of the Scottish Funding Council, told us that although Scottish Funding Council funding represents about 30% of the whole sector's total income, reliance on their funding varies very much below the surface.³⁶ To illustrate this point she informed us that:

[...] the University of the Highlands and Islands [...] relies quite heavily on [SFC] funding—69% of its funds come from the Scottish Funding Council—whereas the University of St Andrews has a very low reliance, at 15% of total funds.³⁷

22. Audit Scotland found that although Scottish Government funding to the SFC for universities increased by 0.1% in cash terms from £1.116 billion in 2014–15 to £1.117 billion in 2017–18, this equated to a real terms reduction of 5%.³⁸ Taken together with a 7% reduction between 2010–11 and 2014–15, this represented a real terms reduction in Scottish Government funding of 12% over seven years.³⁹ Alastair Sim, Director of Universities Scotland, told us that with teaching funded at about 90% of the actual cost of provision for Scottish students, and with research projects typically funded at 80% or under of the cost of doing the project, universities are entirely reliant on entrepreneurial activity, principally international activity, to fill that gap and enable universities to do those things at the core of supporting the common good and the charitable mission.⁴⁰ In the view of Professor James Conroy, University of Glasgow:

34 Audit Scotland, *Finances of Scottish universities*, September 2019, p 13 'Exhibit 2' [Note: lighter shading indicates public funding]

35 The Scottish Parliament (Research Briefings), 'The impact of Coronavirus (Covid-19) on university funding in Scotland', accessed 24 January 2021

36 Q60

37 Q60

38 Audit Scotland, *Finances of Scottish universities*, September 2019, para 21

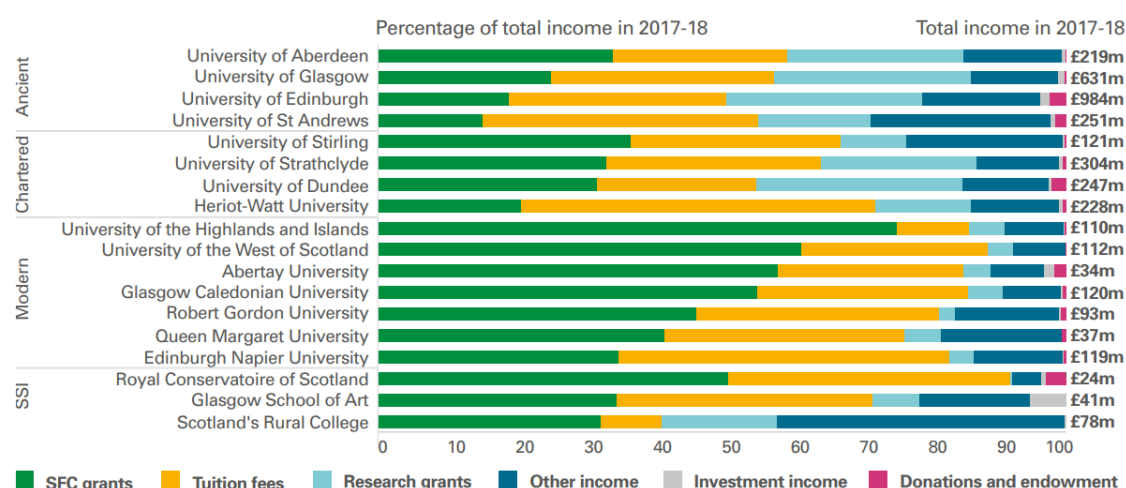
39 Audit Scotland, *Finances of Scottish universities*, September 2019, para 21

40 Q2

It is unsustainable to have fee levels where they are at the moment. To put it in perspective, in a previous incarnation I was dean of the faculty of education, where we got at the time £8,400 roughly per capita. It is £2,000 less today, and that is something like 12 years later. The present levels of funding are unsustainable to maintain a world-class university system.⁴¹

23. Although total income for the sector as a whole increased by 3% between 2014 and 2018, total income reduced at nine universities, including five modern universities, over that period.⁴² The chart below (from Audit Scotland's 2019 report) demonstrates the different levels of reliance universities in Scotland have on different income streams. This means that changes in the value of revenue streams, for example fluctuations in international student applications, or changes in the value of SFC funding, have much larger implications for some Scottish universities than others.

Income profile for Scottish universities in 2017–18⁴³



Covid-19: university finances before, during and looking ahead

Finances pre-pandemic

24. Just as there are large disparities in the importance of different incomes streams to Scottish universities, the same disparities exist—and have existed for a long time—in the financial health of institutions. Audit Scotland noted pre-pandemic that:

While the sector overall is in good financial health, this masks significant variation across universities, and many sector-level indicators are disproportionately affected by the financial results of three of the four ancient universities. At an aggregate sector level, the operating position has remained broadly stable [between 2014 and 2018], but six universities reported deficits every year. Between 2014–15 and 2017–18, the underlying position for the sector improved, but the position was worse for six universities [of 18].⁴⁴

41 Q4

42 Audit Scotland, [Finances of Scottish universities](#), September 2019, page 9

43 Audit Scotland, [Finances of Scottish universities](#), September 2019, p 13 'Exhibit 2'

44 Audit Scotland, [Finances of Scottish universities](#), September 2019, page 9

25. Audit Scotland also highlighted that six of Scotland's universities had reported deficits every year since 2014–15; more than half of all Scottish universities were in deficit in 2017–18; and that the position was worse in 2018 than in 2014–15 for most modern and chartered universities.⁴⁵ They found that this was due to various factors including sustained reductions in SFC funding (outlined further in paragraph 22), increased contributions to pension schemes (up to £23 million extra per year), the effects of EU withdrawal and major estate maintenance requirements.⁴⁶ Audit Scotland found that, in July 2018, universities estimated that the total value of outstanding estate maintenance requirements was equivalent to 25% of annual income across the sector.⁴⁷

The Scottish university estate is large and diverse. There are 1,856 buildings throughout Scotland, in 146 locations. [...] 6% of the estate was built before 1840 and 24% between 1840 and 1959. The value of the estate is just over £5 billion, with Edinburgh having 33% (£1.7 billion) of the total value.⁴⁸

26. They also found that 'ancient' universities were generally better placed to withstand these pressures, because of their ability to generate income from other sources and the balances in their reserves, but they faced strong competition from other universities in the UK and the rest of the world.⁴⁹

Financial impact of the pandemic

27. In the early months of the covid-19 pandemic there was a great deal of concern around the financial impact it would have on university finances. Concern was not only confined to the universities already struggling and with deficits and low levels of reserves pre-pandemic, but was also for the traditionally more financially secure 'ancient' universities, due to their reliance on overseas students. Whilst a fall in international student tuition fee income would have a significant effect longer term, Universities Scotland identified that refunds given to students leaving university-owned accommodation in March 2020 was the most immediate cause of financial pressure.⁵⁰ Although the outlook now looks stronger (as outlined in paragraph 32), a deficit of between £450 million and £500 million was initially expected for the higher education sector in Scotland in 2020–21.⁵¹

Financial interventions made by the UK and Scottish Governments in response to the pandemic

28. The covid-19 pandemic affected the higher education sector in Scotland to such an extent that a number of interventions were required by both the UK and Scottish Governments in 2020 and 2021. These are detailed in the table below (up to and including April 2021).

45 Audit Scotland, *Finances of Scottish universities*, September 2019, page 9

46 Audit Scotland, *Finances of Scottish universities*, September 2019, page 18

47 Audit Scotland, *Finances of Scottish universities*, September 2019, page 19

48 Audit Scotland, *Finances of Scottish universities*, September 2019, para 39

49 Audit Scotland, *Finances of Scottish universities*, September 2019, page 17

50 Scottish Parliament, *The impact of Coronavirus (COVID-19) on university funding in Scotland* (23 July 2020), p 11

51 Scottish Parliament, *The impact of Coronavirus (COVID-19) on university funding in Scotland* (23 July 2020), p 3

Date of announcement	Intervention made by	Detail of intervention
April 2020	UK Government	A UK-wide (but not higher education-specific) Coronavirus Job Retention Scheme. The scheme enabled any employer in the UK to seek a grant to cover 80% of the salary of retained (but furloughed) workers up to a total of £2,500 per person per month. ⁵²
April 2020	Scottish Government	£5 million emergency financial support for students facing hardship as a result of the pandemic. £2.2 million of this was allocated to the Higher Education Discretionary Fund and made available to colleges and universities. ⁵³
May 2020	UK Government	A support package for universities and students which included: – Temporary student numbers controls – An additional 10,000 student places at the discretion of the UK Government (with 5,000 of those ring-fenced for nursing, midwifery or allied health courses) – £100 million of funding brought forward for research – £2.6 billion of tuition fee payments brought forward The package did not include any additional funding but brought forward some existing income streams and gave additional flexibility as to how some funding could be used.⁵⁴
May 2020	Scottish Government	£75 million of one-off funding for Scottish university research to cope with issues raised by the pandemic. ⁵⁵
27 June 2020	UK Government	A support package for universities and university research which included: – Around £280 million of funding for universities and research organisations impacted by coronavirus for grant extensions – Low-interest loans with long pay-back periods, supplemented by a small amount of government grants⁵⁶

52 Secretary of State at the Scotland Office ([USC0011](#))

53 Scottish Parliament, [COVID-19: Scotland's colleges and universities](#) (1 March 2021), p 15

54 *Coronavirus: Financial impact on higher education*, Briefing Paper [8954](#), House of Commons Library, 15 January 2021

55 [“£75 million boost for Scottish university research”](#), Scottish Government, 6 May 2020

56 HMG, [University research support package: explanatory notes](#), 27 June 2020

Date of announcement	Intervention made by	Detail of intervention
<i>On 6 July 2020 the Institute for Fiscal Studies released a report—covered by media outlets including BBC News⁵⁷ and The Herald⁵⁸—saying that “for around a dozen [UK] universities, insolvency is likely to become a very real prospect without a Government bailout.”⁵⁹</i>		
9 July 2020	Scottish Government	A support package which included: – £10 million for estate maintenance – Expanded criteria and flexibility relating to £60 million of Financial Transactions – £75 million to protect university research – £5 million additional student support resources – £11 million brought forward early to address student hardship – £5 million to help offset the costs of equipment for learners in need of extra support⁶⁰
16 July 2020	UK Government	A Higher Education Restructuring Scheme was launched in England to provide last resort support to institutions facing financial failure due to the pandemic. The UK Government informed the Committee that they wrote to the Deputy First Minister and Cabinet Secretary for Education offering to include Scottish institutions in the scheme, however the Scottish Government declined to participate. ⁶¹ The Times reported that this was because “it would gift Westminster too much control over Scottish education”. ⁶²
14 August 2020	Scottish Government	£5 million fund to tackle digital exclusion among disadvantaged students at universities and colleagues. ⁶³ The funding was made available to institutions to help bridge the “digital divide” by providing additional support for disadvantaged students. ⁶⁴ By the end of 2020, Scottish universities had spent £1,738,044 of the £2,370,000 allocated, with £618,420 remaining. This had been used to buy 5,505 laptops (and some connectivity equipment), supporting 2,113 students. ⁶⁵

57 “Coronavirus: 13 UK universities ‘could go bust without bailout’”, BBC News, 6 July 2020

58 “Universities at risk of insolvency without Government bailout amid coronavirus crisis”, The Herald, 6 July 2020

59 Institute for Fiscal Studies, *Will universities need a bailout to survive the COVID-19 crisis?* (6 July 2020), p 27

60 Scottish Government, *Coronavirus (COVID-19): Further and Higher Education sustainability plan*, 9 July 2020

61 Secretary of State at the Scotland Office (USC0011) p 3

62 “Coronavirus in Scotland: University bailout would have ‘handed control to UK’”, The Times, 4 September 2020

63 Scottish Parliament, *COVID-19: Scotland’s colleges and universities* (1 March 2021), p 13

64 Scottish Funding Council, ‘£5m to help disadvantaged students’, accessed 8 April 2021

65 Scottish Parliament, *COVID-19: Scotland’s colleges and universities* (1 March 2021), p 13–14

Date of announcement	Intervention made by	Detail of intervention
5 September 2020	UK Government	£7.2 million for 20 research projects across the UK, including the universities of Edinburgh and Strathclyde, to help provide developing countries with sustainable solutions to respond to covid-19 and future pandemics. ⁶⁶
6 November 2020	Scottish Government	£1.32 million to improve wellbeing. Students in Scotland would have access to more support to help deal with the mental health impacts of the pandemic. ⁶⁷
11 December 2020	Scottish Government	£750,000 to assist with more welfare advice on campuses. ⁶⁸
23 December 2020	Scottish Government	£5 million to “help those facing hardship” as a result of covid-19. ⁶⁹ Students could apply to their college or university’s Discretionary Fund (which comes from the Student Awards Agency for Scotland and the Scottish Funding Council) for help if they are struggling to meet accommodation and other costs. ⁷⁰
26 January 2021	Scottish Government	£20 million for students experiencing hardship as a result of covid-19 and £10 million for universities and colleges for income lost in providing rent rebates. ⁷¹
16 February 2021	Scottish Government	£60 million for Scottish universities and colleagues to assist with covid-19: £40 million for colleges and universities to protect jobs and help students, and £20 million for research and knowledge exchange. ⁷²
24 March 2020	Scottish Government	£64.7 million for universities in financial year 2020–21 to help colleges and universities maintain research activity, protect jobs and help students. For example, assisting with: - Reduced income, including from commercial contracts and residencies, affecting research funding and putting jobs at risk - Additional costs, such as adjustments to campuses and facilities to allow for social distancing - General weakening of their financial sustainability⁷³

29. In terms of the impact of the UK Government interventions, and collaboration between the two Governments, we were told by Karen Watt, Chief Executive of the Scottish Funding Council, that:

66 HMG, *UK Government to fund international Covid-19 studies in Scotland*, 5 September 2020

67 “*More mental health support for students*”, Scottish Government, 6 November 2020

68 “*Extra funding for student associations*”, Scottish Government, 11 December 2020

69 “*Financial support for students*”, Scottish Government, 23 December 2020

70 “*Financial support for students*”, Scottish Government, 23 December 2020

71 “*Support for students in hardship*”, Scottish Government, 26 January 2021

72 “*Additional funding for FE and HE to help with COVID-19*”, @ScotGovEdu, 16 February 2021

73 Scottish Funding Council, *Additional funding for universities in FY 2020–21* (24 March 2021), p 4

My understanding—and we are collecting data on this—is that there has been a fairly low take-up on the [UK Government] loan schemes, but much more on the [UK-wide] job retention scheme. [...] We were part of the UK research sustainability taskforce. We were involved in UKRI's costed grant extensions, which were very important to make sure that we were keeping some of the staff costs in universities stable.⁷⁴

30. We heard however from Professor Rebecca Lunn, University of Strathclyde, that each university had taken a different line on whether to furlough staff because the information coming out of UK Government departments and UKRI was “completely different for months”.⁷⁵ She said that universities “were left in a complete lottery of trying to make a risk-based judgment on which was the better thing to do as universities, and each university [had] done something different”.⁷⁶ In her view the communication around the Coronavirus Job Retention Scheme was “unbelievably unclear”⁷⁷ and it would have been “better if the Treasury and UKRI had had a conversation and come to an agreement about what advice to give to universities” as “they did eventually, but it took the best part of five months”.⁷⁸ Professor Katherine Smith, University of Strathclyde, made similar points to us about the effectiveness of UK Government communications in relation to covid-19 interventions, telling us that:

There has been a lot of unclear communication about who can apply or not and when it is best to apply and so on. For me, a key issue has been around communication and apparent shifts in the position of what you can and cannot do.⁷⁹

31. Another criticism we heard of UK Government/UKRI support packages, including from Professor Chris Pearce, University of Glasgow,⁸⁰ Professor Rebecca Lunn, University of Strathclyde⁸¹ and Mary Senior, University and College Union Scotland,⁸² was that they were too prescriptive and too tied to strict criteria, and that, given the circumstances, a more flexible approach would have been appropriate.

