

Putting universities at the heart of the Industrial Strategy

1. Summary

- Russell Group universities are major contributors to the UK economy, generating positive effects right across the country – they are hubs for investment and jobs in their regions, delivering frontier research, high-level skills and cutting-edge innovation, as well as substantial social and cultural benefits.
- The strength and success of our world-leading higher education, science and research base are key drivers of growth and productivity for the UK, and universities should be integral to the formulation of the new Industrial Strategy.
- In addition to securing the best possible outcome for universities in the upcoming negotiations on our future relationship with the EU, domestic policy should be enhanced to maintain and develop the UK's world-leading position in the global knowledge economy.
- The Government can help us maximise our potential to contribute to an effective Industrial Strategy by:
 - Investing for future growth by strengthening commitments to excellent research, producing a roadmap to increase public and private sector investment in R&D in the UK to 3% of GDP
 - Ensuring high cost subjects such as STEM and medicine are properly resourced to underpin the pipeline for future jobs essential for the economy and society
 - Leveraging our strengths in science and research by backing university-business collaboration and innovation – boosting HEIF and proof of concept funding, creating a new fund to back university and industry consortia approaches and using the tax system as a stimulus for investment
 - Using smart regulation to deliver productivity and ensure universities can continue to attract and retain the best talent: enhance postgraduate research training with funds from the apprenticeship levy, keep approaches to IP flexible for universities to make the best deals, and commit to policies that will enable us to secure the best EU and international talent for the future.

2. Context

- 2.1 The purpose of The Russell Group is to provide strategic direction, policy development and communications for 24 major research-intensive universities in the UK; we aim to ensure that policy development in a wide range of issues relating to higher education is underpinned by a robust evidence base and a commitment to civic responsibility, improving life chances, raising aspirations and contributing to economic prosperity and innovation. We welcome the opportunity to set out our views on the forthcoming Industrial Strategy.
- 2.2 As the Government negotiates its future relationship with the EU and articulates a new place in the world for the UK, the focus should be on areas where the UK is highly internationally competitive to ensure future success.

- 2.3 The UK has 18 universities in the top 100¹, we rank first in the world for the quality of our research and our research base is highly productive with a global reputation for excellence². With our international strength and demonstrable success in delivering impact, **universities should be integral to the formulation of the new Industrial Strategy** – in their own right and as high value assets for the UK underpinning every other sector.
- 2.4 Investing in research, innovation and higher education through our universities offers a valuable opportunity for the Government to build a more resilient economy and to create highly skilled jobs in all parts of the UK:
- (a) Through **research and development** universities link the UK into global knowledge networks, produce innovative new ideas and knowledge, attract investment and generate scientific and technological breakthroughs essential to tackling key challenges in health, industry, society and the environment
 - (b) The **innovation activities** of our universities generate vital incremental improvements, and radically new ideas, enhancing productivity and intellectual property which can be exploited to develop new products and services; our universities are world leaders in collaborating with business and contribute to productivity growth in the private sector
 - (c) The **top-quality education and training** provided by our universities delivers a pipeline of highly-skilled graduates and can also be transformative in re-skilling and up-skilling people who are already in work but choose to return to higher education as a mature or part-time student, helping to drive social mobility
 - (d) The **strong base of talent** and expertise from all over the world at research-intensive universities is fundamental in underpinning excellence in research, innovation and education that helps to drive economic growth. Higher education is a major export industry, generating well over £10 billion for the UK economy each year.
- 2.5 There is a real risk that leaving the EU could damage the UK's international standing in terms of science and research, which would have knock-on consequences for the UK economy. However, the Government has the opportunity to ensure it secures a good deal for science in the upcoming negotiations on our future relationship with the EU. We welcome the commitments that have already been made in relation to Horizon 2020 research and structural fund projects. Above all, the key priorities for the Government in the upcoming negotiations with the EU should be to:
- (a) Ensure UK universities can continue to attract, recruit and retain talented staff and students from across the EU and more widely without overly burdensome visa requirements.
 - (b) Ensure the UK can continue to have full access to, and influence over, Horizon 2020 and future EU research and innovation programmes and infrastructures.

