

Introduction

The Higher Education Funding Council for Wales (HEFCW) has been invited to give evidence to the National Assembly for Wales' Children, Young People and Education Committee inquiry on the Impact of Brexit on Higher and Further Education.

HEFCW regulates fee levels at higher education (HE) and some further education institutions in Wales, ensures a framework is in place for assessing the quality of higher education and scrutinises the performance of universities. HEFCW uses resources from the Welsh Government and others to secure HE learning and research of the highest quality, and make the most of the contribution of HE to Wales's culture, society and economy.

Written evidence has been provided separately by Universities Wales, Welsh Higher Education Brussels (WHEB), Welsh Universities as well as other stakeholders in response to the Committee's consultation. This briefing builds on this evidence, and articulates and suggests some actions to help mitigate the impact of Brexit on Higher Education providers in Wales. At the level of individual providers, mitigating actions will be taken as the specific impact of Brexit clarify over the coming months.

The impact of Brexit on the contribution of universities

HEFCW is a member of the HE Brexit Working Group chaired by Director – Skills, Higher Education and Lifelong Learning and have provided evidence to that group since its formation in September 2016. Whilst it is inevitably difficult to provide a definitive assessment of the impact of Brexit, particularly in advance of the conclusion of current negotiations between the UK Government and the European Union (EU), the UK's withdrawal from the EU is likely to have an impact on all aspects of Welsh HE activity and to have a knock-on effect on the local economy and communities. The HE Brexit Working Group has been helpful in scoping some of that potential impact and in identifying potential responses which have contributed to the development of the Welsh Government responses to Brexit. Many of these potential actions are echoed in our list below.

The important role that Welsh universities have in working with local communities and economies, and their contribution to society as a whole through the impact of their research and education, is illustrated in HEFCW's recent publication [Innovation Nation: On common ground](#). This includes case studies from healthcare and well-being; local access to arts, sport culture and heritage; aspiration-raising activities; and community and school engagement.

Last year, our previous [Innovation Nation](#) publication highlighted universities' contributions to creating and safeguarding jobs, attracting investment skills, work based learning, and collaborative projects. Each of the case studies in this collection contributes to one or more of the Welsh Government's seven Well-being Goals. They include EU-funded examples, highlighting the significant contribution that this funding has made to Welsh life through its universities.

HE providers in Wales are internationally competitive and a major economic asset, that bring widespread benefits to Wales as a whole. Their role in strengthening international trade and diplomatic relationships will be increasingly important as the UK leaves the EU.

The effectiveness of HE to deliver these important benefits to Wales is predicated on providers continuing to be *sustainable, accessible, and internationally excellent*. The current uncertainty arising from the Brexit negotiations, especially those concerning the significant economic implications to HE providers, is a key issue affecting their capacity to maintain and build upon the transformational foundations developed so far.

GO Wales: Achieve through Work Experience programme

HEFCW is the 'Lead Beneficiary' of a major Structural Funds programme that enables the universities in Wales to support the employability of disadvantaged HE students. The GO Wales: Achieve through Work Experience (AtWE) Programme receives funding from the European Social Fund. The programme's budget is approximately £9.5m. The programme attracts match funding from HEFCW, the nine universities who deliver the programme and from a small number of employers (private, public and third sector) who host paid work experience opportunities through the programme.

The funding enables universities to work intensively with young, disadvantaged students who are most likely to be NEET (not in employment, education or training) when they leave HE, creating bespoke work experience opportunities for them with local employers and supporting them to learn from their work experience, with the aim of developing their employability skills.

The students whom the universities support through the AtWE Programme are students who would be unlikely to access mainstream careers and employability support, and unlikely to compete successfully for graduate jobs. The funding has enabled the universities to develop and implement systems to identify students

who are in need of the programme and has provided the universities with additional resources to be able support the students intensively.

As local employers host work experience for the students on the programme, the programme is helping employers to understand the benefits of a diverse workforce.