Finances now and looking ahead

32. By 17 February 2021 the forecast operating deficit for the higher education sector in academic year 2020–21 had improved significantly and was estimated to be around £50 million⁸³ (compared to the £450–500 million expected in July 2020⁸⁴). The Times reported that an unanticipated influx of fee-paying international students has given a “lifeline” to Scottish universities.⁸⁵

74 [Q67](#)

75 [Q110](#)

76 [Q110](#)

77 [Q110](#)

78 [Q111](#)

79 [Q121](#)

80 [Q117](#)

81 [Q121](#)

82 [Q35](#)

83 Scottish Parliament, [COVID-19: Scotland's colleges and universities](#) (1 March 2021), p 17

84 Scottish Parliament, [The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#) (23 July 2020), p 3

85 [“Fee-paying foreign students provide a lifeline for Scottish universities”](#), The Times, 11 October 2020

33. Universities Scotland argue however that level of public funding invested in teaching and research in Scotland's universities has been unsustainable for a number of years, that and the pandemic has further exposed and exacerbated this financial vulnerability.⁸⁶ Likewise, Iain Stewart MP, Minister for Scotland, told us that "there were deep concerns, even before the covid crisis hit, that a lot of universities had deficits" and that the "long-term funding will have to be addressed".⁸⁷

34. The ongoing effects of the covid-19 pandemic will have financial implications for the foreseeable future,⁸⁸ with Minister Lochhead, Scottish Government, recognising that there was "more to be done"⁸⁹ to support universities. The Scottish Funding Council has identified some of the main continuing financial pressures facing Scottish universities:

- The fall in stock markets and pressures on the local and global economy leading to significant drops in regular donations and income from endowments.
- Commercial income reductions from residence income, catering and sport.
- Research activities affected by closures.
- Additional costs from IT and support costs to support online teaching, and assessment and feedback, along with contract costs associated with the suspension of work on campus redevelopment programmes.⁹⁰

35. The Scottish Parliament research service, SPICe, has noted that whilst the Scottish Budget, announced on 28 January 2021, did not deliver the £200 million funding increase called for by the sector, the capital budget increased by £4.5 million, the resource budget increased by £25 million and universities would share (along with colleges) £60 million in funding announced in the budget update statement.⁹¹

36. Following the UK Budget on 3 March 2021, the Scottish Government made the announcement on 24 March 2021 that teaching funding would increase by 8.1% to £1,112.4 million, which would fund "additional places created following increased applications from school leavers."⁹² Responding to this announcement, Universities Scotland said:

Universities welcome the increased resources allocated today by the Scottish Funding Council. The additional funding for 2020/21 is recognition of the work universities have done to support students through the pandemic. As we look beyond the pandemic, the additional funding for 2021/22 will help to support the crucial role of higher education in building an education-led recovery, with a strong focus on meeting increased demand for a university education.⁹³

37. It is not yet clear the extent to which this additional funding—along with positive indicators regarding sustained international student numbers—will support Scottish

86 Universities Scotland, [The Scottish Government's 2021/22 budget is critical for Scottish HE](#) (December 2020)

87 [Q248](#)

88 Scottish Parliament, [The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#) (23 July 2020), p 3

89 [Q227](#)

90 Scottish Funding Council, [COVID-19 Further and Higher Education Financial Impacts](#) (3 September 2020), para 4

91 Scottish Parliament, [COVID-19: Scotland's colleges and universities](#) (1 March 2021), p 17

92 Scottish Funding Council, ['Funding puts students and economy first'](#), accessed 8 April 2021

93 ["Universities Scotland response to SFC publication of additional and indicative funding allocations"](#), Universities Scotland, 24 March 2021

universities as they recover from the pandemic, especially those already facing difficulties and deficits pre-pandemic. However, Minister Lochhead outlined that the Scottish Government will “make every effort to make sure that no university goes insolvent” as a result of the pandemic.⁹⁴

38. In mid-2020 insolvency was a very real prospect facing a number of universities in Scotland. Both the UK and Scottish Governments should be congratulated on their efforts and significant financial investments into Scottish universities in response to the pandemic. It is quite possible that without that support, some institutions may not have survived. We also welcome the commitment made by the Scottish Government that it will make every effort to ensure that no university becomes insolvent as a result of the pandemic.

International student fees

39. Universities Scotland have noted that a strong component of Scottish universities’ internationalisation strategy has been their drive to increase the number of international students: each year more than 58,000 international students from 180 countries (including from the EU) study in Scotland.⁹⁵ In 2018, this made up about a quarter of the total student population.⁹⁶ The RSE Young Academy of Scotland informed us that, as a result, Scotland has a high proportion of international students relative to other OECD countries, with the net economic impact of international students for Scotland estimated to be £1.94bn in 2016.⁹⁷

40. According to NUS Scotland, some international students are paying £20,000 a year to study at Scottish universities.⁹⁸ Audit Scotland found that in 2016–17, on average, Scottish universities recovered 138.2% of the full cost of non-publicly-funded teaching, mainly by teaching non-EU students.⁹⁹ Income from international (non-EU) student tuition fees made up 16% of total income across the entire university sector in 2017–18¹⁰⁰ and the Scottish Funding Council expects that to increase to 18% in 2019–20.¹⁰¹

41. The Scottish Parliament has identified that 57% of all tuition fee income received by Scottish universities was derived from international (non-EU) students in 2018–19:

94 [Q187](#)

95 Universities Scotland, ‘[Internationally Scottish: Creating global communities](#)’, accessed 24 January 2021

96 Scottish Government, [The Impact of International Students in Scotland](#) (March 2018), p3

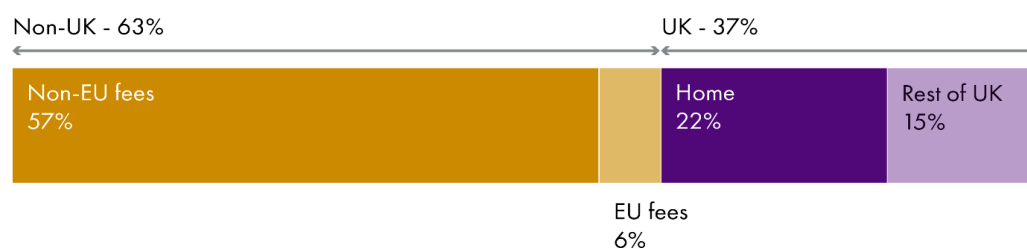
97 RSE Young Academy of Scotland ([USC0006](#)) p 3

98 [Q33](#)

99 Audit Scotland, [Finances of Scottish universities](#), September 2019, para 33

100 Audit Scotland, [Finances of Scottish universities](#), September 2019, p 13

101 Scottish Funding Council, [The Financial Sustainability of Colleges and Universities in Scotland](#) (11 February 2020), p 20

Tuition fee income by domicile in 2018–19¹⁰²***Level of reliance on international student fees***

42. The Scottish Funding Council says it is clear that universities in Scotland “need” international students as a source of income in order to remain financially sustainable and to support other areas of their operation.¹⁰³ Throughout our inquiry we have heard similar messages from our witnesses. In the view of Professor Rebecca Lunn, Head of the Centre for Ground Engineering and Energy Geosciences, University of Strathclyde, cross-subsidy of teaching from international fees “leaves us in rather a vulnerable position”.¹⁰⁴ Matt Crilly, President of NUS Scotland told us that institutions “should not be relying on a marketised system of exorbitant tuition fees from international students”.¹⁰⁵

43. Professor James Conroy, Dean for Global Engagement (Europe) and Vice Principal Emeritus at the University of Glasgow told us that “we are increasingly dependent on international student fee income not just to plug the gap, but to create the facilities, the capital spend that maintains our infrastructure.”¹⁰⁶ He went on to say that “we are cross-subsidising everything at the moment from our international student base, which has been a mark of our great success and our international reputation, but it does carry problems”¹⁰⁷ and “we cannot expect [international students] in the long term to fund our universities’ development, and certainly not on their own”.¹⁰⁸

44. Rebecca Hackett, Office of the Secretary of State for Scotland, told us that the level of reliance Scottish universities have on international student fees varies from university to university but that a loss of international fees has a “big impact” on some Scottish universities in particular.¹⁰⁹ This disparity is clearly visible in the table above (paragraph 23), which identifies the income streams of each of Scotland’s universities.

45. Richard Lochhead MSP, Minister for Further Education, Higher Education and Science, Scottish Government, recommended that:

We now have to look at whether [Scotland’s universities] are sustainable going forward, and whether we are overdependent on international

¹⁰² Scottish Parliament, [The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#) (23 July 2020), p 8 (Figure 4)

¹⁰³ Scottish Funding Council, [The Financial Sustainability of Colleges and Universities in Scotland](#) (11 February 2020), p 20

¹⁰⁴ [Q101](#)

¹⁰⁵ [Q54](#)

¹⁰⁶ [Q4](#)

¹⁰⁷ [Q5](#)

¹⁰⁸ [Q4](#)

¹⁰⁹ [Q247](#)

students. I do not think that means being less attractive to international students or having fewer international students coming to Scotland, but I think there is a challenge in terms of the overall financial model.¹¹⁰

46. Rt Hon Alister Jack MP, Secretary of State for Scotland, also recognised the reliance of Scottish universities on international students:

Scotland's education sector should, in the first instance, exist to support Scottish and [rest of the UK] domiciled students and the long-term contribution that they will make to economic growth. The sector still has much to do on widening access, yet is effectively selling places on the international market in order to sustain itself. International participation will always be welcome, however we need to get the balance right. For example, we need to be sure that when budgets are tight, capacity that could be used to address issues such as widening access in order to support 'levelling up' is not offered instead to the highest international bidder.¹¹¹

Impact of the covid-19 pandemic on international student numbers

47. In early 2020 there were major fears that international students would stay away from UK universities due to the pandemic. In July 2020 there were forecasts that 12% to 61% of Chinese students (who make up the biggest single contingent of overseas students) could cancel their places at UK universities for the following academic year.¹¹² Universities Scotland calculated that a 50% drop in Scottish universities' intake of international (non-EU) students in would have resulted in Scottish universities losing £435m in 2020–21, and that there would be a multi-year effect.¹¹³

48. Universities Scotland made the point of the pandemic has “exposed just how dependent the Scottish higher education sector now is on international student fee income to subsidise publicly-funded activities of teaching undergraduate Scottish [...] students and to underpin publicly funded research.”¹¹⁴ In their view this problem had arisen due to “many years of cuts in SFC funding.”¹¹⁵ The SFC has itself noted the risk of international students staying away.¹¹⁶

49. The current picture regarding international student numbers looks much more encouraging than it did in mid-2020. UCAS data¹¹⁷ from 18 February 2021 shows that applications to Scottish universities for the next academic year by non-EU international students has—despite many expectations in 2020—increased by 27% (to 6,100), which

110 [Q232](#)

111 Secretary of State at the Scotland Office ([USC0011](#))

112 “[Covid fears putting off Chinese students from UK](#)”, BBC News, 15 July 2020

113 Universities Scotland, [An existential challenge: the financial threat facing Scotland's universities as a result of COVID-19](#) (9 April 2020), phase 2

114 Universities Scotland, [An existential challenge: the financial threat facing Scotland's universities as a result of COVID-19](#) (9 April 2020), phase 2

115 Universities Scotland, [An existential challenge: the financial threat facing Scotland's universities as a result of COVID-19](#) (9 April 2020), phase 2

116 Scottish Funding Council, [Coherence and Sustainability: A review of Scotland's Colleges and Universities, Phase One Report: Insights to Develop Further](#) (20 October 2020)

117 Note: not all international students apply to university via UCAS, so these statistics may not provide a full picture

is the highest increase in non-EU international student applications across all four UK nations.¹¹⁸ Commenting on these statistics, Alastair Sim, Director of Universities Scotland, said:

Application data at this point in the cycle gives an indication about the demand for higher education, and it looks assuring for Scottish universities. Students clearly see a value at studying in Scotland from across the world all the way to our most deprived areas. We are taking nothing for granted as applications don't necessarily transfer into acceptances especially when there is a great deal of volatility regarding students and the pandemic.¹¹⁹

50. Although international students do not seem to be staying away from Scotland like many had feared, commenters have noted that the pandemic has demonstrated just how vulnerable the current model is.¹²⁰ Richard Lochhead MSP told us that “it has been a bit of a wake-up call for the institutions”.¹²¹ Whereas usually the SFC are most concerned about income of Scotland's modern universities, the pandemic caused a situation where some of the “larger, more established institutions are much more challenged about their business model and about some of those exposures on international and commercial fees”.¹²² Dr Stuart Fancey, Director of Research and Innovation, Scottish Funding Council, told us that even before the pandemic the SFC “were having conversations in the higher education community about the overdependence of certain universities on particular markets” and that covid-19 brought home “exactly how quickly that can turn into a real challenge”.¹²³

Impact of UK immigration policies on international student numbers

51. A further potential risk to international student numbers in Scotland is, as identified by the RSE Young Academy of Scotland, the impact of—and the perception abroad of—UK immigration policies. They view this risk as having already materialised, and give the example of Indian students, where the UK saw a 58% drop in numbers between 2010–11 and 2016–17.¹²⁴ The RSE Young Academy of Scotland argue that:

With a wide range of destinations available on the international education market, Scotland and [...] [universities in other parts of the UK] face competition by providers in Australia, Canada, the United States, as well as EU countries developing teaching and research provision with English as the main delivery language. With culture and lifestyle key aspects identified as attractors for international students, it is essential that policies do not damage aspects of life in the UK that are a selling point for applicants. The long-term effect of brand damage cannot be overstated, since 22% of prospective students consider their destination of choice for international study at least 2-years in advance.¹²⁵

118 [“UCAS data cause for assurance in value of Scottish higher education”](#), Universities Scotland, 18 February 2021

119 [“UCAS data cause for assurance in value of Scottish higher education”](#), Universities Scotland, 18 February 2021

120 [Q33](#)

121 [Q232](#)

122 [Q68](#)

123 [Q85](#)

124 RSE Young Academy of Scotland ([USC0006](#)) p 3

125 RSE Young Academy of Scotland ([USC0006](#)) p 3

UK Government immigration policies are discussed further in Chapter 4 (regarding students) and Chapter 5 (regarding academic/research staff).

52. Public sector funding for higher education in Scotland has reduced by 12% in real terms in seven years. In addition, despite the policy of free tuition for Scottish students, and a cap on Scottish student numbers, only 90% of the costs of teaching Scottish students at Scottish universities are covered by the Scottish Government. We recognise that this leaves a 10% gap in funding that must be filled via alternative means. The main way Scottish universities fill this gap is through international students, who account for more than 16% of all income across Scottish universities, a large proportion of which comes from Chinese students. As we have seen with large fluctuations in the number of Indian students studying in the UK and the implications of the pandemic, international student numbers are potentially volatile and can be influenced by a number of internal and external factors. *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.*

EU student fees

Pre- and post-Brexit policies on EU student fees

53. Under EU rules on freedom of movement, European students studying in another EU member state had to be given the same access to higher education as local students. This meant that when the UK was part of the European Union, EU students had the same right to free tuition in Scotland as Scottish students did. Figures from the Student Awards Agency Scotland (SAAS) show that 15,310 full-time EU students received funding in academic year 2018–19 while studying at a Scottish university.¹²⁶

54. Following the UK's exit from the EU, and the end of the UK-EU Transition Period, 2020–21 will be the last academic year in which EU students will be eligible to apply to have their tuition fees paid for by the SAAS.¹²⁷ From 2021–22 Scottish universities will be able to charge EU students international student rates,¹²⁸ which can be up to £20,000 per year.¹²⁹ EU students wishing to study in Scotland will also need to apply for a student visa before they arrive in the UK. The application costs £348 and the Immigration Health Surcharge (which grants access to the NHS) costs £470 (for student visa holders).¹³⁰

126 Scottish Government, '[University fees EU students: FOI release](#)', accessed 7 April 2021

127 '[Update on HE and FE support](#)', Scottish Government, 9 July 2020

128 Scottish Parliament, '[The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#)' (23 July 2020), p 3

129 [Q33](#)

130 The Scholarship Hub, '[Funding for EU students after Brexit](#)', accessed 8 April 2021

EU student numbers from 2021–22

55. Despite the fact that the SAAS will still usually cover the cost of EU student tuition fees in Scotland for 2020–21, they have already seen a 15% fall in the number of placed university applicants from EU students for that academic year (compared to the same point in the cycle in 2019).¹³¹

56. For 2021–22, as EU students will now need to pay international student fees and immigration costs, Scottish universities were expecting in December 2020 an 80% drop in EU student numbers.¹³² However, UCAS data from 18 February 2021 shows that applications to Scottish universities by EU students for 2021–22 dropped by 40% (6,900 fewer applications), which is a similar to the rate of fall in England and Wales,¹³³ and is much lower than the 80% fall many anticipated. Commenting on these statistics, Alastair Sim, Director of Universities Scotland, said:

The drop in EU student numbers is not as dramatic as many feared although we don't know how this will impact individual universities and courses.¹³⁴

Implications for Scottish university finances

57. Not only are the international student rates that EU students will now be paying to Scottish universities higher than the amount Scottish universities currently receive for EU students from SAAS, but they are also higher than the rates students from other parts of the UK pay to study in Scotland. The exact rate varies by course and institution but, according to Professor Katherine Smith, will often be four to five times the rate it was previously.¹³⁵ In addition to the international student fee income Scottish universities will now receive from EU students, Minister Lochhead has confirmed that the estimated £19 million of public funding that would have funded new EU entrants in 2021–22 will stay in the sector to fund places for additional Scottish students.¹³⁶ This announcement has been broadly welcomed by the university sector.¹³⁷

Non-financial benefits of EU students

58. Throughout our inquiry we also heard about the non-financial benefits EU students provide to Scottish universities, including that:

- EU students enrich campuses by “creating multinational, multicultural learning environments”, which is of “tremendous benefit to our home students in Scotland”.¹³⁸

131 [Scottish university admissions figures](#), Universities Scotland, 4 August 2020

132 [Q140 & Q167](#)

133 [“UCAS data cause for assurance in value of Scottish higher education”](#), Universities Scotland, 18 February 2021

134 [“UCAS data cause for assurance in value of Scottish higher education”](#), Universities Scotland, 18 February 2021

135 [Q124](#)

136 Scottish Parliament, [The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#) (23 July 2020), p 3

137 Scottish Parliament, [The impact of Coronavirus \(COVID-19\) on university funding in Scotland](#) (23 July 2020), p 15

138 [Q135](#) [Rachel Sandison, University of Glasgow]

- A significant number of EU students apply for vital science, technology, engineering and mathematics (STEM) subjects¹³⁹ and subject areas that are very hard to recruit to from within the local Scottish ecosystem.¹⁴⁰
- EU students stay in Scotland after their studies far more than other international students do.¹⁴¹

Sustaining EU student numbers post-Brexit

59. In the view of Mary Senior, University and College Union Scotland, things like a “hostile environment and [...] draconian immigration system” all impact on the ability of Scottish universities to attract EU students.¹⁴² Universities UK believes the UK Government must “act now” or risk losing European students “for years to come”.¹⁴³ It says that:

The UK Government has predicted a decline in EU student numbers of roughly 20% as a result of the change to a points-based [immigration] system, although this estimate was calculated before the impact of the pandemic. Other estimates signal an even greater potential loss in overseas talent.¹⁴⁴

60. Universities UK has outlined the steps they believe the UK Government should take in order to help stabilise EU/European Economic Area (EEA) student demand. These include:

- “Improving and extending the Study UK campaign into key markets in Europe by coordinating existing campaigns currently in European markets and increasing investment in Study UK to £20 million a year.”
- “Providing targeted financial support for EU students such as through an expanded or newly developed EU scholarship offer.”¹⁴⁵

61. Minister Lochhead told us that the Scottish Government are looking at how they can maintain a European presence on Scottish campuses and have given a commitment to look at the idea of extra scholarships targeted at European countries.¹⁴⁶

62. **EU students paying international student rates can provide a new and potentially lucrative income stream for Scottish universities, though this new income stream may face the same risks posed to fees from international students. Although applications from EU students have dropped by about 40% for 2021–22 (that year being the first year that EU students will pay the new rates), this is a lower drop than many in the sector had feared, and Scottish universities will now receive four to five times more income per EU student than was previously the case. That said, it is important that, following Brexit, Scotland is still able to attract the brightest and best from the EU. This is not**

139 [Q81](#)

140 [Q140](#) [Rachel Sandison, University of Glasgow]

141 [Q126](#) [Rebecca Lunn, University of Strathclyde]

142 [Q42](#)

143 [“Government must act now or risk losing European students for years to come”](#), Universities UK, 5 October 2020

144 [“Government must act now or risk losing European students for years to come”](#), Universities UK, 5 October 2020

145 [“Government must act now or risk losing European students for years to come”](#), Universities UK, 5 October 2020

146 [Q207](#)

only because EU students tend to gravitate towards vital STEM subjects (which can otherwise be difficult to recruit for), but also because EU students are more likely to stay on in Scottish academia/research once they graduate than other international students. These students can play a key role in our economic recovery following the pandemic. *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.*

4 Student welfare, experience and opportunities

Impact of covid-19 on students and staff

Overview

63. During our inquiry we heard how the covid-19 pandemic has negatively affected university students. They spent most of 2020 and the first months of 2021 working remotely, with universities only permitted to have 5% of their total students on campus for face-to-face teaching, and many have experienced financial hardship, accommodation and wellbeing issues.¹⁴⁷ A NUS Scotland survey of 653 Scottish students published on 14 January 2021 found that: 73% of students are concerned about managing financially during the pandemic, 64% of students say covid-19 has had some impact on their income and 14% of students have used food banks.¹⁴⁸

64. As Matt Crilly, President of NUS Scotland, pointed out to us, an important factor is that the areas of the economy worst hit by the pandemic—particularly the hospitality sector—are the same areas of the economy that students typically rely on for their part-time work.¹⁴⁹ In September 2020 there were reports of students who were self-isolating “being forced to call security begging for food.”¹⁵⁰ Student-led social media reports at another Scottish university stated that food packages delivered to certain self-isolating students were expired, whilst allergen and religious dietary requirements for other students were ignored.¹⁵¹ Reports elsewhere at Scottish universities suggested that ‘junk food’ was delivered to self-isolating students.¹⁵²

65. In January 2021, we met with university students as part of an outreach event. Feedback from them included:

“Even before the pandemic there were issues around the cost of living; student loan covers accommodation not food. The impact of the pandemic on this is that there are now even fewer jobs available for students, especially in the hospitality sector.”

“We have had difficulties accessing the computer hardware and software we need in order to complete degrees from home.”

“The disabled student allowance is so hard to access that eligible people are not applying.”

“For many PhD students our funding doesn’t include childcare or maternity leave.”

147 Scottish Parliament, [COVID-19: Scotland’s colleges and universities](#) (1 March 2021), p 3

148 Scottish Parliament, [COVID-19: Scotland’s colleges and universities](#) (1 March 2021), p 9

149 [Q36](#)

150 “Covid student chaos: Paying £30k a year and begging security for food”, BBC News, 29 September 2020

151 “Covid: Student anger over ‘junk’ food parcels in isolation”, BBC News, 11 October 2020; “Self-isolating Edinburgh students ‘going hungry’ as food delivered late”, The Scotsman, 29 September 2020

152 “Why students deserve better during this pandemic”, University of Stirling Newspaper, 14 October 2020

“The cost of accommodation can be high for places we can’t use and can’t leave. Some universities have offered rebates for accommodation, but this doesn’t help students in private accommodation.”

“Late announcements from the Government on lockdowns and restrictions have made matters worse.”

“Working on laptops on beds is bad in so many aspects. Offered no help with homeworking.”

“Mental health support has a long waiting list. This could be because everyone with a concern goes straight onto the list, rather than better triaging at an earlier stage to ensure that people are being directed to the right services.”