¹ QS World University Rankings, 2016-17

² Amongst its comparator countries, the UK has overtaken the US to rank 1st by field-weighted citation impact (an indicator of research quality). With less than 1% of the world's population and just 4% of the world's researchers, the UK earns 12% of international citations and 16% of the most cited papers (of which nearly three-quarters are produced by Russell Group researchers): International Comparative Performance of the UK Research Base – 2013, Elsevier

3. Universities as drivers of growth and investment in the regions

- 3.1 Our universities are anchors for growth in their regions and are major contributors to the UK economy, with the effects being felt right across the country.
- UK universities support more than 750,000 jobs (2.7% of all UK employment) and generate an economic output in excess of **£73 billion a year** – we estimate Russell Group universities account for around 300,000 of these jobs and at least £32 billion of the economic output³
 - UK universities are a major export industry, generating overseas earnings of over **£10 billion per annum** (around £4 billion from the Russell Group alone)⁴
 - Between 2012/13 to 2016/17 Russell Group universities are investing **£9 billion** of their own resources in major capital projects, which are expected to deliver gross value added of **£44.3 billion for the UK economy** and support more than **98,500 UK jobs**.⁵
- 3.2 Russell Group universities are found in all four nations and in every major city of the UK. They should be considered as strategic assets for the UK around which advances in research and future business growth can be catalysed leading to the creation of jobs, improved productivity and enhanced prosperity.
- 3.3 The value of a university to its local region should not be underestimated. For example, a recent report demonstrated the economic activity of the ‘N8’ universities is worth £12.2 billion to the northern economy per year. These universities deliver 119,000 jobs and contribute a larger share of the North of England Region Gross Value Added (GVA) than the entire northern media industry, agriculture, electronics or motor vehicle manufacturing sectors.⁶
- 3.4 Similar evidence shows that, for example:
- The **University of Warwick** generated an estimated: £783.6 million GVA and supported 14,390 jobs in the Coventry and Warwickshire LEP area; £1.0 billion GVA and supported 17,930 jobs in the West Midlands; £1.9 billion GVA and supported 24,000 jobs in the UK.⁷
 - The **University of Southampton** supported economic activity in: Southampton of more than £729 million GVA and 11,700 jobs; the regional area of more than £1.0 billion GVA and over 16,300 jobs; and the UK of more than £2.0 billion GVA and over 26,500 jobs.⁸
 - The **University of Nottingham** generates: £677 million total economic impact in Nottingham each year and supports 14,000 jobs; £781 million across the East Midlands, supporting 16,000 jobs regionally; £1.1 billion across the UK, supporting 18,000 jobs.⁹

³ Russell Group analysis of *The impact of universities on the UK economy* (Universities UK, April 2014)

⁴ Russell Group analysis of *The impact of universities on the UK economy* (Universities UK, April 2014)

⁵ *Economic Impact of the Capital Investment Plans of the Russell Group Universities* – report produced by BiGGAR Economics for the Russell Group (March 2014)

⁶ N8 Research Partnership, *The Power of 8: Knowledge, Innovation and Growth for the North* (September 2016). The N8 includes seven Russell Group universities: Durham, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York, as well as Lancaster University

⁷ *Economic Impact of the University of Warwick* – report by BiGGAR Economics (February 2016)

⁸ *Economic Impact of the University of Southampton* – report by BiGGAR Economics (January 2015)

⁹ *The Economic Impact of Britain’s Global University* – report by Oxford Economics (October 2015)

- 3.5 Russell Group universities play a key role in their local communities and take their civic responsibilities extremely seriously. Our universities are drivers of ‘place’-based innovation, working with LEPs, City Regions, local authorities and others to provide local leadership and help to develop local innovative capacity and promote the creation of highly-skilled jobs.¹⁰
- 3.6 Our universities are often among the largest employers in their regions: on average each of our universities employ 6,900 staff and turn over £659 million a year.¹¹
- 3.7 Equally, our universities deliver impact well beyond their local economies and regions. Through our collaborations with industry, charities, public bodies and other universities, we create positive economic and social benefits in all parts of the country.
- 3.8 Through RPIF for example, Russell Group universities are helping to leverage investment from business and others to multiply initial public investment. In many cases this has enabled sharing of facilities and equipment with each other, with other universities and with industry to enhance access, reduce duplication and maximise return on investment.
- 3.9 The links our universities create spread far and wide in the UK, rather than being confined to one area. For example, the University of Leeds is renowned for its work for the North Sea oil and gas industry; the University of Birmingham’s High Temperature Research Centre is a joint partnership with Derby-based Rolls Royce, and the University of Liverpool is working with Kent Police to provide solutions to criminal justice and terror incidents.