Suggested actions to help mitigate impacts

We have articulated and suggested below some actions that Welsh Government and/or UK Government could take to mitigate the impact of Brexit on HE institutions in Wales. We fully acknowledge that the Welsh Government is already active in this space, including working with the UK Government in those areas which are not devolved.

- i. Clarifying as soon as possible the fee and loan status of EU students studying in Wales from 2019.
 - The majority of students start their research about studying abroad more than 12 months in advance of actual enrolment. The UCAS portal for 2019 entry opened on 8 May 2018, which means that prospective students to Wales can now search for courses starting in September 2019. Scotland has already confirmed that EU students will be subject to the same fee arrangement in 2019/20 as they are currently in Scotland.¹ HE providers in Wales have welcomed the confirmation that EU students currently studying here will receive student support for the duration of their studies. However, further clarity is needed on the fee and loan status of EU students from 2019 in Wales.
- ii. Confirming UK immigration arrangements for new EU students and staff from 2019 onwards, and for UK students studying and on placements in the EU.
 - The uncertainty around the fee and loan status for EU students is one of several Brexit-related factors that could negatively affect EU student enrolments. The lack of clarity around the immigration status and procedures for EU citizens' more widely could also make Wales a less attractive place to study and work.
- iii. Investing in increased activities in Global Wales to promote Wales in the EU and other countries outside the EU as a welcoming destination to study.²
- iv. Ongoing communication by Welsh Government to continue to confirm that Wales warmly welcomes EU and International staff and students to its universities and colleges.
- v. Implementing as soon as possible the recommendations made by Sir Ian Diamond in the 'Independent review of Higher Education funding and student finance arrangements' to increase funding to Welsh Higher

¹ www.timeshighereducation.com/news/scotland-confirms-free-tuition-eu-students-2019-20

² [Study in Wales; Global Wales](#)

Education providers to better enable them to meet the needs of Wales and the policy priorities of the Welsh Government.

- vi. Continuing engagement with European Standards and Guidelines (ESG) for qualifications, programmes and other provision, and relevant European Commission (EC) directives (e.g. on professional standards).
 - Learner success and employability issues arising from Brexit, could also include difficulties relating to the recognition and comparability of qualifications. The EU plays an important role in system development. European Standards and Guidelines (ESG) enable HE providers to demonstrate quality and increase transparency, helping to build mutual trust and better recognition of their qualifications, programmes and other provision. HE providers in Wales' external quality assurance reviews must comply with ESG requirements.³
- vii. Confirming the UK's continued participation in ERASMUS. Promoting bilateral mobility schemes in Wales, which provide a wide diversity of opportunity and experience for learners in Wales.
 - ERASMUS+ forms a major mechanism of mobility for students at Welsh universities, providing over 40% of mobility opportunities for students based in Wales who undertake mobility within the EU. In 2016/17, almost 700 students at Welsh universities took part in the ERASMUS+ programme. Over 4,500 students at Welsh universities, and over 700 academics and teachers participated in Erasmus+ during 2007-14.
 - Modern languages departments rely heavily on ERASMUS+ funding to support the mobility of their students for whom experience of studying and/or working in another language is compulsory in their studies.
 - Continued participation in the ERASMUS programme by the UK is desirable given its success as a brand, which is recognised by students and providers globally. This level awareness cannot be replicated by a national programme.
 - Without the range of opportunities offered through ERASMUS, it could be more difficult for HE providers to promote mobility, particularly to disadvantaged groups who are already less likely to be mobile during their studies.
- viii. Implementing the recommendations made by Professor Graeme Reid in the 'Review of Government Funded Research and Innovation in Wales',⁴ again to better enable them to meet the needs of Wales and the policy priorities of the Welsh Government and to position Wales more strongly to prosper in a post-Brexit context.
- ix. Agreeing the UK's status in the Horizon Europe programme as an early element of the future UK-EU relationship agreement. Clarifying the detail of this status at an early stage, including whether the UK will have access to all

³ [Quality Assessment Framework for Wales](#), HEFCW, March 2018

⁴ [Reid Review](#)

parts of Horizon Europe and the influence it will have relative to EU countries.