Digital transition

66. Commenting on the transition to digital working, Karen Watt, Chief Executive of the Scottish Funding Council, made the point to us that not all students are digital native and that “alongside whatever shifts we see, [the SFC] have to deal with digital literacy, both in staff and students, and the whole issue of digital poverty. We cannot always assume that everybody has access to broadband, to the hardware and to the connections that are so needed”.¹⁵³

Mental health

67. Mental health has been flagged to us as a particular area of concern. We have heard that students tend to suffer poor mental health at higher rates than the rest of the adult population.¹⁵⁴ Matt Crilly, President of NUS Scotland, told us that mental health waiting times at Scottish universities were “already too long” pre-covid and he saw “students waiting for months for an appointment to see a mental health specialist.”¹⁵⁵ Research published by NUS Scotland in October 2020 found that, *prior* to the covid-19 pandemic, 53.86% of students seeking support waited more than one month and 20.84% of students waited more than three months.¹⁵⁶

68. Now, with the effects of covid-19, NUS Scotland have found that students’ mental health has further declined.¹⁵⁷ For example, students in self-isolation, in halls of residence, trying to come to terms with where they are, what they are trying to do and who they are.¹⁵⁸ Professor Rebecca Lunn, University of Strathclyde, told us that:

With the pressure that the NHS is under, the mental health services in the NHS have shrunk and become almost non-existent in some areas. We have knowledge of people with things like eating disorders where there has been no support whatsoever during this crisis because areas of the NHS have not operated.¹⁵⁹

153 [Q74](#)

154 [Q55](#)

155 [Q55](#)

156 Scottish Parliament, [COVID-19: Scotland’s colleges and universities](#) (1 March 2021), p 14

157 Scottish Parliament, [COVID-19: Scotland’s colleges and universities](#) (1 March 2021), p 14

158 [Q93](#)

159 [Q130](#)

Impact on academic staff

69. Alastair Sim, Director of Universities Scotland, told the Committee that the pandemic had also “been an incredibly difficult time for staff”.¹⁶⁰ Dr Vicky Johnson stated that:

[...] a lot of the senior management teams [...] are needing to spend a huge amount of time on protocols and how to deal with not only student isolation, but also staff are going above and beyond. You may notice, as we are looking more and more exhausted.¹⁶¹

Professor Katherine Smith, University of Strathclyde, also noted that academic staff did not have the training or qualifications to provide students with the mental health support they need.¹⁶²

Government interventions

70. Richard Lochhead MSP, Minister for Further Education, Higher Education and Science, told us that:

We have recognised that the pandemic is making life so difficult for many students. [...] we have been [...] working really hard with our colleges and universities to distribute discretionary hardship funds to make sure those most in need are able to access assistance. We announced £5 million to top up the existing funds just before Christmas [2020], and of course a few days ago we announced a further £30 million, which will be £10 million to help the universities, given that they have already offered students in halls of residences, in most cases, refunds or cancellations, which will lead to loss of income for universities. Also, £20 million will go direct to the institutions for topping up the hardship funds.¹⁶³

In evidence to us about decisions made by the Scottish Government at the start of the university term in 2020, Minister Lochhead stated that: “I reiterate that we apologise to our students for what they went through last September, as we apologised at the time”.¹⁶⁴

71. In terms of lessons learnt from 2020, the Minister went on to say:

We set up a taskforce [...] to look at the hardship issues and hardship funds, and [...] we also want to set up another taskforce [...] to look at the impact of the lockdown on educational outcomes and the ability to complete the learner journey, because we might have to put extra measures in place. The universities and colleges will have to do this, not the Government per se, but we are working with the agencies and the institutions to see what has to be done to make sure that students who have not been able to have the face-to-face teaching that is necessary for their qualifications are still able to qualify.¹⁶⁵

160 [Q15](#)

161 [Q14](#)

162 [Q131](#)

163 [Q181](#)

164 [Q224](#)

165 [Q230](#)

72. On 25 February 2021, the Scottish Government announced an additional £4.4million to provide further mental health and wellbeing services to college students and staff as they deal with the impact of the pandemic, but this funding was not made available to university students.¹⁶⁶

73. **Students in Scotland, as with so many groups, faced unprecedented challenges over the course of the pandemic. Whilst we welcome the investments the Scottish Government has made in student wellbeing and mental health during this period, we have heard evidence of structural underfunding that predated the pandemic, long waiting lists and poor triaging of mental health inquiries. This is, in turn, pushing the provision of student mental health support onto academic staff, many of whom report facing challenges of their own, and may not be appropriately trained. *The Scottish Government should look again at the provision of mental health services to university students, including by reviewing current triaging processes related to mental health inquiries, to ensure that students are being quickly directed to the appropriate services and support providers. The Scottish Government should also consider whether further investment may be needed in order to shorten mental health support waiting lists for university students (in the same way it has recently done for college students and staff through an additional £4.4 million of mental health support), thereby also reducing pressures on higher education academic staff.***

International students

Benefits to UK and Scottish students

74. Each year more than 58,000 international students from 180 countries study in Scotland.¹⁶⁷ In 2018, this made up about a quarter of the total student population.¹⁶⁸ Professor Chris Pearce, University of Glasgow, told us that international students “enrich the diversity of our campuses”.¹⁶⁹ Professor Nigel Seaton, Abertay University, was “determined to emphasise the value of interactions culturally, in terms of the shared experience of all our students”.¹⁷⁰ Rachel Sandison, University of Glasgow, said that the University of Glasgow was “creating multinational, multicultural learning environments” for their students and that, as a result, international students are of “tremendous benefit to our home students in Scotland”.¹⁷¹

Attractiveness of Scottish institutions

75. In the view of Karen Watt, Chief Executive of the Scottish Funding Council, the attractiveness of Scotland’s universities to prospective international students will depend a lot on what’s going on in other countries.¹⁷² In particular she pointed out that the way in which countries deal with the pandemic will affect how people think about their next journeys.¹⁷³ Iain Stewart MP, Minister for Scotland, was also of the view that the higher

166 [“New student mental health funding”](#), NUS Scotland, 25 February 2021; Scottish Parliament (Motions, Questions and Answers: February 2021), ‘[Question S5W-35512: Education, Communities and Justice](#)’, accessed 8 April 2021

167 Universities Scotland, ‘[Internationally Scottish: Creating global communities](#)’, accessed 24 January 2021

168 Scottish Government, [The Impact of International Students in Scotland](#) (March 2018), 3

169 [Q127](#)

170 [Q167](#)

171 [Q135](#)

172 [Q84](#)

173 [Q84](#)

education sector was a “competitive place” as “all universities will want to attract students from right around the world” and so “we have to be on our toes to make sure that we do not just rely on past successes to guarantee future success”.¹⁷⁴ Minister Lochhead told us that:

I think it is very important that we remain an attractive destination for international students, and that means that, following Brexit, we have the challenge of getting that message across to the international community. As Scotland, we are doing what we can and will continue to do that, to promote Scottish brands and the fact that Scotland is an open, welcoming and internationalist country that wants to stay at the heart of Europe and, therefore, we want that to be reflected in students and researchers from Europe, in particular, continuing to come to Scottish institutions so that the best brains in Europe are still attracted to come to work, study and live in Scotland. The UK Government have a role there, because immigration policy, the cost of visas and how Horizon will work going forward will all have a bearing on how attractive Scotland is as a higher education destination.¹⁷⁵

UK immigration policy: students

76. During our inquiry a number of witnesses, including Minister Lochhead, spoke to us about the importance to prospective international students of making sure that immigration policies—which are reserved to the UK Government—are as streamlined and as simple as possible.¹⁷⁶ In addition, the RSE Young Academy of Scotland made the point to us that the perception—not just the reality—of UK immigration policies was also important and that factors like Brexit can play into those perceptions.¹⁷⁷ As background, the ‘Student visa’, which replaced the ‘Tier 4’ student visa,¹⁷⁸ is the primary visa in the UK for visiting international students.¹⁷⁹

77. The duration of the Student visa depends on course length but, at degree level, can last for up to five years.¹⁸⁰ It usually costs £348 to apply for a Student visa from outside the UK or £475 to extend or switch to a Student visa from inside the UK.¹⁸¹ On top of visa costs, prospective international students also need to pay a healthcare surcharge of £470 per year.¹⁸² Students in the UK may be able to work whilst on a Student visa, but it depends what subject is being studied and whether the work is in or out of term-time.¹⁸³ In the view of Matt Crilly, President of NUS Scotland:

[...] we should be striving to make sure that our country is welcoming of international students. [...] International students are having to pay up to £2,000 for a visa to come and study here. Something that I think is particularly striking, given the fact we are going through a global health pandemic, is

174 [Q256](#)

175 [Q233](#)

176 For example: [Q169](#)

177 RSE Young Academy of Scotland ([USC0006](#)) p 3

178 HMG, ‘[Student visa](#)’, accessed 13 April 2021

179 HMG, ‘[Browse: Study in the UK](#)’, accessed 13 April 2021

180 HMG, ‘[Student visa](#)’, accessed 13 April 2021

181 HMG, ‘[Student visa](#)’, accessed 13 April 2021

182 HMG, ‘[Pay for UK healthcare as part of your immigration application](#)’, accessed 13 April 2021

183 HMG, ‘[Student visa](#)’, accessed 13 April 2021

the NHS surcharge going up from £300 to £470 for international students. Things like that make the country a lot less welcoming to international students, who this year in particular are struggling with some elements of the pandemic.¹⁸⁴

78. The UK Government has also announced, as recommended by our predecessor Committee,¹⁸⁵ a new Graduate visa route—initially piloted in Scotland with great success¹⁸⁶—which will open for applications from 1 July 2021. This will allow undergraduates to remain in the UK to work for up to two years after successfully completing their studies.¹⁸⁷ This visa route will be unsponsored, meaning that applicants will not need a job offer to apply. In addition, there will be no minimum salary requirements or caps on numbers.¹⁸⁸ After the two years, students will be able to switch onto a Skilled work visa if they find a job which meets certain skill requirements.¹⁸⁹ Matt Crilly said to us that the introduction of the post-study work visa was “incredibly welcome” and “vital”.¹⁹⁰

Scottish Government influence over UK immigration policy

79. Our predecessor Committee’s Report from July 2018 on *Immigration and Scotland* found that:

The UK and Scottish Governments both recognise the importance of reflecting Scottish interests in immigration policy, but it appears that current mechanisms do not adequately enable this to happen. We recommend that the UK Government reviews how the Scotland specific shortage occupation list is agreed, including considering having a Scottish representative involved in the decision-making process. We also recommend that the UK Government reviews how it engages with the devolved administrations on areas of policy—such as immigration—which are reserved but of clear importance to the devolved administrations.¹⁹¹

Government departments should usually respond to select committee reports within two months of publication.¹⁹² Approaching three years after publication, we are still awaiting a response.

80. Richard Lochhead MSP, Scottish Minister for Further Education, Higher Education and Science, told us that:

We do work with the UK Government, and the UK Government have been speaking to us. There will be lots more discussions because these are the very early stages of post-Brexit Britain, so we will continue to work with the UK Government on what they can do to support us. [...] What is important to me is that the Scottish brand is protected, because we have a very powerful

184 [Q45](#)

185 Scottish Affairs Committee, Fourth Report of Session 2017–19, *Immigration and Scotland*, HC 488, paras 91–92

186 [Q42](#)

187 HMG, ‘[Graduate route to open to international students on 1 July 2021](#)’, accessed 13 April 2021

188 HMG, ‘[Graduate route to open to international students on 1 July 2021](#)’, accessed 13 April 2021

189 HMG, ‘[UK announces 2-year post-study work visa for international students](#)’, accessed 13 April 2021

190 [Q48](#)

191 Scottish Affairs Committee, Fourth Report of Session 2017–19, *Immigration and Scotland*, HC 488, para 98

192 Cabinet Office, *Giving evidence to Select Committees: Guidance for Civil Servants*, October 2014, para 68

brand for Scottish higher education. It is really important that we maintain the brand. Yes, we are open to working with the UK Government on that, of course.¹⁹³

[...] The issue we have discussed so far [with the UK Government] is making sure that Scottish education is attractive, and the immigration system, the visa costs, all these issues are very, very important. Making it easy for researchers and students to come here, and not more expensive compared with going to another European country or elsewhere. That is where we really need the UK Government's help to make sure that our institutions are seen as attractive.¹⁹⁴

81. 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.

Erasmus+ and the Turing Scheme

The UK's withdrawal from Erasmus+

82. Erasmus+ is the EU programme for education, training, youth and sport.¹⁹⁵ Between 2014 and 2018 4,846 Erasmus+ grants were awarded to UK organisations, worth around €680 million and Erasmus+ funding has supported more than 128,000 UK participants.¹⁹⁶ The RSE Young Academy of Scotland told us about the benefits of the Erasmus+ scheme:

Around 1 in 3 Erasmus+ trainees are offered a position by the company they trained in. In 2016, 1,600 Scottish staff and students visited European countries on study, training or volunteering visits, with the programme making study abroad opportunities affordable and inclusive, developing the attributes of Scottish global graduates and creating a new brand of ambassadorship. Between 2014 and 2018, Scottish participants comprised 12% of the total UK figure, with Scotland receiving 13% of total Erasmus+ funding in the UK. Less advantaged students benefit tremendously from periods abroad (1 in 3 youth mobility participants comes from a disadvantaged background) and Erasmus+ is committed to supporting widening participation in HE mobility.¹⁹⁷

83. Rachel Sandison, University of Glasgow, was equally complimentary of Erasmus+ in her evidence, telling us that:

193 [Q209](#)

194 [Q210](#)

195 Erasmus+, '[About Erasmus+](#)', accessed 24 January 2021

196 Erasmus+, '[About Erasmus+](#)', accessed 24 January 2021

197 RSE Young Academy of Scotland ([USC0006](#)) p 2

[Erasmus+] has been incredible in terms of what it has allowed us to deliver in partnership, not just within Europe but across the world. [...] This is not just around facilitating exchange in Europe, although that is a really important part of Erasmus+, but there is also international credibility. It has allowed us to establish really innovative programmes and projects with international partners, and it has allowed international engagement for staff and students as well.¹⁹⁸

84. Unlike the EU Horizon Programme, the UK decided not to participate in Erasmus+ following the end of the UK-EU Transition Period. The Government said this was because Erasmus+ was “extremely expensive”.¹⁹⁹ This was despite the Chancellor of the Duchy of Lancaster, Rt Hon Michael Gove MP, telling the Committee on the Future Relationship with the European Union on 17 December 2020, seven days before the EU-UK Trade and Cooperation Agreement was reached, that UK participation in Erasmus+ was intended to be included within the EU-UK Trade and Cooperation Agreement.²⁰⁰ This was in addition to the Chancellor telling the same Committee in March 2020 that, although he had some value for money and social mobility reservations, it was “certainly the case that, on current trajectories, if we can carry on being part of Erasmus we do see benefits in that.”²⁰¹

Launch of the Turing Scheme

85. On 26 December 2020, two days after the EU-UK Trade and Cooperation Agreement was reached, the UK Government announced a new scheme for students to study and work abroad that would “replace the UK’s participation in Erasmus+”.²⁰² Along with the announcement, the Government said:

- The scheme will provide funding [£110 million²⁰³] for around 35,000 students in universities, colleges and schools to go on placements and exchanges overseas, starting in September 2021.
- The scheme will target students from disadvantaged backgrounds and areas which did not previously have many students benefiting from Erasmus+, making life-changing opportunities accessible to everyone across the country.
- The scheme will provide similar opportunities for students to study and work abroad as the Erasmus+ programme but it will include countries across the world and aims to deliver greater value for money to taxpayers.
- UK organisations will be invited to bid into the scheme in early 2021. Successful applications will receive funding for administering the scheme and students taking part will receive grants to help them with the costs of their international experience.