4. Universities as centres of excellent research and development

- 4.1 The UK’s universities have a strong track record in increasing cost-effectiveness and our research base is already highly productive compared to our international competitors, for example:
- The UK produces more research outputs per researcher or per unit of R&D expenditure than China, Japan, the US or Germany.¹²
 - In 2016, an international comparison of national HE systems found that the UK’s HE sector ranks second out of 50 countries for output but 12th for resource inputs.¹³
 - **The UK punches above its weight in many key sectors in terms of our research output, including the life sciences (from agri-science to regenerative medicine), advanced materials and satellites. The Industrial Strategy should build on these and other key areas of success – leveraging and strengthening our scientific leadership to boost the economy.**

¹⁰ For example, a number of Russell Group universities are actively engaging in setting strategy for LEPs in their regions and participate on LEP boards. The West of England LEP has asked the University of Bristol to develop its Knowledge Exchange strategy, coordinating across the four HEIs in the LEP region. Our universities have also often been instrumental in securing investment for the knowledge economy where City Deals have taken place including in Birmingham where the University of Birmingham and Birmingham Children’s Hospital have secured matched government funding, as part of the Birmingham City Deal, to build the £24 million Institute of Translational Medicine.

¹¹ HESA staff and finance data, 2014/15

¹² Research outputs include articles, citations, downloads and patent citations. International Comparative Performance of the UK Research Base – 2013, Elsevier

¹³ Universitas21 Ranking of National HE Systems, 2016

- 4.2 Public investment in R&D, including research conducted by universities, is strongly correlated with private industrial productivity growth, delivering an average return of 20% after only three years.¹⁴ Support for basic research in particular has been shown to deliver greater market sector productivity impact than other types of spending as well as generating a high rate of return on investment.¹⁵
- 4.3 Public funding for research is also most effective when distributed on the basis of true international excellence, with a clear recognition of the importance of critical mass.¹⁶ For example, every additional £1 of UK public investment in R&D Russell Group universities leverages almost three times as much private funding as other universities in the UK.¹⁷
- 4.4 Our analysis of a sample of Russell Group REF impact case studies found that our universities created direct and indirect benefits of at least £21 billion from an initial investment of £199 million – 100 times the initial investment.¹⁸ Research at our universities also has an impressive impact on the health and quality of life of the UK, stimulates public engagement and contributes to our rich cultural life and heritage.
- 4.5 Whilst the UK maintains a world-leading position in research excellence, public investment in our research base and universities is far lower than our international competitors, making it increasingly difficult for the UK's leading universities to compete with better-resourced institutions internationally. We cannot afford to be complacent as countries such as China are reaping the benefits of increased investment in science and research, growing their share of global research production from 5.6% in 2003 to 14% in 2012, with citation impact (long below world average) also improving rapidly.
- 4.6 The UK currently spends less on science than most of its main competitors: in 2014, the UK spent 1.70% of GDP on R&D, compared to 2.05% in China, 2.26% in France, 2.74% in the US and 2.90% in Germany, with the average in the OECD at 2.38%.¹⁹
- 4.7 Over time, the UK's research intensity is declining, whilst key competitors increase investment, as shown in graph 1:

¹⁴ UKIRC, *The Economic Significance of the UK Science Base* (2014)

