

Russell Group response to House of Commons Science and Technology Committee Inquiry: Preparations for “No-Deal”

1. What a No Deal Brexit would mean for the science and innovation community

1.1 The UK leaving the EU without a deal is one of the biggest threats our universities have ever faced. This was the key message in an open letter to MPs from the Russell Group, Universities UK, Guild HE, Million Plus and University Alliance – which collectively represent more than 150 higher education providers across the UK.¹

1.2 Immediate key consequences of a No Deal Brexit for universities include:

- **Loss of Horizon 2020 access:** In a No Deal scenario, the UK would immediately become a third country as defined in the Horizon 2020 regulation. This would mean we would lose access to mono-beneficiary parts of the programme including the European Research Council (ERC) and Marie Skłodowska-Curie Actions (MSCA), two of the most important and prestigious elements of the programme. Losing the ability to apply for and host these types of EU grants would significantly impact the attractiveness of our institutions to the best talent. It is imperative that the UK continues to finance ongoing grants with no disruption to the research; any interruption to the science could expedite a brain drain of the most renowned researchers from the UK.
- **Loss of Horizon 2020 funding:** The ERC and MSCA are estimated to be worth €1.3 billion to the UK over the next two years. No Deal Brexit would cut off a vital research funding source and we await an explicit commitment from the Government that this funding would be replaced through domestic schemes in the event of No Deal.
- **Erasmus+ uncertainty:** A No Deal Brexit would result in significant uncertainty for students on overseas placements (including UK students in Europe and European students at UK universities). Whilst the government has confirmed that grant payments would be underwritten, it is unclear what the legal status of existing inter-institutional agreements between partners would be, and agreement still needs to be reached with the EU for UK organisations to continue to participate in Erasmus+ projects.
- **EU staff and students:** EU citizens at our universities would face serious uncertainty in the event of a No Deal Brexit. The Government must re-state and then honour the commitments made on 6 December 2018 that the EU Settlement Scheme would continue to apply to EU citizens resident in the UK before Brexit. The Government has recently proposed that EU citizens arriving after 29 March 2019 would be required to apply for European Temporary Leave to Remain which, if granted, would give them permission to stay for 36 months to live/work/study in the UK from the point of application.² This is not reassuring or helpful, especially for students undertaking four-year courses, including medical students, PhD students and almost all students starting courses in Scotland. Whether there is a deal or not, the Government should honour the Settlement Scheme policy as set out in June 2018, which stated that all those arriving before January 2021 would be eligible to apply for either pre-settled or settled status.
- **Supply chain and procurement:** Like organisations in many sectors across the UK, universities are undertaking risk assessments on supply chain and procurement contracts in a wide range of areas, from catering to chemicals and research materials.

¹ The letter can be read in full here: <https://russellgroup.ac.uk/news/warning-against-no-deal-brexit/>

² <https://www.gov.uk/government/news/government-outlines-no-deal-arrangements-for-eu-citizens>

1.3 In the longer term, the Russell Group is concerned about the impact of a No Deal Brexit on the attractiveness of the UK as a destination for talented students and researchers. Snapshot data collected by the Russell Group on new EU entrants in the 2018/19 academic year suggest there has been a decrease in the number of EU students enrolling on courses this academic year. The biggest impact was seen on postgraduate research courses, where there was a 9% decrease in the number of EU students enrolling; this follows a 9% decrease the previous year as well. Uncertainty over the UK's future relationship with Europe could be a significant factor. The drop in postgraduate research courses is especially troubling as these students contribute directly to the UK's research capacity and pipeline of talent.

2. The adequacy of what the Government and its non-departmental public bodies are doing to prepare for such an outcome

2.1 Whilst we maintain that No Deal exit is a scenario which must be avoided, we welcome the Government's underwrite guarantee for all successful UK bids for EU projects under Horizon 2020 submitted while the UK is still a member of the EU if we leave with No Deal. However, Russell Group universities have significant concerns about the ability of the Government to deliver on the underwrite without disruption to ongoing research projects. We have written to the Minister, Chris Skidmore, to raise these issues, which include:

- **Eligibility of projects to receive underwrite funding:** If a bid is submitted before 29 March 2019 but has not yet been evaluated, will the Commission evaluate it? If it wouldn't, would UKRI do this, or would the underwrite not apply to this bid? What will happen to ongoing projects if they become ineligible under third country status after Brexit, e.g. the requirement for a MSCA fellowship to be hosted in an EU Member State. Does the underwrite apply to other EU research funding streams outside of Horizon 2020?
- **Financial aspects:** Will the funding be guaranteed on a like-for-like basis? How will the funds be paid to universities, in which currency and how will this be calculated? Will Horizon 2020 eligible costs criteria continue to apply?
- **Project delivery:** How will the projects which continue after Brexit be monitored by UKRI? When will the funds be distributed (i.e. will there be a gap between Brexit day and the time when the underwriting will kick in)?

2.2 In addition to the practical questions around the underwrite, we are concerned that the Government has not yet provided explicit confirmation that, if the UK can no longer participate in mono-beneficiary parts of Horizon 2020, equivalent funding will be made available for alternative domestic schemes.

2.3 The Government's commitment to implement the Settlement Scheme for EU nationals resident in the UK before the date of exit even in the event of a No Deal exit is welcome. However, this commitment came very late in day which caused unnecessary prolonged uncertainty for the thousands of EU staff and students at our universities. We are very concerned about the status of EU citizens arriving after the date of Brexit and we urge the Government to apply the Settlement Scheme to all those arriving before 1 January 2021.

2.4 There have been recent clarifications that there will be no change to EU student fee and funding arrangements for 2019/20 even in the event of No Deal.³ However, the Government has yet to announce the arrangements for students starting courses in 2020/21 and we urge them to provide clarity on this as early as possible. Universities are already preparing and

³ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-question/Commons/2019-01-17/209847/>

publishing prospectuses for that year and at the moment they cannot tell prospective EU students what their fees might be.

3. About the Russell Group

- 3.1 The Russell Group represents 24 leading UK universities which are committed to maintaining the very best research, an outstanding teaching and learning experience and unrivalled links with business and the public sector.