198 [Q149](#)

199 “[Why has the UK ditched participation in Erasmus+?](#)”, University World News, 1 January 2021

200 Oral evidence taken before the Committee on the Future Relationship with the European Union on 17 December 2020, HC (2019–21) 203, [Q1076](#) [Hilary Benn]

201 Oral evidence taken before the Committee on the Future Relationship with the European Union on 11 March 2020, HC (2019–21) 203, [Q51](#) [Jane Stevenson]

202 “[New Turing scheme to support thousands of students to study and work abroad](#)”, HM Government, 26 December 2020

203 HMG, “[New £110m Turing Scheme to support thousands of UK students to study and work abroad](#)”, accessed 15 April 2021

- The benefits of the exchanges to schools and colleges will be assessed and the learnings used to build on future schemes. Funding decisions for subsequent years will be subject to future spending reviews.²⁰⁴

86. By way of comparison, Erasmus+ funding for 2018 covered 49,000 students in the UK (17,000 outgoing and 32,000 incoming) and over 7,000 staff, at a cost of around €160 million.²⁰⁵ This means that, for the one year currently funded, the Turing Scheme will be able to fund more than twice the number of places for UK students to study abroad than would have been the case under Erasmus+ (17,000 for Erasmus+ vs 35,000 for Turing).

Higher education sector reaction to the replacement of Erasmus+ with Turing

87. Universities UK had a mixed reaction to the replacement of Erasmus+ with Turing:

While we are obviously disappointed that the UK will no longer be part of the Erasmus scheme, it is significant that the Government has committed to a generously funded scheme despite current economic pressures. The new Turing scheme is a fantastic development [...] It is a good investment in the future of students—not only those in universities but in schools and colleges who will also benefit.

A priority will be working with international counterparts on the funding of inbound students, who won't be covered by the scheme. Inbound exchange students contributed £440 million to the UK economy in 2018 and there are real concerns about whether the UK will see a decrease outside of the Erasmus scheme.²⁰⁶

88. In relation to the impact on Scotland, Royal Society of Edinburgh Fellows told us that:

The UK leaving the Erasmus+ programme is regrettable and will adversely affect both students and staff through the loss of two-way mobility. This impact will be felt particularly keenly in Scotland due to the higher take up of the scheme relative to population compared to other nations of the UK. While the Erasmus scheme is highly valuable in terms of enhancing the skills and capacity of all students who participate, regardless of discipline, it has a particular importance for linguistic and cultural capacity that offers an essential resource to the Scottish economy and society in a globalised world.

[...] the Turing scheme is not a genuine exchange programme comparable with Erasmus+, with greater numbers leaving the UK under the Turing scheme than will enter to participate in its Higher Education institutions. The Turing scheme will require long-term commitment and financial

204 ["New Turing scheme to support thousands of students to study and work abroad"](#), HM Government, 26 December 2020

205 ["Why has the UK ditched participation in Erasmus+?"](#), University World News, 1 January 2021

206 ["UUK response on Turing Scheme for students to work and study abroad"](#), Universities UK, 26 December 2020

support from the UK Government to provide certainty to institutions, staff and students, especially when Erasmus+ has operated as a seven-year programme.²⁰⁷

89. As pointed out by both Universities UK and the Royal Society of Edinburgh, it is not currently envisaged that the Turing Scheme will fund overseas students coming to the UK, as Erasmus+ did. As outlined earlier in the Chapter (paragraph 74), international students play an important role in the education and cultural experience that UK/Scottish students gain whilst at university. A reduction in international students will also mean that UK universities, including those in Scotland, will miss out on an important source of income. It has been reported that withdrawal from Erasmus+ will cost UK education institutions more than £200 million per year.²⁰⁸ Inward student placements also contribute significantly, as consumers, to local economies.²⁰⁹

90. As reflected on by Rachel Sandison, University of Glasgow, another aspect of the Turing Scheme is that it is not currently envisaged that it will fund staff mobility, like Erasmus+ did. She told us that:

Although we have had 3,000 students from the University of Glasgow who have been able to go on exchanges since 2014 [through Erasmus+], we have also had a similar number of staff who have benefited from a period of time overseas learning from colleagues in a different environment, which has been fantastic. To have that not encapsulated within a new framework would bring real challenges to the sector.²¹⁰

91. Mary Senior, University and College Union Scotland, had concerns about the “temporary nature” of the Turing Scheme.²¹¹ She noted that:

Turing is only for one year. It’s going to be far harder to build relationships with other institutions when you don’t know what’s going to happen with the scheme after 2022.²¹²

Scottish Government reaction to the replacement of Erasmus+ with Turing

92. On 28 December 2020 Richard Lochhead MSP, Scottish Minister for Further Education, Higher Education and Science, expressed his “profound disappointment” at the UK Government’s decision to withdraw from the Erasmus.²¹³ He described the move as “a huge blow”, said that the Scottish Government would explore “alternative options” and described the Turing Scheme as a “watered down and less well funded version of

207 Royal Society of Edinburgh Fellows (USC0013) p 3

208 *The Erasmus Programme*, Briefing Paper 8326, House of Commons Library, 6 January 2021

209 “*Why has the UK ditched participation in Erasmus+?*”, University World News, 1 January 2021

210 Q142

211 “*Academics call for Scotland to rejoin Erasmus amid criticism of UK’s ‘not fit for purpose’ alternative*”, The London Economic, 23 March 2021

212 “*Academics call for Scotland to rejoin Erasmus amid criticism of UK’s ‘not fit for purpose’ alternative*”, The London Economic, 23 March 2021

213 “*Erasmus loss ‘a huge blow’*”, Scottish Government, 28 December 2020

Erasmus” as “it’s not even an exchange program because there is no support for visits to Scotland”.²¹⁴ He reflected that students in Northern Ireland will however still be given access to Erasmus+, due to their different EU exit arrangements.²¹⁵

93. In oral evidence Minister Lochhead also expressed concerns to us about the UK Government’s motivations behind the decision to withdraw from Erasmus+:

I am suspicious that the UK Government felt the Erasmus scheme was symbolic of close ties with Europe. Therefore, Brexit is Brexit, and they unfortunately committed this vandalism by removing us from Erasmus to go for the alternative global scheme because it was too European. I was unaware, up until the UK Government walked away from Erasmus, that there were any problems with Erasmus. We were assured that the No. 1 priority, up until the last moment, was full participation in Erasmus. If it was a value for money issue, surely they knew that over the last few years. They must have worked that out, I would have thought, and estimated how much it would have cost us to maintain participation in Erasmus.²¹⁶

94. In terms of improvements that Minister Lochhead wanted to see to the Turing Scheme, he made similar points to us as many in the higher education section, namely that it should be expanded with a longer-term budget, include other sectors and should facilitate inward, rather than just outward mobility.²¹⁷ In relation to collaboration with the UK Government, his view was that “despite four years of meetings”, the Turing Scheme is “going to be imposed on Scotland via the Internal Market Bill”.²¹⁸ He said that policies that impact on devolution should have input from the Scottish Parliament, and involve the Scottish Government, and he did not feel that had happened in this instance.²¹⁹

Welsh New International Learning Exchange

95. The Welsh Government is similarly disappointed that the UK is no longer participating in the Erasmus+ scheme and, as a result, has begun developing its own scheme called the ‘New International Learning Exchange’ to “fill the gaps Turing leaves”.²²⁰ A fundamental principle of the programme will be reciprocity: a two-way exchange.²²¹ Whilst the UK Government has allocated £110m for the first year of the Turing Scheme (UK-wide), the Welsh Government is allocating £65m between 2022 and 2026.²²² According to the Welsh Government, students and staff across universities, further education, adult education,

214 [“Erasmus loss ‘a huge blow’”](#), Scottish Government, 28 December 2020

215 [“Erasmus loss ‘a huge blow’”](#), Scottish Government, 28 December 2020

216 [Q202](#)

217 [Q199](#) & [Q180](#)

218 [Q236](#)

219 [Q236](#)

220 [“New International Learning Exchange programme to make good the loss of Erasmus+”](#), Welsh Government, 21 March 2021

221 [“New International Learning Exchange programme to make good the loss of Erasmus+”](#), Welsh Government, 21 March 2021

222 [“New International Learning Exchange programme to make good the loss of Erasmus+”](#), Welsh Government, 21 March 2021

youth work settings and schools will be able to “benefit from international exchanges in a similar way to the opportunities that flowed from Erasmus+, not just in Europe but also further afield”.²²³

UK Government position on Erasmus+ and Turing

96. In relation to Erasmus+, Iain Stewart MP, Minister for Scotland, told us that that he “fully acknowledge the benefits that that scheme brought”²²⁴ and that:

The possibility of staying part of Erasmus was a central part of the negotiations all the way through. I am not saying you have alleged, but others have alleged that we ruled it out from the start because it was European and, therefore, bad. We took an objective look at the cost. [...] the judgment that was made by the negotiators was that it did not represent best value for money.²²⁵

97. In the Government’s view the UK “could achieve the same benefits [as Erasmus+] with Turing”, but could also improve upon it by “looking at the global reach of it to widen participation”.²²⁶ Minister Stewart told us that it was about:

[...] how we extend the benefits, reaching Commonwealth countries, the Americas, the Far East, which Erasmus did not cover, widening the participation and having a nimbler scheme. [...] We also need that greater flexibility to underpin many of the links that universities already have outside Erasmus that Turing will be able to bolster. I think we have a product here that will achieve the same benefits but in a more cost-effective way and extend the advantages that we want to see.²²⁷

98. In relation to the importance of inward, rather than just outward exchanges, Minister Stewart said, “I absolutely get the value of these exchanges in both directions”²²⁸ and:

In terms of students coming here, what we are also working on—and Scottish universities have a representation in this—is the International Education Strategy, which will conclude in the summer. That is looking at deepening the various partnerships that come in both directions.²²⁹

He also said that the International Education Strategy, led by Sir Steve Smith, would not only look at the inbound student element, but also international marketing and attraction, and inbound researchers.²³⁰

99. Looking ahead to future years of the Turing Scheme, and collaboration with the devolved administrations, Rebecca Hackett, Office of the Secretary of State for Scotland, told us that:

223 [“New International Learning Exchange programme to make good the loss of Erasmus+”, Welsh Government, 21 March 2021](#)

224 [Q240](#)

225 [Q284](#)

226 [Q285](#)

227 [Q291](#)

228 [Q241](#)

229 [Q241](#)

230 [Q285](#)

[...] the Turing programme [...] is a flexible and iterative programme. It has received a year of funding already, but the Department for Education is already working very intensively with the devolved administrations to ensure that the scheme does deliver on what it is seeking to deliver and can evolve to address any issues. Clearly, it is going to be a different stage in year one with all of the impacts of covid and so on, but we are aiming for it to receive the same brand recognition as Erasmus+ in the longer term and we will be working hard with the devolved administrations to ensure that.²³¹

100. Until 17 December 2020, one week before the EU-UK Trade and Cooperation Agreement was reached, the UK Government was reassuring Parliament that UK participation in Erasmus+ was intended to be included within the UK-EU deal. Given that Erasmus+ disproportionately benefited Scotland compared to other parts of the UK, we are disappointed that no agreement on this could be reached. Nevertheless, we support the Government's Turing Scheme, especially that it should benefit 35,000 UK students per year (compared to 17,000 under Erasmus+), and that it will open international opportunities wider than just the EU. We look forward to working with UK Government on this and the International Education Strategy.

101. We note with regret however that the Turing scheme will not—as currently envisaged—support inward placements to the UK. As the Government recognises, as well as providing Scottish universities and local economies with an important income source, inward placements support the cultural education and experience of UK students in a way that is difficult to replicate by other means. They also support Scottish universities' internationalisation agenda by promoting them on a global platform and building international networks that can last a lifetime. We also regret that there is currently no long-term funding commitment beyond year-one of the Turing Scheme to the principle of international student exchange. *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.*

Scottish Government ambitions to remain in Erasmus+

102. Since the announcement that the UK will no longer participate in the EU Erasmus+ programme following the end of the Transition Period, both the Scottish Government and Scottish academics have been lobbying for Scotland to remain in Erasmus+ independently from the UK. Minister Richard Lochhead informed us that the Scottish Government was exploring options with the EU for Scotland to continue to participate in the Erasmus scheme. The UK Government was opposed to Scotland having any formal involvement in the scheme, though Mariya Gabriel, the EU Commissioner for Education, and many MEPs, were keen on the idea.²³²

103. Similarly, academics in Scotland have backed proposals to look at ways in which Scotland can continue an association with Erasmus+. It has been reported that a motion calling for a working group to examine options to achieve this received support during the University and College Union's Congress in March 2021.²³³ Mary Senior, University

231 [Q242](#)

232 [Q198](#)

233 ["Erasmus: Support for moves to protect Scotland's participation"](#), The Herald, 31 March 2021

and College Union Scotland, said that moves were underway to look at how a relationship could be preserved, possibly taking advantage of possibilities within the EU scheme for outward mobility to countries that are not official partners and using Turing money to maintain reciprocity.²³⁴

104. Rebecca Hackett, Office of the Secretary of State for Scotland, told us however that:

The European Commission has confirmed, following the decision of the UK Government not to participate in the next programme, that there was not an option for Scotland or Wales to join. I think there has been a clear view from the European Commission that it needs to be the member state applying or the third country applying rather than individual parts of a country.²³⁵

105. When asked what position of the UK Government would be if the European Commission changed its mind on Scottish participation in Erasmus+, Minister Stewart said:

My point would be that Scotland would be paying twice: first for the Turing Scheme and then for Erasmus. I do not think it is a nationwide scheme, and I think we are at a very early stage with Turing. When the full benefit and the detail of it is there and comes into practice—of course, we also have the interruption at the moment with the covid situation. It is very difficult to assess one and the other when students are not able, under any scheme, to properly travel. Of course, Turing can be evaluated in the fullness of time and could evolve into something else, but the ambitions for it, I think, will both capture the benefits of Erasmus and extend them in the ways that I have indicated.²³⁶

