

KEY CURRENT UHI CONCERNS RE IMPACT OF BREXIT – OCTOBER 2017

Key concerns for UHI remain in two broad areas:

1. Impact on the HE and FE sectors, together with HEIs and Colleges across the UK
2. Impact on the Highlands and Islands region, together with HIEP (H&I European Partnership – UHI, HIE, 7 local authorities in the region), COHI and others

To mitigate our concerns, we continue to:

- a. Analyse exposure at EO and (as far as possible) AP levels, in terms of financial commitment (current and planned) and impact on partnerships with EU organisations and networks
- b. Work with sectoral (Universities Scotland, UUK, MillionPlus, other HEIs) and regional (HIEP, COHI, SG, Scotland Europa) partners to feed specific UHI and H&I concerns into the debate and keep informed about emerging developments
- c. Prepare to act in line with new (or ceasing!) developments, eg funding opportunities; maintain and foster relationships with key partners and networks

Priority UHI concerns:

- i. **Future ESIF funding** – UHI received ESIF investment of £250m+, which has supported our research & innovation capacity, IT & estates infrastructure, learning & teaching and curriculum development – a major factor in achieving university title. This funding came through EU territorial cohesion policy, addressing regional challenges of geography, peripherality and sparsity population. Future regional development policy and funding will almost certainly be re-patriated – how will policy development, priorities, funding allocation and mechanisms for administering funds be decided in future? The UK Government's Shared Prosperity Fund has been mentioned in this context, but to date there is no detail. ***Funding-wise, this is the biggest concern to UHI from Brexit.***
- ii. **Current ESIF funding** – a review of current H&I ring-fenced (transition region) funding has proposed several changes to current provision, including increased intervention rates (good for SFC – no direct difference to us!) and new areas to be funded (which do offer us new opportunities).

Almost all current ESIF funding is formally committed only until 2018. To qualify for UK Treasury and SG guarantees for funding post Brexit, SG now has to ensure all remaining funds (2018 onwards) are formally committed before end March 2019 (Brexit date?) which will cover our spend up to 2022-23. In this context, note in particular:

- a. **Developing Scotland's Workforce (DSW)** – we're working closely with SFC and SG to secure formal approval for our full budget up to 22-23 – now totalling over £30m (including match funding from SFC). However, the process remains complex – we have several outstanding queries that we've been working on for about 2 years. Main issue is that everything must be done through SFC as Lead Partner – causing delays and 'Chinese whispers' issues. If we were able to address issues directly, with SFC also involved, that would help.
- b. **Innovation** – SFC's Innovation programme up to 2018 seems to have dissolved. We are very concerned that this means a loss of ERDF funding to H&I for this period – but even more concerned that the funding allocated to SFC for Innovation from 18-23 will not be targeted at regional (and UHI?) priorities. We have been speaking to SG about this, and they are aware that we have a number of potential projects which could be supported –

but the mechanisms are not yet in place to progress this. However – any support to facilitate this, and avoid further funding being lost to H&I, would be very welcome, as it is likely that we will have to move quickly as soon as there is more detail available on process.

- **Other Strategic Interventions (SIs)**– there are opportunities for UHI in other SIs from 2018 onwards – eg Low Carbon, Social Enterprise. However, until we resolve all the DSW issues, we don't have the capacity to work on Innovation funding, never mind anything beyond. (This could be preventing us from accessing £millions!)
- iii. **Access to collaboration and project working** with EU partners – particularly in the areas of research and innovation – and funding to support this. Will Horizon 2020 (and future 9th Framework Programme) be as accessible in future, with same high levels of funding? (We currently have only one EO H2020 project, but there are 2 progressing to stage 2 and we would have expected to increase our engagement year on year. (Note, however, that SAMS receive significant H2020 funding independently.) We are also concerned about future access to INTERREG (particularly Northern Periphery & Arctic and Cross Border with N Ireland and the Republic of Ireland) – we have built up several excellent transnational partnerships over the years and do not want to lose them.
- iv. **Students** – need for clarification on fees status in future for attracting (non UK) EU students, as well as loss of opportunities for H&I students to study in other EU member states. Will we have access to Erasmus+ type mobility schemes for students (and staff) post Brexit? We don't do huge numbers at present, but the trajectory was increasing.
- v. **Staff** – clarification for existing staff and impact on our ability to attract highly qualified staff from EU member states post Brexit (although anecdotal evidence across UK suggests this is already becoming an issue).

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