

IMPACT OF BREXIT ON THE UNIVERSITY OF THE HIGHLANDS & ISLANDS

UPDATE FOR ACADEMIC COUNCIL, 7 DECEMBER 2016

This paper provides Academic Council with a brief update on recent Brexit developments. Academic Council is asked to note these developments and support next steps identified.

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1. External developments

The UK Government has now indicated that Article 50 will be triggered in the spring of 2017, which would give a likely maximum two year process of negotiation from that date, so a possible Brexit date of around March 2019. Overall, there remains uncertainty about the nature of the UK and Scottish relationship with the EU, as well as the exact timescale for leaving the EU, affecting the economy at national and regional levels.

There are several potential exit agreements ranging from a close relationship, with the UK remaining in the European Economic Area (EEA) and therefore the single market, giving the UK most of the benefits of EU membership, to a more detached relationship based on trade only. The key trade-off is remaining within the single European market or gaining greater control over migration, reducing EU budget contributions and removing or reducing the need to comply with EU legislation.

The option of further powers being transferred to Holyrood as a result of the Brexit vote is under investigation, raising the possibility of discrete Scottish agreements for participation in eg Erasmus+ and Horizon 2020.

The teams established in UK and Scottish Governments on exiting the EU are now operational and consulting with key sectors, including Higher Education.

Following initial guarantees from UK Government in August on EU funding, Scottish Government announced on 2 November that EU Structural Funds activities and projects funded directly by the EU (Horizon 2020, INTERREG, Erasmus+ and others) that are entered into before the UK leaves the EU would be secure, even if the payments extend beyond the date of Brexit.¹

This has led to an acceleration, where possible and appropriate, of applications for EU funds, particularly Structural Funds.

UHI, together with the other partners in the Highlands and Islands European Partnership (HIE and the 7 local authorities in the region) are working closely with Scottish Government and others in order to secure a future relationship with the EU that is as favourable as possible for the region.

Meetings of the Highlands & Islands European Partnership Board and the Highlands & Islands Territorial Committee (which oversees the use of Structural Funds in the Transition Region) on Monday 28 November will include further debate on the impact of Brexit on the region and identification of regional priorities.

¹ <http://news.gov.scot/news/eu-funds-guaranteed>

We also continue to work closely with Scotland Europa, UniversitiesScotland and UniversitiesUK to ensure our concerns are addressed in negotiations – particularly given the increased relevance of EU Structural Funds for UHI, which is in many ways unique in the sector.

2. Media interest

Academic Council will be aware that Brexit dominates much of the media at present. There has been increasing interest in the impact of Brexit on the HE sector, resulting in several invitations to the UHI network to participate in TV and print media discussions, from national (BBC Scotland 2016, Good Morning Scotland) to local (Shetland Times, Press & Journal, Inverness Courier), including an excellent piece on Reporting Scotland from SAMS last week.²

These have allowed UHI to present the case that although we share concerns over the lack of access to research collaborations and funding with the rest of the sector, we are also concerned about the impact of loss of access to Structural Funds. In the Highlands & Islands, we have benefitted from significant investment due to the EU policy of Territorial Cohesion, supporting disadvantaged regions, and we need to lobby for continued recognition of our continuing regional challenges, such as geography and sparsity of population.

The FP7 Project on Marine Energy, MERIKA, hosts a major conference in Brussels on 30 November, which has attracted a significant amount of attention and will provide a further opportunity to set out UHI's distinct case to a Brussels audience.

Alongside our message of the specific impact on UHI, we have been keen to stress that although the implications of loss of funding are significant, it is the threat of being excluded from collaboration with EU partners and mobility opportunities for our students and staff which is our key concern and that efforts need to be made to secure some protection for these post Brexit.

At the same time, however, we need to stress that such collaboration and outward-looking approach will remain at the heart of UHI's internationalisation strategy, irrespective of Brexit negotiations. Our membership of global networks, such as RETI (island universities) and the University of the Arctic initiative, will continue to present opportunities for our students and staff and we will continue to find ways to support them.

3. EU Structural Funds (ESIF)

The key priority at present is to secure the full funding package, £29.2m, for activities in the SFC Developing Scotland's Workforce Strategic Intervention. Activities include sector engagement and curriculum development, as well as additional student places at HN, UGT, PGT and PGR levels. The Scottish Government announcement of 2 November (see above) has provided some comfort on this, however the detail has still to be confirmed and challenges around timing and process remain.

The 2 November announcement also heralded opportunities for participating in further Strategic Interventions (particularly Innovation, Growing the Social Economy, Low Carbon) where there is the possibility of securing an agreement before any Brexit date. Negotiations are underway with appropriate Lead Partners (particularly HIE, SFC and Scottish Government) to maximise these opportunities in the short timescale.

² <http://www.bbc.co.uk/iplayer/episode/b0833d3k/reporting-scotland-evening-news-24112016>

4. Other EU Programmes

Of the EU Programmes beyond ESIF, the priorities for UHI are INTERREG, Erasmus + and Horizon 2020. All are subject to the same Scottish Government guarantee, provided project funding is confirmed prior to the date of Brexit.

In INTERREG, several applications are about to be submitted to the Northern Periphery & Arctic Programme at the end of November, with other possibilities being worked up in the North Sea, North West Europe and Atlantic Area Programmes.

This week, funding has been confirmed for 2 projects in the INTERREG Cross Border Programme, both for health research projects, led by the University of Ulster. Funding for a 3rd research project, on renewable energy and led by Queens University, is expected to be confirmed shortly. These 3 projects will, hopefully, lead to a further 20 PhD and Post Doc places in key UHI priority areas, complementing the 34 PhD places in the Developing Scotland's Workforce package – a significant investment in our research capacity.

There are several opportunities for UHI participation in current Horizon 2020 consortia and careful planning is required to identify key priorities between now and the date of Brexit. This Programme, the EU's flagship research initiative, was already highly competitive, but UK universities enjoyed a significant proportion of successful applications. However, Brexit has placed obstacles in the way of participating, despite official reassurances of 'business as usual' until Brexit and the under-writing of funding post Brexit. Erasmus+ student/staff mobility and joint development projects are continuing in the meantime.

5. UHI EU Employees

At the last Academic Council meeting on 6 September 2016, a request was made for an information gathering exercise to be carried out to ascertain the number of EU nationals employed across the network.

All Academic Partners were subsequently asked to provide details and to date 5 responses, including Executive Office, have been received. The numbers so far range from less than 1% (HTC) to 13.5% (SAMS).

A full report will be submitted to Academic Council once all responses have been received.

6. Next steps

This remains a highly volatile situation. Key actions:

- a. Close monitoring of the evolving situation**
- b. Input to regional and national debate, to ensure specific UHI concerns are included**
- c. Prioritisation of funding applications prior to the date of Brexit**
- d. Readiness to react quickly to changing situation and new opportunities which may present themselves**

A further update will be submitted to next Academic Council

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26 November 2016