106. *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).*

234 ["Erasmus: Support for moves to protect Scotland's participation"](#), The Herald, 31 March 2021

235 [Q242](#)

236 [Q286](#)

5 Academic research by universities in Scotland

Scotland's place in UK academic research

Impact, reputation and benefits of Scottish academic research

107. Scotland's universities have an international reputation for excellent research that delivers economic and social benefits for both Scotland and the wider world.²³⁷ Richard Lochhead MSP, Scottish Minister for Further Education, Higher Education and Science, has said that "Scotland is a science and research nation—we already punch well above our weight and enjoy a global reputation as a welcoming, pro-science nation that supports research and innovation."²³⁸ Demonstrating the impact of Scottish research, the RSE Young Academy of Scotland told us that:

The value for money provided by Scottish research is high: with 10% of the UK researcher population producing 12% of the UK research outputs in 2015. The high productivity of Scottish research is demonstrated with an average of 8.54 publication per £million expenditure (compared to 4.81 for England in 2016).²³⁹

108. The University of Glasgow argues that Scottish universities' global reputation for excellent research is evidenced through 'Research Excellence Framework' exercises and the percentage of funding won from UK research funders compared to the relative size of the research base.²⁴⁰ As Edinburgh University points out, Scotland gains roughly 11% of total UKRI research funding for just over 8% of the population, and Edinburgh was fifth in the Russell Group for winning EU funding.²⁴¹ Professor Rebecca Lunn, University of Strathclyde, told us that Scotland is 63% ahead of the UK average in academic citations.²⁴² Endorsing the benefits of Scottish academic research, the Scottish Funding Council told us that:

[Universities] provide Scotland with a hugely important pipeline of skilled people. They also make the research breakthroughs that will solve some of the big health, social and economic challenges of our time, including covid-19. They are also very important anchor institutions in their local communities. They employ almost 60,000 staff. They generate £11 for every £1 of public investment we make, and their international reputation attracts talent and investment. They are going to help us survive and thrive through a global pandemic and help our economic recovery.²⁴³

109. The Secretary of State for Scotland, Rt Hon Alister Jack MP, also highlighted to us the importance of Scotland's research base:

237 Universities Scotland, [Internationally Scottish - Creating global communities](#) (July 2020), p 12

238 "[Putting Scottish science and research on the world stage](#)", Scottish Government, 13 June 2019

239 RSE Young Academy of Scotland ([USC0006](#)) p 5

240 University of Glasgow ([USC0003](#)) p 6

241 University of Edinburgh ([USC0004](#)) p 7

242 [Q95](#)

243 [Q59](#)

Scotland has for many years batted above our weight in terms of the proportion of funded research activity that is supported here. We have been able to build on this through our work on the City Deals Programme, where a number of research proposals covering some of the key sectors underpinning the Scottish and UK economy have come forward. We are very mindful of the need to sustain this research base and that is why we have established a UK-wide Ministerial Taskforce on research sustainability.²⁴⁴ [...] Research in our HE institutions is a jewel in the UK's higher education crown and it is right that we work together to protect this while tackling the challenges posed by covid-19.²⁴⁵

Effect of covid-19 on research

110. Alastair Sim, Universities Scotland, made the point to us that a large amount of how we respond to the pandemic is going to be through research, and the need therefore for having a “vibrant world-class research base”.²⁴⁶ Professor Chris Pearce, University of Glasgow, also spoke to us about the impact of the pandemic on academic research. He told us that:

[...] the recent crisis of covid-19 has demonstrated the value and importance of not just universities but the research they do, and has shown how they work together. They have worked collaboratively. They have worked with industry and with the health service to fight covid-19 and I am absolutely confident that they will help in the recovery from the pandemic, but that comes only through investment.²⁴⁷

111. Professor Chris Pearce also pointed out however that universities, such as the University of Glasgow, have had to redirect a lot of resources to fight covid-19 and, as a consequence, a lot of non-covid research has been “severely impacted”.²⁴⁸ He gave examples of research into chronic diseases such as heart disease, cancer, stroke and diabetes being delayed, and said that the long-term impact on research was going to be “significant”.²⁴⁹

Funding of Scottish academic research

112. Dr Stuart Fancey, Director of Research and Innovation, Scottish Funding Council, told us that both the sources of research funding, and the scale of research activity, varied “enormously” across Scottish universities.²⁵⁰ He told us that the Scottish Funding Council provides about a quarter of funding for the sector, with UKRI providing about another quarter, with the remainder coming from a variety of sources including charities and businesses.²⁵¹ Research-intensive universities usually need to increase income from other sources, such as attracting international students, to cover their research costs. As stated earlier in the report, according to Audit Scotland, in 2016–17, universities recovered, on

244 [Further information on the Ministerial taskforce on research sustainability](#)

245 Secretary of State at the Scotland Office ([USC0011](#))

246 [Q18](#)

247 [Q96](#)

248 [Q100](#)

249 [Q100](#)

250 [Q64](#)

251 [Q64](#)

average, 138% of the cost of non-publicly funded teaching and 144% of the cost of non-teaching activities (such as commercial activities, residences and conferences), in order to subsidise academic research.²⁵²

113. According to Audit Scotland, the formula-based funding models for the core grants for teaching and research are “widely accepted” by the sector because they provide “transparency, understanding and are perceived by the sector to be fair.”²⁵³ However, when the Scottish Funding Council carried out a review with Scotland’s universities to determine the most pressing financial issues facing the sector, some argued that “maintaining the world-leading position of Scotland’s more research-intensive institutions will need to be explicitly recognised and supported as a strategic priority if we are to continue to make such a huge impact for our relative size as a country”.²⁵⁴ Professor Tim Bedford, University of Strathclyde, told us that the standard practice is that universities get 80% of full economic costs on UKRI-funded research.²⁵⁵ On whether this figure should increase, especially in light of covid-19, he told us that:

I think most universities would certainly say that it should increase beyond 80%, because it is so difficult to fill the other part of that. I do not think any of us would be particularly comfortable if it were to be 100%, full economic costs, because that would effectively make us consulting organisations for the Government. I think the academic freedom, the freedom of the universities to decide their research agendas and to follow those agendas, is a great strength, not only for the universities but for the UK as a whole.²⁵⁶

Effect of covid-19 on research funding

114. Professor Chris Pearce, University of Glasgow, told us that medical research charities are having to scale back because of a loss of donations due to the pandemic, and that this will lead to a “significant drop in charity funding for our research”.²⁵⁷ He went on to say that the “estimates of the shortfall over the next year are staggering, hundreds of millions of pounds, all of which is typically going into critical biomedical research”.²⁵⁸ Professor Pearce said that what was needed was a “long-term and stable solution for funding biomedical research that is not wholly reliant or largely dependent on the charity funding that we have at the moment”.²⁵⁹

UK Government R&D Roadmap

115. The UK Government published its Research and Development Roadmap²⁶⁰ in July 2020. Upon the announcement the Government said its long-term objectives for R&D are for the UK “to be a science superpower and invest in the science and research that will deliver economic growth and societal benefits across the UK for decades to come, and

252 Audit Scotland, *Finances of Scottish universities*, September 2019, para 33

253 Audit Scotland (USC0002) para 16

254 Scottish Funding Council, *Coherence and Sustainability: A review of Scotland’s Colleges and Universities, Phase One Report: Insights to Develop Further* (20 October 2020), p 35

255 [Q176](#)

256 [Q176](#)

257 [Q101](#)

258 [Q101](#)

259 [Q101](#)

260 HMG, *UK Research and Development Roadmap* (July 2020)

to build the foundations for the new industries of tomorrow”.²⁶¹ This was followed by a commitment in the Budget to increase public investment in R&D to £22 billion by 2024 to 2025.²⁶²

116. The Roadmap was warmly welcomed by those who gave evidence to us. Professor Chris Pearce,²⁶³ Professor Rebecca Lunn,²⁶⁴ and Professor James Conroy²⁶⁵ particularly welcomed the dual commitment of increasing money in real terms and of reaching 2.4% of GDP spent on R&D, especially in light of the pandemic. The Roadmap was also welcomed by Universities UK.²⁶⁶

Impact of reduced UK ODA spend on Scottish academic research

117. In response to the immediate economic pressures the UK faced as a result of the pandemic, the UK Government decided in November 2020 to temporarily reduce the funds it would make available for Official Development Assistance (ODA) from 0.7% to 0.5% of UK Gross National Income (GNI).²⁶⁷ On 11 March 2021 UKRI wrote to higher education institutions to explain that this decision would have a “significant impact” on the work it funded under ODA programmes.²⁶⁸ UKRI went on to say:

The Department for Business, Energy and Industrial Strategy’s ODA allocation to UKRI has reduced significantly its planned ODA expenditure for FY21/22, leading to a £125m budget and a £120m gap between allocations and commitments to grant holders. It is too early to detail the final impact of this review on individual grants funded by the Global Challenge Research Fund (GCRF), Newton Fund and other ODA funds within our councils including Innovate UK.²⁶⁹

118. The decision to reduce UK ODA spend from 0.7% to 0.5% of GNI, and the implications this has for the financing of UK academic research, has been criticised by the higher education sector, especially in Scotland, with Universities Scotland saying:

[...] the scale of cuts is significantly higher than expected, at an eye watering 70% according to the latest estimates. The implications of this announcement appear to be completely at odds with the UK Government’s bold ambitions [in the UK Government R&D Roadmap] to make the UK a science superpower and increase investment in research and development and with the UK’s stated aim to recast itself as a “global Britain” in the wake of Brexit.

[...] UKRI have indicated that they will have to reprofile and reduce grants and may have to terminate some projects that are already in progress. This is previously unheard of. Doing so would abandon many communities in low and middle income countries around the world [...].

261 HMG, ‘UK Research and Development Roadmap’, accessed 20 April 2021

262 HMG, ‘UK Research and Development Roadmap’, accessed 20 April 2021

263 Q118

264 Q119

265 Q5

266 “UUK response to government’s research and innovation roadmap”, Universities UK, 1 July 2020

267 House of Commons Library, ‘Spending Review: Reducing the 0.7% aid commitment’, accessed 19 April 2021

268 “UKRI required to review Official Development Assistance funding”, UKRI, 11 March 2021

269 “UKRI required to review Official Development Assistance funding”, UKRI, 11 March 2021

It threatens to undermine the trust we and mutual respect have built up with our partners, over decades, as an essential component of overseas development. It sends a message about what the UK does and does not value, which is fundamentally at odds with the values of Scotland's universities. It poses a huge financial risk to the sector and a risk to jobs and the prospects of early career researchers. Ultimately, termination before completion is a waste of huge amounts of time, good faith and public money that will not, if cancelled, have a chance of achieving its purpose but cannot be recouped.²⁷⁰

119. The Chancellor has said that sticking rigidly to the ODA target was difficult to justify under current economic circumstances but that he intended to return to 0.7% “when the fiscal situation allows”.²⁷¹

120. **The UK Government should be praised for its UK Research and Development Roadmap, especially the commitment to reach 2.4% of GDP spend in this area, which has been extensively welcomed by academic institutions in Scotland. 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.**

UK Research and Innovation

UKRI role and governance

121. UK Research and Innovation (UKRI) is a non-departmental public body sponsored by the Department for Business, Energy & Industrial Strategy (BEIS).²⁷² Its main purpose is to “invest in and facilitate research and innovation activities across the United Kingdom, and, through Research England, directly support higher education providers in England to carry out research and knowledge exchange activities.”²⁷³ Its funding decisions are “made independently from Government” and are made “through independent evaluation by experts, based on the quality and likely impact of that research”.²⁷⁴ The Secretary of State for Business, Energy & Industrial Strategy is however “accountable to Parliament for UKRI business and retains the publicly accountable role for overarching policy”.²⁷⁵ In terms of governance:

- The **UKRI Board** is its “primary governing body”.²⁷⁶ It has general oversight of UKRI’s activities and is responsible for achieving UKRI’s strategic objective and vision. The Board is made up of UKRI’s Chair, Chief Executive and Chief Finance Officer, as well as between 9 and 12 independent members drawn from higher education, industry and commerce, policy, and charities and other non-governmental organisations.²⁷⁷ Board members are appointed by the Secretary of State for Business, Energy & Industrial Strategy.²⁷⁸

270 “Cuts to ODA funding undermines UK’s “Global Britain” agenda”, Universities Scotland, 26 March 2021

271 House of Commons Library, ‘[Spending Review: Reducing the 0.7% aid commitment](#)’, accessed 19 April 2021

272 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 6

273 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 6

274 UKRI, ‘[Our relationship with the government](#)’, accessed 20 April 2021

275 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 16

276 UKRI, ‘[UKRI Board](#)’, accessed 20 April 2021

277 UKRI, ‘[UKRI Board](#)’, accessed 20 April 2021

278 UKRI, ‘[UKRI Board](#)’, accessed 20 April 2021

- The **UKRI Executive Committee** provides “strategic advice to the board” and “acts as the day-to-day coordinating body for UKRI operations”.²⁷⁹ It provides “leadership to the organisation including across the collective activities of the individual Councils to ensure strategic and operational coordination and collaboration”.²⁸⁰ The Committee consists of “the CEO, who is to be its chair, the CFO, the executive chair of each of the Councils, and such other members as the CEO may appoint”.²⁸¹
- The **UKRI Chief Executive Officer** (CEO) has responsibilities to the Department for Business, Energy & Industrial Strategy including having regard for BEIS’s strategic aims and policies and taking into account wider public sector goals (as communicated to UKRI by BEIS, Cabinet Office or HM Treasury).²⁸² One such public sector goal could, for example, be ensuring that the voices of all UK nations are appropriately welcomed and heard.