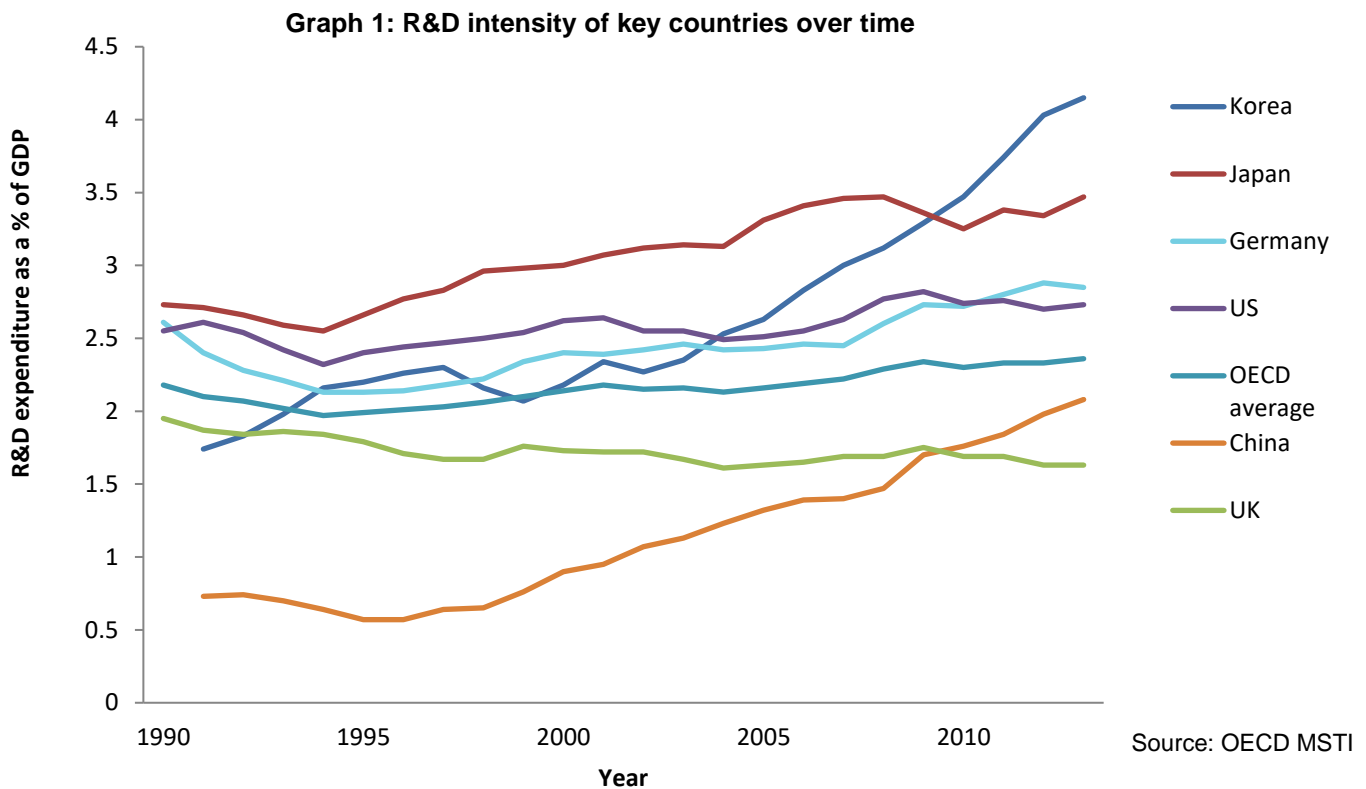
¹⁵ Haskel and Wallis, 'Public support for innovation, intangible investment and productivity growth in the UK market sector' (2010)

¹⁶ Research shows that concentrating public research funding into research excellence is correlated with rising external sources of income through contract and collaborative research with business. This means that investing in universities with a critical mass of research excellence maximises the impact of public funding as such universities are best able to leverage further funding from private sources. UKIRC: 'The Economic Significance of the UK Science Base' (2014)

¹⁷ *What is the relationship between public and private investment in science, research and innovation?*, Economic Insight report for BIS (July 2015)

¹⁸ See our report *Engines of Growth: the impact of research at Russell Group universities* (November 2015).

¹⁹ OECD MSTI database. Figure for the US is from 2013, as 2014 data is not yet available



To support excellent research and development:

- The Government should strengthen the pipeline for jobs and growth by continuing to ring-fence the science budget and producing a long-term 'roadmap' for **increasing public and private sector R&D investment in the UK to 3% of GDP**. This investment is necessary to enable us not just to hang on to but also to grow our competitive advantage internationally – which should be our aim as a nation.
- World-class infrastructure is needed to facilitate the very best environment for research and teaching. We welcome the Government's commitment to increase research capital investment in real-terms, including through RPIF, but **a clear commitment is also needed to support the on-going resource costs associated with operating, maintaining and upgrading world-class capital facilities.**
- **A portion of funding from the new Apprenticeship Levy should be used to invest in additional postgraduate researchers, their training and career development.** While the government is committed to boosting apprenticeships in the rest of the economy, the future talent universities need are typically postgraduate researchers. The most efficient and effective way of targeting investment would be to use the tools and channels the Government already has at its disposal via the Research and Funding Councils – for example by providing extra funding for high quality doctoral training centres and RDP supervision for universities to win competitively or as part of their block grant. The Apprenticeship Levy should also be used to boost support for the development of new degree apprenticeships, as this funding is currently inadequate.
- Russell Group universities work collaboratively with a wide range of charities. However, charities routinely do not fund the full costs of research. The Charities Research Support Fund provided by HEFCE is an important source of funding to support the other costs

incurred by this work and should be increased to **ensure universities can maximise opportunities to engage with research charities**, which are often the lead funders for key areas of health, environmental and social research.