- Horizon 2020 (the current major EU research and innovation programme) has a budget of around €70 billion for the period 2014-2020. Welsh universities success in this programme accounts for nearly two-thirds of Welsh participations so far, and over 60% of funding to Wales. Projects have been funded across a range of areas including excellent science, industrial leadership and societal challenges.
 - On 7 June 2018, the European Commission (EC) published a €100 billion proposal for Horizon Europe (the next EU Framework Programme for Research and Innovation, and successor to Horizon 2020), due to begin in 2021.⁵
 - On 22 May 2018, the UK Government published its vision for a future UK-EU 'Science and Innovation Pact.' In her statement on 19 May 2018, the UK Prime Minister made clear that association to Horizon Europe should form part of this future relationship. She stated that the UK would be prepared to make an appropriate contribution for 'full access' to the programme.
 - UK HE sector bodies (including UUKi and WHEB) share the view that the UK should become a 'full associate' participant in Horizon Europe and Erasmus. The conditions for the UK's association to Horizon Europe, such as its level of influence over the shape of the programme and its financial contribution, will need to be negotiated. Early confirmation on the details of the UK's specific status including whether it will have access to all parts of the programme is needed.
- x. Influencing platforms and networks that contribute to the EU's informal decision-making and engagement processes. This will serve to compliment any continued UK engagement with existing networks/ programmes, and help strengthen Wales' relationship with the EU.
- xi. Aligning UK level strategic funding opportunities with the priorities and 'missions' of Horizon Europe. This could facilitate and showcase UK and Wales engagement, and support the critical mass to enable breakthroughs in other key areas (such as health and energy systems), over a 10 to 15 year period.
- Welsh HE providers have been effective in using limited research income to support high impact research.⁶ A recent Royal Society report on research infrastructures in Great Britain indicated that Wales has the lowest percentage of research infrastructures in Great Britain.⁷ European engagement and funding has helped to close this gap through capacity building and collaborative opportunities, but without further sustained investment, this momentum could be lost.

⁵ Still in the Game: Horizon Europe proposal offers hope to UK', Research Fortnight, 13 June 2018, p2

⁶ International Comparative Performance of the Welsh Research Base 2013, Elsevier for HEW, HEFCW and the Welsh Government

⁷ [A snapshot of UK research infrastructures](#), The Royal Society, January 2018

- Universities have been awarded over £570m in Structural Funds since 2000.⁸ Structural Funds have provided significant investment in infrastructure, enabling research and innovation capacity to be enhanced, in turn facilitating competitive funding bids to EU Framework Programmes.
- xii. Articulating the urgent need for significant, strategic investment in research and innovation capacity building in Wales to 'replace' Structural Funds. A new regional development fund should build on capabilities which transform the economy. Proposals could explore how strategic, large-scale investment can continue to support Welsh HE providers as economic and social anchors, that are positioned to respond quickly once funding becomes available.
 - xiii. Contributing to shaping the development of new UK and bilateral research and innovation programmes, so that HE providers in Wales are not disadvantaged in accessing these funds and can add value by linking different streams. This might include building on existing mechanisms, such as the targeted Global Challenges Research Fund and the Newton Fund, and developing more bilateral partnerships.
 - xiv. Building on and developing new informal networks and relationships with regions and countries of strategic importance. These could offer opportunities for research and academic collaboration outside of formal EU structures, and be aligned with priority areas or areas of strength for Wales.
 - xv. Supporting HE providers to engage in and build upon significant bilateral strategic collaborations with European universities and agencies.

⁸ Welsh European Funding Office (WEFO)