UKRI funding for Scottish academic research

122. Iain Stewart MP, Minister for Scotland, told us that that Scottish universities were “punching way above their weight” in terms of receipt of UKRI funding.²⁸³ He went on to say that “Scotland’s approximate share of the UK is 8% in terms of population or economic GDP, but through UKRI funding Scottish universities get 13%”.²⁸⁴ However, the National Audit Office report on the UKRI Industrial Strategy Challenge Fund, from February 2021, found that “the Fund is unevenly spread across the UK with the majority being provided to the West Midlands, South East and London”.²⁸⁵ It found that only 6.5% of the funding went to Scotland, compared to 44.2%²⁸⁶ going to London and the South East of England.²⁸⁷ In relation to this the RSE Young Academy of Scotland told us that “Scotland emerges as an area which has not received the support it deserves, with historically poor success in Industrial Strategy Challenge Funds.”²⁸⁸

123. On the subject of regional disparities in UKRI funding, Iain Stewart MP said to us “I don’t think there is a problem there to be solved. I don’t think we should get into the position of allocating money purely on a geographic basis. It is the strength of the bids and the strength of the research programmes [that lead to UKRI funding allocations].”²⁸⁹

124. Other criticisms of UKRI funding brought to our attention included, from Dr Vicky Johnson, University of the Highlands, that its “money tends to go to the older universities, and not the post-1992s or the very new universities”.²⁹⁰ Also, from Professor James Conroy, University of Glasgow, that “everything is not sewn together quite as well as it

279 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 33

280 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 33

281 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 33

282 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 19

283 [Q257](#)

284 [Q257](#)

285 National Audit Office, [UK Research and Innovation’s management of the Industrial Strategy Challenge Fund](#), 5 February 2021, p 30

286 London = 17%, South East England = 27.2% (National Audit Office, [UK Research and Innovation’s management of the Industrial Strategy Challenge Fund](#), 5 February 2021, p 30)

287 National Audit Office, [UK Research and Innovation’s management of the Industrial Strategy Challenge Fund](#), 5 February 2021, p 30

288 RSE Young Academy of Scotland ([USC0006](#)) p 6

289 [Q257](#)

290 [Q9](#)

might be” as “UKRI is supposed to be bringing everything together, but it still feels like separate research councils under an umbrella organisation.”²⁹¹ Furthermore, the RSE Young Academy of Scotland told us that:

Research funding allocated by UKRI also appears biased by gender, ethnicity and age; funding success rates are systematically lower for women; in engineering and physical sciences, the gap deepens as grants get larger, with the difference in success rates even greater (over 10%) between white and black and other minority ethnic groups investigators. This is a particular threat for Scottish universities, when funding diversity and inclusivity is essential to foster innovation, growth and sustainability and attract and retain a diverse talent base.²⁹²

Scottish influence in UKRI

125. UKRI’s Framework Document says that “BEIS will regularly engage with the devolved administrations on UKRI’s priorities, including with respect to how UKRI and the devolved funding bodies can most effectively work together to support the UK’s research and innovation base”, and that this will be complemented by “several types” of direct engagement between UKRI and the devolved administrations.²⁹³ However, during the course of our inquiry witnesses have questioned whether Scotland has a prominent enough role and sufficient influence within UKRI strategy and decision-making.²⁹⁴ In the view of Royal Society of Edinburgh Fellows:

While UKRI has responsibility for research across the whole of the UK, within it sits Research England. However, the research funding councils and bodies in the devolved nations are not formally represented in UKRI decision-making structures. Therefore, careful consideration needs to be given to UKRI culture, arrangements and structures to ensure that it is able to fully take account of the needs, priorities and contributions of Scotland and the other devolved nations.²⁹⁵

126. Professor James Conroy, University of Glasgow, thought the Scottish Funding Council (SFC) was an “afterthought” in deliberations about how UK-wide funding is delivered.²⁹⁶ In his view:

We need to have much more robust engagement between SFC and the English bodies, [and] particularly [with] UKRI, to make sure the funding is level and to make sure that the various additional investments that sometimes come on the back of QR and so on also make their way into Scottish universities at the same level as in English universities.²⁹⁷

291 [Q11](#)

292 RSE Young Academy of Scotland ([USC0006](#)) p 6

293 Department for Business, Energy & Industrial Strategy, [UKRI Framework Document](#), May 2018, p 38

294 Royal Society of Edinburgh Fellows ([USC0013](#)) para 26

295 Royal Society of Edinburgh Fellows ([USC0013](#)) para 26

296 [Q12](#)

297 [Q12](#)

127. Alastair Sim, Universities Scotland, told us that Scotland's voice within UKRI was "still something that needs vigilance".²⁹⁸ He was keen to see a "strong Scottish research voice on the board of UKRI" in succession to Sir Ian Diamond from the University of Aberdeen.²⁹⁹ He went on to say:

[Integrating Research England into UKRI was not] necessarily the best thing to do. It does give a kind of instinctive closeness to a subset of UK institutions within UKRI just because there are some institutions they work more closely with than others because of the Research England embedding. We argued at the time, given the whole of the UK's interest in UKRI and given also that devolved administrations are quite major funders of research, that they should have a structurally integral role in deciding UKRI's priorities, along with the UK Government. I do not think that ever quite happened. I do not think anyone is acting with bad intent, but there is a sort of gravity of things. For instance, in the most recent project to support Covid, the research grant for that, only about 5% came to Scotland.³⁰⁰

128. Providing the perspective of the UK Government, Minister Stewart told us he did "not think there was a problem to be solved" as there was already "strong representation of Scottish interests" within UKRI.³⁰¹ Supporting this, Rebecca Hackett, Office of the Secretary of State for Scotland, said in her evidence:

[...] we work very proactively to encourage Scottish applicants to the board positions across UK Government agencies, but particularly focused on UKRI and Innovate UK, and it will be the same approach for the new ARIA agency [...]. While there is not a specific board role that is allocated for individuals in Scottish institutions, we are very proactive in sharing information on forthcoming vacancies, working closely with colleagues in [the Department for Business, Energy & Industrial Strategy] to get that information out there to Scottish stakeholders at the earliest opportunity, and working with stakeholders to connect them in if they are interested in roles.³⁰²

129. Minister Stewart also made the point that the UK Government has established, between the Department for Education and the Department for Business, Energy & Industrial Strategy, a Ministerial Taskforce looking at the sustainability of research funding.³⁰³ The Minister pointed out that Richard Lochhead MSP was a member of that Taskforce and so there was "direct [Scottish Government] input into looking at the broad future of research funding".³⁰⁴

130. The work of Scottish universities in combating covid-19 has been nothing short of remarkable. Going forward, the academic outputs of Scottish universities will not only support our economic recovery following the pandemic but also bolster the UK's standing in the world as we forge new post-Brexit international relationships. In

298 [Q27](#)

299 [Q29](#)

300 [Q27](#)

301 [Q258](#)

302 [Q259](#)

303 [Q260](#)

304 [Q260](#)

return, Scottish academic research institutions deserve appropriate recognition and influence at UK-level. *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).*

UK participation in Horizon Europe

Horizon 2020 and its funding of Scottish academic research

131. Horizon 2020 was the EU's framework programme for research and innovation. The UK was both a significant contributor to and beneficiary from Horizon 2020 with, between 2014 and 2016, the highest share of participants in signed grant agreements (12.8% of total Horizon 2020 participants)³⁰⁵ and the second highest share of programme funding distributed (at 15.2%, behind Germany on 16.7%).³⁰⁶ Professor Tim Bedford, University of Strathclyde, told us that Scotland as a whole secured €755 million over the six-year Horizon 2020 programme, which was 1.3% of the total Horizon 2020 budget, and Scotland's higher universities got 81% of that.³⁰⁷ Minster Lochhead pointed out that Scotland had benefited more from Horizon 2020 compared with the rest of the UK.³⁰⁸ He also noted that:

Universities' research excellence plays a big role in attracting Horizon funding. [...] It is extremely important, and about 68% of all research in Scottish universities comes from Europe. As much of that as we can protect as possible is really important for the sustainability of research and higher education in Scotland, so it is really important both in terms of the collaboration and the culture of that collaboration, as well as the actual hard cash that comes in through Horizon. I know the Russell Group, for instance, said that for every £1 spent on research in Scotland, over £5 is created in the economy.³⁰⁹

Participation in Horizon Europe

132. Horizon Europe is the EU's €100 billion research and innovation programme that succeeds Horizon 2020 and runs from 2021 to 2027. The programme aims to strengthen European science and technology research, boost innovation capacity, competitiveness and jobs, and deliver on citizens' priorities.³¹⁰ Many in the science and research sectors, such as Wellcome, argued that the UK should associate to Horizon Europe following

305 European Commission, [Horizon 2020 in full swing: Three years on](#) (December 2017), p 27

306 European Commission, [Horizon 2020 in full swing: Three years on](#) (December 2017), p 28

307 [Q136](#)

308 [Q178](#)

309 [Q192](#)

310 Wellcome, [Why the UK should associate to Horizon Europe](#) (November 2019), p 4

the UK's withdrawal from the EU. This was because "EU Framework Programmes are the most ambitious multilateral funding schemes in the world, and participation is increasingly global".³¹¹

133. The EU-UK Trade and Corporation Agreement, struck on 24 December 2020, confirms that—unlike Erasmus+—the UK would continue to participate in Horizon Europe following the end of the Transition Period. This decision was widely praised by the science and research sectors³¹² and those who gave evidence to us, including Royal Society of Edinburgh Fellows who welcomed the decision,³¹³ and Minister Lochhead, who said it was in "the best interests of Scotland".³¹⁴ Iain Stewart MP, Minister for Scotland, told us that:

Horizon is an incredibly important scheme. [The UK Government] often get accused of taking a dogmatic approach, that if something has its origins in the EU, then it is intrinsically bad. That is absolutely not what we have done. We have taken a very pragmatic look. Projects like Horizon, which [...] deliver enormous benefits, we actively wanted to remain part of. That is what we have done in the [EU-UK Trade and Corporation] Agreement.³¹⁵

UK influence in, and investment from, Horizon Europe

134. It is currently unclear how much influence the UK will have over Horizon Europe. The Declarations agreed between the UK and EU as part of the EU-UK Trade and Cooperation Agreement state that the UK "shall participate as an associated country in all parts of the Horizon Europe programme", and that UK "entities may participate in direct actions of the Joint Research Centre"³¹⁶ (the EU Commission's science and knowledge service), but "without voting rights".³¹⁷ In addition, the EU Commission's guidance note on UK participation in Horizon Europe states that the EU is able to exclude the UK from elements of Horizon Europe:

In duly justified exceptional cases for actions related to Union strategic assets, interests, autonomy or security, Horizon Europe work programmes may provide that the participation can be limited to those legal entities established in Member States only, or, to those legal entities established in specified associated or other third countries in addition to Member States. Moreover, for duly justified and exceptional reasons, in order to guarantee the protection of the strategic interests of the Union and its Member States, the work programme may also exclude the participation of legal entities established in the Union or in associated countries directly or indirectly controlled by non-associated third countries or by legal entities of nonassociated third countries from individual calls, or make their participation subject to conditions set out in the work programme.³¹⁸

311 Wellcome, [Why the UK should associate to Horizon Europe](#) (November 2019), p 1

312 European University Association, '[European University Association and Universities UK International's common statement on the EU-UK agreement](#)', accessed 25 January 2021

313 Royal Society of Edinburgh Fellows ([USC0013](#)) para 16

314 [Q177](#)

315 [Q269](#)

316 HM Government, [EU-UK Declarations](#) (24 December 2020), p 18

317 HM Government, [EU-UK Declarations](#) (24 December 2020), p 18

318 European Commission, [Q&A on the UK's participation in Horizon Europe](#) (25 February 2021), p 3

135. The US has previously had concerns over potential involvement in Horizon Europe. Constance Arvis, Director for Science and Technology Cooperation, US State Department, said in February 2020 that association in Horizon Europe would allow the European Commission to exclude associated countries from elements of the programme and “while this may sound like the right of a funder to determine how money is spent, when a country associates, it becomes a funder. Therefore, this could mean reduced access and/or influence over monies that an associated country has provided to the collaboration.”³¹⁹

136. When we asked Minister Lochhead how much of a risk there was that the UK, and therefore Scotland, will lose influence over Horizon and benefit from its contributions going forward, he told us that was “a real concern that has been expressed by the sector”, especially as projects based in the EU may look like a “more attractive destination” for Horizon collaborations.³²⁰ Not only might the UK now look like a less attractive place for Horizon collaboration, but Royal Society of Edinburgh Fellows made the point to us that UK applications for Horizon funding had decreased in recent years:

While Scotland has traditionally done very well at securing competitive research funding from the EU, analysis has shown that the UK’s annual share of EU research funding has fallen by half a billion Euros since 2015 and there has been a 40% drop in UK applications to Horizon Europe. Substantial work will be needed to encourage UK researchers to take up the opportunities that association to Horizon Europe provides.³²¹

137. Minister Stewart did not think the UK or Scotland would be disadvantaged as an associate member of Horizon Europe.³²² Expanding on this further, Rebecca Hackett, Office of the Secretary of State for Scotland, informed us that:

[...] there are certain rules on what associate members can do in comparison to full members in terms of leading consortia. It comes back to [...] the strength of the UK’s offer in terms of research and innovation and that ability to bring in international partners, which is something that has really been recognised. If you look at Israel as an example of a country that has huge strengths, as an associate member it has been able to play a very full role, similarly for Switzerland, Norway and others. We are very confident that the UK and the institutions across the UK will be able to play a very full part in the programme and benefit enormously. Having had that membership of the programme and the track record of participating, we should be in a very good place to do that.³²³

138. The Horizon programme has been, and will continue to be, vital to Scottish academic research. It aids Scotland’s universities in their quest to tackle the biggest global challenges. We praise the UK Government for ensuring the UK’s continued participation; it is an investment worth making. Concerns have however been raised about the UK’s status as a non-EU member. *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*

319 [“US demands better terms for taking part in Horizon Europe”](#), University World News, 15 February 2020

320 [Q194](#)

321 Royal Society of Edinburgh Fellows ([USC0013](#)) para 16

322 [Q270](#)

323 [Q270](#)

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.