5. Universities as hubs for innovation

5.1 World-class universities are a crucial part of a nation's knowledge base and boost the country's ability to identify, transform and apply valuable external knowledge for commercial gain. Through creating the knowledge and scientific breakthroughs essential to innovation, universities underpin long-term economic growth and economic wellbeing. Russell Group universities are highly effective and successful in the commercial exploitation of their research. Over the past decade, they have attracted almost £8 billion in contract research income alone from business – representing over 70% of all contract research income to UK universities.²⁰

5.2 Russell Group universities work in partnership with a whole range of companies, from large multinationals to local SMEs and public sector organisations such as the NHS and other Agencies. Increasingly, businesses and universities are developing new concepts through cooperation and open innovation frameworks and our universities are world leaders in collaborating with business. Indeed, reports from the World Economic Forum consistently rank the UK amongst the best countries in the world for business-university collaboration.²¹ This view is supported by global businesses such as Procter & Gamble, which have stated:

“It's easier to work with a university in the UK than it is in the States... they are more competitive... more aggressive and... more forward thinking.”²²

5.3 Our universities attract external income of £2.3 billion annually from business through a combination of contract and collaborative research, the provision of consultancy and CPD, use of facilities and equipment, and IP income through licensing and spin-out of new companies – up by over 60% over the last six years.²³

- HEFCE research shows that UK universities produce a similar number of spin-off companies to those in the US per million pounds of research funding, and both produce substantially more than Japanese universities. UK universities also attract a higher share of their research income from industrial sources than those in the US (7.2% in the UK compared to 6.5% in the US).
- European Commission data shows the UK also performs better than Switzerland, Germany and France on the number of licence agreements it produces per 1,000 research staff – with 16.3 licence agreements per 1,000 staff versus 12.1, 5.0 and 4.3 respectively.²⁴
- Spin-outs, start-ups and social enterprises formed by Russell Group universities and their academics/graduates employed nearly 16,000 full time equivalent staff (FTE) in 2014-15.

²⁰ HESA HEBCI data

²¹ World Economic Forum, *The Global Competitiveness Report: 2013–2014* (2013)

²² Jeff Weedman, Former Vice President of Global Business Development, Procter & Gamble

²³ HESA HEBCI data

²⁴ European Commission, *Metrics for Knowledge Transfer from Public Research Organisations in Europe* (2009)

To drive innovation and boost productivity:

- There remain significant gaps in the UK's funding pipeline to take a research idea through to a final product or service. One of the biggest challenges when taking research ideas through to commercialisation is demonstrating proof of concept and proof of market potential. **Creating a proof of concept fund, available across the research spectrum, would address this funding gap and drive innovation.**
- Current uncertainties in liability for VAT on new research facilities and the supply of research services create unnecessary barriers to collaborations between businesses and universities. **A targeted VAT exemption, or at the least a reduced VAT rate, for new business-university capital investments should be introduced to remove this disincentive to collaboration between universities and businesses.** One of the barriers to doing this in the past was because VAT rules are set by the EU – the UK's exit from the EU could now present an opportunity to improve the tax system for collaborative Research, Development and Innovation in the UK.
- The Higher Education Innovation Funding (HEIF) is extremely effective at developing knowledge-based interactions between universities and businesses and should be maintained for the long-term. **Increasing HEIF funding to £250 million per year** would help build on the existing innovation capacity within the UK's leading universities and **lifting the caps on the amounts of funding available to individual universities** would help realise even greater economic benefit to the UK by targeting resources where they can deliver the most impact.
- Despite recent improvements to the R&D Tax Credit schemes, the qualifying expenditure criteria for research are still complex and restrictive, potentially discouraging business from investing in what will always be seen as a risky activity. **Ensuring all research that business conducts with universities is automatically eligible for the Research and Development Expenditure Credit (RDEC)** would address this issue and drive further private investment in R&D.
- University Challenge Funds were instrumental in promoting collaboration across institutions, attracting private sector investment in university companies, and developing seed funds in universities. Additional tax incentives, building on the past strengths of the University Challenge Fund, would be beneficial to address the gaps in the funding pipeline and take research from conception to commercialisation.
- Russell Group universities are leaders in establishing long-term multi-dimensional relationships with businesses. However, more could be done to support existing efforts to scale up business-university collaborations and drive the development of new products and technologies to commercialisation. **The introduction of a new funding competition could facilitate the establishment of consortia between universities, industry and other local/regional/national bodies.** They could be framed to back projects from end to end: providing funds for research, development and testing etc., right through to implementation with appropriate training for individuals – all in one place. These awards could be allocated on a competitive basis and could be used to leverage matched funding from business and other sources as appropriate.
- Russell Group universities excel in producing innovative new spin-out companies and licensing their IP and Technology Transfer Offices have been integral to these successes. The successful exploitation of IP is complex and **it is vital universities should maintain autonomy to manage their own IP.** Being able to vary approaches to IP and commercialisation depending on individual circumstances (e.g. on the nature of

the research and company to be spun-out or technology to be licensed) and the market value provides the UK with a major competitive advantage. Russell Group universities have led the way in pioneering innovative new models for IP management, including Easy Access IP.²⁵ **A single, one-size-fits-all approach to technology transfer would not be fit for purpose and introducing any new regulation in this area would be counterproductive.**

6. Universities as educators, delivering a pipeline of highly-skilled graduates

- 6.1 Our universities provide the graduates and postgraduates who will become the skilled labour force and leaders needed for the future development of the UK's economy and society. In particular, Russell Group universities play a critical role in teaching and research in many strategically important subjects, with a high proportion of students in science, technology, engineering and mathematics (STEM) subjects and in languages.
- 6.2 Tuition fee income alone cannot cover the costs of STEM and high-cost health and medical subjects. We estimate there is an ongoing funding shortfall of over £72.5 million a year for teaching high-cost subjects to home/EU students at Russell Group universities in England alone. Teaching costs for these are higher than other subjects because of the requirement for expensive laboratories and equipment and for practical hands-on experience in the field and elsewhere to develop the skills that will be valuable to employers and in future researchers. In some subjects increased student numbers has led to less funding per student and we are concerned this could impact the quality of provision of some subjects.

Working to deliver graduates ready for the workplace and for future challenges

- 6.3 Russell Group universities work with a wide range of employers to ensure students develop the core skills and experience needed to succeed in the workforce and that courses are appropriately targeted to the needs of business. They engage with external partners to deliver job-ready graduates and meet workforce demand. Critically, our universities are not just meeting employers' demands of today, but are preparing individuals for the challenges they will face in the future. For example:
- Russell Group universities educate over 80% of the UK's doctors and dentists²⁶
 - In 2014/15, over 94% of first degree graduates from Russell Group universities were in work or studying six months after they graduated²⁷
 - Of those graduates in employment, 80% of leavers with a first degree from Russell Group universities were in professional employment, compared to 68% from non-Russell Group universities²⁸
- 6.4 Russell Group universities also work with a wide range of external professional bodies and regulators to deliver accredited courses and bespoke graduate, postgraduate and Continuing

²⁵ Easy Access IP makes a wide range of IP available free of charge to businesses and individuals. Easy Access IP was first introduced by the University of Glasgow in 2010 and later adopted by Bristol, Birmingham, Durham, Exeter, and King's College London. By the start of 2015, Easy Access IP had been adopted by 24 universities and research organisations both in the UK and abroad, with positive preliminary evaluation results (see 'Easy Access IP: A Preliminary Assessment of the Initiative' a report produced by IP Pragmatics Ltd for NCUB, March 2015)

²⁶ Source: HESA, 2014-15

²⁷ Source: HESA, 2014-15

²⁸ Source: HESA, 2014-15

Professional Development (CPD) training, often co-designed with employers, helping to build in-house capacity in local businesses.

To support excellent teaching, education and the student experience:

- It is essential that the **teaching grant** delivered by HEFCE (and in future the OfS) continues to be **targeted at high-cost and strategically important subjects** in order to secure their financial sustainability.
- The shortfall in funding high-cost subjects is increasing with time and needs to be addressed as a matter of priority.
- We welcome the opportunity to **increase student numbers in high quality medical and dental education** to provide for the UK's future health workforce, but this will also require additional 'Band A' and 'Band B' funding in order to make this increase sustainable. Any policy changes relating to international medical and dental students must ensure the UK remains internationally competitive so that we are able to attract the best talent from around the world.