The internationalisation agenda of Scottish universities and international research collaborations

139. Professor Nigel Seaton, Abertay University, told us that higher education is “fundamentally international”.³²⁴ Universities Scotland have also stated that “internationalisation is top of the agenda for Scottish universities”³²⁵ and, in July 2020, they published a report on the importance of internationalisation for Scottish universities.³²⁶ The RSE Young Academy of Scotland point out that one of the key reasons behind Scotland’s internationalisation agenda is that “with a population growth rate below 1%, and large poorly populated areas, Scotland’s industries rely upon an influx of non-Scottish born people across all sectors”.³²⁷ They go on to say that “recruitment and retention of an innovative, multi-cultural workforce is essential for research, development, up-skilling and competitiveness of local communities”.³²⁸ Outlining the importance of international recruitment, Universities Scotland highlight that “staff from outside the UK make up 22.3% of the workforce in Scotland’s universities, which is higher than in universities across the rest of the UK”.³²⁹

140. Scottish academic research also has great success internationally. The RSE Young Academy of Scotland told us that Scotland’s researchers publish extensively outside Scotland (89% Scotland vs UK 72%) through “high impact collaborations”.³³⁰ Professor Chris Pearce, University of Glasgow, also noted that:

[...] with less than 0.1% of the global population, Scotland has 2% of the world’s most highly cited research outputs and 1% of the world’s most highly cited authors. Relative to the size of our population, this is better than the rest of the UK and better than high-performing countries such as Germany and the Netherlands. This pattern is also seen in the number of papers that we publish with international co-authors, demonstrating that Scotland has an internationally connected and collaborative research community.³³¹

141. Rachel Sandison, University of Glasgow, told us that Scottish international research is a powerful tool for international collaboration and connections, with 57% of publications currently involving international collaboration, so “ensuring that the framework exists to allow that success to continue is going to be absolutely mission critical”.³³² The Scottish Government website lists some of Scotland’s major current international research collaborations.³³³

324 [Q137](#)

325 Universities Scotland, ‘[Internationalisation is top of the agenda for Scottish universities](#)’, accessed 26 April 2021

326 Universities Scotland, [Internationally Scottish - Creating global communities](#) (July 2020)

327 RSE Young Academy of Scotland ([USC0006](#)) p 2

328 RSE Young Academy of Scotland ([USC0006](#)) p 3

329 Universities Scotland, [Internationally Scottish - Creating global communities](#) (July 2020), p 10

330 RSE Young Academy of Scotland ([USC0006](#)) p 3

331 [Q94](#)

332 [Q175](#)

333 Scottish Government, ‘[Science and research: University research](#)’, accessed 26 April 2021

UK immigration policy: international research collaboration

142. On UK immigration and visa policies, and the implications these have on academic research in Scotland, Minister Lochhead told us that the Scottish Government was working with the UK Government to make it easier for international researchers to come to Scotland, in particular to look at extending the validity of some visas beyond the current 90-day limit.³³⁴

143. Minister Lochhead also said that—following Brexit—Scottish researchers and academics are “worried” about “the hostile immigration policy and what that means in terms of Scotland being seen as an open and welcoming country”.³³⁵ Professor James Conroy, University of Glasgow, made the point that UK immigration policies need to be competitive with other English-speaking countries, such as the US and Australia.³³⁶

144. In terms of ensuring that the UK remains an attractive place to work in for international academics, Iain Stewart MP, Minister for Scotland, highlighted to us that the Government is working on an International Education Strategy, headed up by Sir Steve Smith, “that is looking at the whole piece of making the UK academically a hugely attractive place to come and work and study” (and is due to conclude in the summer of 2021).³³⁷

145. A UK immigration policy raised—and praised—by many witnesses to this inquiry was the **Post-study work visa** (detailed further in paragraph 78).³³⁸ Witnesses were also complimentary of the UK’s **Global Talent visa**, and its ability to facilitate inward mobility of world-leading research talent. Wellcome have said the Global Talent visa “is an excellent first step towards ensuring that administrative barriers facing researchers coming to the UK are as low as possible”.³³⁹ They have however criticized its cost, noting that “the UK is one of the most expensive countries in the world for immigration charges”.³⁴⁰ Both Minister Lochhead³⁴¹ and Wellcome have highlighted that there is:

[...] an upfront cost of more than £13,000 for a family of four on a five-year Global Talent visa. In contrast, the French Talent visa is approximately £1,000 for the same family.³⁴²

146. Wellcome go on to say that “for the Global Talent visa to be a globally competitive offer for researchers, and particularly for those early on in their careers, this must be revisited as a priority”.³⁴³ They also point out that:

UK [visa] charges are more than five times higher than the average for leading science nations. If the Government is serious about attracting research talent to the UK it should substantially reduce these charges so

334 [Q210](#)

335 [Q178](#)

336 [Q25](#)

337 [Q252](#)

338 For example: [Q24](#) & [Q25](#)

339 Wellcome, [The UK’s role in global research: How the UK can live up to its place in the world](#) (October 2020), p 6

340 Wellcome, [Priorities for the 2020 Spending Review](#) (September 2020), p 5

341 [Q178](#)

342 Wellcome, [The UK’s role in global research: How the UK can live up to its place in the world](#) (October 2020), p 6

343 Wellcome, [The UK’s role in global research: How the UK can live up to its place in the world](#) (October 2020), p 6

that they are in line with other competitor countries, and account for any effective cross-subsidy of [the Department of Health and Social Care] to effectively reduce or remove the Immigration Health Surcharge as needed.³⁴⁴

147. **Scottish universities are inherently international institutions; international collaborations play a big part in their successes. In addition, Scottish universities act as much-valued international hubs in their local communities, bringing important cultural benefits. Scottish universities' internationalisation agenda should therefore be supported. The UK Government has a major role to play in this in terms of how it develops its foreign and immigration policies. The UK Government should be praised for introducing the post-study work visa, which plays a key role in attracting, and then retaining, the brightest and best students from overseas. The Global Talent visa is also very welcome, but its cost should be addressed. Wellcome has highlighted that, for an international academic with a spouse and children to move to the UK, it would cost around £13,000 for visas (and associated costs) to work in the UK under a five-year Global Talent visa, compared to around £1,000 in France. *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.***

Role of EU nationals in Scottish academic research

148. As our predecessor Committee noted in its Report on *Immigration and Scotland*, in 2018, EU citizens make up around 17% of academic staff and 25% of research staff at Scottish universities.³⁴⁵ During our inquiry witnesses spoke to us about how “vulnerable” this makes the research sector in Scotland following the UK’s withdrawal from the EU.³⁴⁶ Professor Tim Bedford, University of Strathclyde, noted that:

If you look at the proportion of people who are working in high-value, knowledge-based functions in our industries, a large proportion of those people have come into the country from Europe in particular. They have come through doing courses, potentially going on to PhDs, then staying in the country, adding talent and creating wealth for the nation. There is a real risk that, if we do not manage this transition very carefully, there will be a break and the flow outwards of talent to other international centres will continue. If we block off the stream of talent that is coming in, there is a danger of a brain drain over the next 10 years, which would have potentially disastrous consequences.³⁴⁷

344 Wellcome, [Priorities for the 2020 Spending Review](#) (September 2020), p 5

345 Scottish Affairs Committee, Fourth Report of Session 2017–19, [Immigration and Scotland](#), HC 488, para 15

346 For example: [Q94](#)

347 [Q139](#)

149. Professor Katherine Smith, University of Strathclyde, told us that—despite the fact that most EU nationals are allowed to continue working in the UK—she was “really clear from conversations with colleagues working in Scotland, who were born in other European countries, that they are concerned and are feeling less welcome” following Brexit and that “almost all of them have started to explore whether they could move elsewhere in Europe”.³⁴⁸ We heard a similar picture from Professor Rebecca Lunn, who informed us that “a number of eastern European academics, who are very talented, have decided to go back, and a number of people have pulled out of interviews”.³⁴⁹ Karen Watt, Scottish Funding Council, welcomed the UK’s post-study work visa—and thought it would be an important part of the UK’s package that EU nationals will access post-Brexit—but also commented that the general environment and welcome that EU nationals receive post-Brexit matters.³⁵⁰

150. Iain Stewart MP, Minister for Scotland, told us that what underpins the UK Government’s “strategy is to maintain good links with Europe, with our partners and friends, trading partners and academic links”—he “absolutely” wanted that to continue.³⁵¹ That said, he also noted that:

Whether it is the Turing scheme or some of the other research and development that we want to see, I am absolutely convinced that Scotland’s best interest is as part of that global British ambition and not just limited to the borders of Europe.³⁵²

151. **Academic institutions in Scotland depend on partnerships and connections with institutions across the EU. That includes academics who come from the EU to work in Scotland, who often specialise in highly technical areas which can be difficult to recruit from elsewhere. Whilst immigration policies are key, it’s also important to create a hospitable environment where academics feel welcome. We have heard during our inquiry that academics from the EU working in Scotland have been returning to the EU, and that job applications from EU academics are being withdrawn. We have been told that this is not because they are not allowed to stay or come to Scotland, it is because they do not feel welcome following Brexit. *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.***

348 [Q105](#)

349 [Q105](#)

350 [Q81](#)

351 [Q266](#)

352 [Q266](#)

Formal minutes

Wednesday 19 May 2021

Virtual meeting

Members present:

Pete Wishart, in the Chair

Mhairi Black	Jon Cruddas
Andrew Bowie	Sally-Ann Hart
Deidre Brock	John Lamont
Wendy Chamberlain	Douglas Ross
Alberto Costa	

Draft Report (*Universities and Scotland*), proposed by the Chair, brought up and read.

Ordered, That the Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 105 read and agreed to.

Paragraph 106 read.

Amendment proposed, to remove: ***“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).”***

and insert: ***“The EU Commission has confirmed that Scotland cannot remain in Erasmus+ but the Scottish Government has indicated a desire to remain in the Erasmus+ programme. The Turing Scheme should be allowed the opportunity to work. However, should the Scottish Government decide to rejoin Erasmus+ and be willing to cover the associated costs, the EU should work with the UK and Scottish Governments to achieve this.”—(John Lamont.)***

Question put, That the amendment be made.

The Committee divided.

Ayes, 4	Noes, 5
Alberto Costa	Mhairi Black
Sally-Ann Hart	Deidre Brock
John Lamont	Wendy Chamberlain
Douglas Ross	Jon Cruddas
	Pete Wishart (Chair’s casting vote)

Question negatived.

Paragraphs 106 to 151 read and agreed to.

Resolved, That the Report be the First Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Thursday 20 May at 1.20pm.]

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Thursday 8 October 2020

Dr Vicky Johnson, Director of the Centre for Remote and Rural Communities (CRRC), University of the Highlands and Islands; **Alastair Sim**, Director, Universities Scotland; **Professor James Conroy**, Dean for Global Engagement (Europe) and Vice Principal Emeritus, University of Glasgow

[Q1–29](#)

Wednesday 21 October 2020

Mary Senior, Scotland Official, University and College Union Scotland; **Matt Crilly**, President, NUS Scotland

[Q30–58](#)

Wednesday 11 November 2020

Karen Watt, Chief Executive, Scottish Funding Council; **Dr Stuart Fancey**, Director of Research and Innovation, Scottish Funding Council

[Q59–93](#)

Wednesday 25 November 2020

Professor Katherine Smith, Professor of Public Health Policy, University of Strathclyde; **Professor Chris Pearce**, Vice Principal for Research, Dean of Research and Deputy Head of the College of Science & Engineering, University of Glasgow; **Professor Rebecca Lunn MBE**, Head of the Centre for Ground Engineering and Energy Geosciences, University of Strathclyde

[Q94–133](#)

Wednesday 9 December 2020

Rachel Sandison, Vice Principal, External Relations, University of Glasgow, Member of the International Committee, Universities Scotland; **Professor Tim Bedford**, Associate Principal (Research & Knowledge Exchange), University of Strathclyde, Member of the Research and Knowledge Exchange Committee, Universities Scotland; **Professor Nigel Seaton**, Principal and Vice-Chancellor, Abertay University, Executive Member, MillionPlus, The Association for Modern Universities

[Q134–176](#)

Thursday 28 January 2021

Richard Lochhead MSP, Minister for Further Education, Higher Education, and Science, Scottish Government; **Roddy Macdonald**, Head of Higher Education and Science, Scottish Government; **Lauren McNamara**, Director of Strategy and Operations, Student Awards Agency Scotland

[Q177–237](#)

Thursday 25 February 2021

Iain Stewart MP, Parliamentary Under Secretary of State (Minister for Scotland), Office of the Secretary of State for Scotland; **Rebecca Hackett**, Deputy Director, Policy Delivery and Relationship Management, Office of the Secretary of State for Scotland

[Q238–293](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

USC numbers are generated by the evidence processing system and so may not be complete.

- 1 Audit Scotland ([USC0002](#))
- 2 Heriot-Watt University ([USC0009](#))
- 3 MRC Human Genetics Unit, University of Edinburgh; and MRC Protein Phosphorylation and Ubiquitylation Unit, University of Dundee ([USC0001](#))
- 4 MillionPlus, The Association for Modern Universities ([USC0007](#))
- 5 National Union of Students Scotland ([USC0008](#))
- 6 RSE Young Academy of Scotland ([USC0006](#))
- 7 Robert Gordon University ([USC0012](#))
- 8 Scotland Office ([USC0011](#))
- 9 The Open University in Scotland ([USC0005](#))
- 10 The Royal Society of Edinburgh ([USC0013](#))
- 11 University of Edinburgh ([USC0004](#))
- 12 University of Glasgow ([USC0003](#))
- 13 University of Strathclyde ([USC0010](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website.

Session 2019–21

Number	Title	Reference
1st	Coronavirus and Scotland: Interim Report on Intergovernmental Working	HC 314
2nd	Coronavirus and Scotland	HC 895
1st Special Report	Problem drug use in Scotland: Government Response to the Committee's First Report of Session 2019	HC 698
2nd Special Report	Coronavirus and Scotland: Government Response to the Committee's First and Second Reports	HC 1118