7. International talent underpinning UK success

7.1 The strong base of overseas talent at research-intensive universities, including researchers and students, is fundamental in underpinning excellence in research, innovation and education, helping the UK to maintain and develop our position as a world-leading research nation and playing a critical role in educating future generations.

Higher Education as a major export industry

7.2 Higher education is one of the UK's most successful export industries and is estimated to contribute more than £10 billion a year in overseas earnings. As a conservative estimate, international students at Russell Group universities generate around £4 billion per annum for the UK.²⁹ These benefits are spread right across the regions and nations of the UK, with international student expenditure off-campus benefiting local businesses and creating jobs: spending by non-UK students and their visitors creates over 63,000 jobs in the UK.³⁰

7.3 International students also play an important role in enabling UK-based multinationals to access foreign markets – UK FDI is boosted in the home countries of international students even decades after they graduate from UK universities.³¹

7.4 More broadly, international students play a key role in ensuring the future sustainability of UK universities, not just the viability of certain courses. By 2017/18 HEFCE predicts income generated through tuition fees from international (non-EU) students will grow from £3.3 billion

²⁹ Analysis of *The impact of universities on the UK economy* – report produced for UUK (April 2014)

³⁰ *The impact of universities on the UK economy* – report produced for UUK (April 2014). Several other reports estimate the multi-million pound contributions of international students at different Russell Group universities and the thousands of jobs they support in their local economies e.g. see *London Calling: International students' contribution to Britain's economic growth* (May 2015); *The Economic Costs and Benefits of International Students* – a report produced by Oxford Economics for the University of Sheffield (January 2013); *The economic impact of the University of Exeter's international students* – a report produced by Oxford Economics (April 2010); and *Economic Impact of the University of Southampton* – a report by BiGGAR Economics (January 2015)

³¹ Murat, M. 'Soft, hard or smart power? International students and investments abroad' (December 2014)

in 2013/14 to £4.6 billion, representing 27.8% of all tuition fee and education contract income and 14.8% of total income projected by English institutions in 2017/18.³²

International staff

- 7.5 Evidence shows the primary driver of research excellence is excellent researchers.³³ Exceptionally talented researchers make a vital contribution to our academic and economic life. We need to be open to people with first-rate academic qualifications to help us generate ideas and innovations so we can stay ahead in a fiercely competitive global knowledge economy.
- 7.6 If we are to maintain our place in the premier league of global higher education, it is crucial that our visa system continues to support the efforts of our leading universities to attract the very best academics and researchers from around the world. Today's junior researchers could be tomorrow's Nobel prize-winners like Andre Geim, Konstantin Novoselov or John O'Keefe.
- 7.7 We are concerned that the vote to leave the EU will impact our universities' ability to recruit and retain top academics and integral technical and support staff from the EU: a fifth of Russell Group academic staff are EU nationals and, amongst other things, they bring diverse approaches to tackling complex global challenges.

To boost education exports and ensure UK universities can continue to attract top talent from overseas:

- **Introduce a more risk-based compliance system for universities as sponsors of international students.** Introducing a better post-study work offer and removing students from the net migration figures would be helpful in ensuring we can continue to attract the brightest and best.
- Coordinate messaging and communications across Government departments to address perceptions that the UK is not "open for business" and to **send a welcoming message to all overseas students.**
- **Establish what fee rate non-UK EU students might move to and when this would come into effect** – we welcome clarity provided so far on fees and access to loans for EU students starting in 2016/17 or 2017/18; it will be important to continue to provide clarity for EU students considering studying in the UK throughout the transition period before Brexit.
- **Confirm the continued working rights for EU staff** (and their dependants) currently at UK universities (both academic and non-academic), and for those who take up positions during the transition period before the UK has left the EU.³⁴ We would like a commitment that staff and their dependants will retain the same rights to stay and work without a visa that they have now (with no time limit placed on this).

October 2016

³² HEFCE, *Financial health of the higher education sector: 2014-15 to 2017-18 forecasts* (2015)

³³ For example see *Growing the best and brightest: The drivers of research excellence*, a report produced for the Department of Business, Innovation and Skills (BIS) by Economic Insight (2014)

³⁴ This is a priority for other sectors as well. For example the CBI has also said reassurance on this "must be immediate and it must be unequivocal" <http://news.cbi.org.uk/news/firms-need-to-see-clear-brexit-plan-taking-shape-now/>