

## **BREXIT and the implications for Ulster University**

This briefing outlines some of the potential implications for Ulster University following the result of the EU Referendum. In summary there are **five main issues**:

- 1. Research funding, research collaboration and research facilities.**
- 2. Student fee, grants and loans**
- 3. Student mobility**
- 4. Staff mobility**
- 5. Other - EIB funding, Pensions, Policy, Bologna Process.**

### **1. RESEARCH FUNDING, COLLABORATION AND FACILITIES**

#### **1.1 What will happen to EU structural funds?**

In all likelihood, European structural funding will be a casualty of the UK's withdrawal from the EU. Particularly the European Regional Development Fund and the European Social Fund, which have done much to support regeneration in deprived areas, where many HEIs, Ulster included, see the prosperity and vibrancy of their surrounding region as central to their mission

#### **1.2 Will the UK continue to have access to EU funding for research and innovation and be able to apply for EU research grants under Horizon 2020?**

1.2.1 There will be no immediate change to the UK university sector's ability to participate in EU research and innovation programmes such as Horizon 2020. This has also been confirmed by the EU commissioner for research and innovation.

1.2.2 The long term future of UK participation in European science programmes will be decided as part of the UK's exit negotiations, and it is expected that these talks will take up to two years. The UK will remain an EU member during this time and as such will be entitled to participate in EU programmes and apply for EU research grants.

1.2.3 Clarification is however required as to whether UK Universities can continue to participate in EU research collaboration and funding programmes after the UK formally leaves the European Union.

Since the beginning of Horizon 2020 in 2014 Ulster has been awarded €9.92 million:

- 2014/15: €2.79m
- 2015/16: €5.73m
- 2016/17: €1.4m (to date), with additional funding up to €10.5m in negotiation.

1.2.4 In a context where we planned to double our annual external EU research grant income this is of grave concern to the University, particularly in view of other external funding cuts, and where there is clear evidence that higher education spending is heavily correlated with rankings performance, the continued under-funding is adversely impacting on the University's league table position. This is further exacerbated by the fact that other countries have recognised that investment in research and development is key to economic and social success.

1.2.5 Academic networks and collaborations are greatly enhanced through access to EU funding streams, allowing for projects to be scaled up in ways not possible at local or national level. Since the referendum result, there is already substantial anecdotal evidence that UK institutions (including Ulster University) are being asked to leave consortia applying for EU funding and that partners are reluctant to enter into arrangements given the uncertainty.

Short and medium-term risks associated with leaving the EU are that current research partners from within the EU become reluctant to establish new projects or enhance existing projects. Longer term, the exit from the EU could mean that partnerships are not renewed and this in turn could, potentially, lead to UK research excellence and quality being undermined and our global reputation damaged.

1.2.6 A key advantage for UK researchers working across the EU has been the ability to access scarce and expensive infrastructure and resources, enabling UK researchers to utilise facilities not otherwise available. The best large-scale research facilities are now located in the EU. A prime example of this is the high level of international collaboration taking place at CERN, the European particle physics centre near Geneva.

The key risk is that UK universities will no longer have access to these specialist facilities, reducing our competitiveness in attracting global research funding. Alternatively, UK universities could have to constantly renegotiate access to these large research facilities, which could also have a negative impact of the planning and delivery of research

## **2. STUDENT FEES, GRANTS & LOANS**

### **2.1 Will tuition fees rise for EU students studying at UK universities as a result of Brexit?**

2.1.1 There will be no immediate change to the tuition fees paid by current EU students attending UK universities. EU students are entitled to pay the same fees as UK students while the UK remains a member of the EU.

2.1.2 The fees that EU students are required to pay in the longer-term will depend on what is agreed as part of the UK's exit negotiations.

## **2.2 Will EU students continue to be eligible to receive loans and grants?**

2.2.1 EU students attending universities in England, Wales and NI who are eligible under current rules to receive loans and grants from the Student Loans Company will continue to do so for the duration of courses they are currently enrolled on, or are about to start this coming year.

2.2.2 We are currently awaiting confirmation on on-going arrangements for EU students at universities in Northern Ireland, when the UK leaves the EU.

## **3. STUDENT MOBILITY**

### **3.1 Will EU students still be able to study at UK universities?**

3.1.1 The longer term implications for EU students who want to apply to study in the UK (i.e. from 2017–18 onwards) will depend on the outcome of negotiations and what kind of relationship the UK agrees with the EU. There is also some concern that the vote to leave the EU could result in prospective EU students withdrawing their applications to attend UK HEIs.

3.1.2 Research by the Institute for Social and Economic Research (ISER) shows very clearly the positive impact within our universities of EU students: “EU undergraduates, in particular, are very high performers, and are more likely to obtain a first [class degree], less likely to be unemployed, and earn higher salaries, on average, than their UK domiciled peers.

3.1.3 An *immediate priority* is to urge the government to take steps to:

- Provide reassurances about the immigration status of existing EU students and staff following the UK's exit from the EU and affirming that it is a priority for government to ensure that future academic and student mobility is not impeded by unnecessary bureaucracy regardless of the immigration status of EU nationals;
- Provide clarification regarding EU students' access to tuition fee loans for 2017–18;
- Provide assurances that any changes to EU students' immigration status, tuition fee requirements and access to student loans will only apply to incoming EU students beginning courses after the UK has formally left the European Union;
- 6% of all students in UK universities are from elsewhere in the EU. Ulster has 1,332 (1,206 ROI) EU students studying at the University in 2015/16, with EU tuition fee income equating to £3,340K.

### **3.2 What about students participating in the Erasmus+ exchange programme?**

3.2.1 Students from UK universities currently overseas on an Erasmus+ placement, and those considering applying to participate in Erasmus+ next year (2016–17) will not be affected by the referendum result.

3.2.2 The European Commission has confirmed that EU law continues to apply to the full in the United Kingdom until it is no longer a member. This therefore also applies to the projects financed through the Erasmus+ programme.

3.2.3 In the longer term, Universities UK will be urging the government to seek assurances from the EU that the UK can continue to access this valuable exchange programme. Ulster currently receives an allocation of €752K funding for Erasmus exchange. In 2015/16 Ulster had 256 incoming Erasmus students and 183 outgoing.

### **3.3 What about cross border NI/ROI and student mobility?**

3.3.1 The Republic of Ireland provides Ulster University with our largest cohort of fee-paying EU students studying at the institution. We also have strong cross-border connections ranging from the development and delivery of course provision through to research partnerships with University College Dublin and Dublin City University in key areas including connected health technology and public health.

Ulster University staff and students also benefit heavily from all-island initiatives that are dependent on EU Framework funding. For example, the US-Ireland Research and Development Partnership supports research from tri-jurisdictional teams from the USA, Republic of Ireland and Northern Ireland. The Partnership priorities research in the core areas of health, sensors and sensor networks, nanoscale science and engineering, telecommunications, and energy and sustainability. EU funding has been fundamental to the development and success of this programme, and others, and the UK's exit from the EU will make them unsustainable.

This will in turn have a negative impact on the global reputation of our research, our ability to compete on a global scale to attract talented staff and potential students and will ultimately reduce the impact pioneering research can have on our local communities.

## **4. STAFF MOBILITY**

### **4.1 Will UK universities still be able to employ staff from other EU countries?**

4.1.1 The government has confirmed that there has been no change to the rights and status of EU nationals in the UK as a result of the referendum, and that it 'recognises and values the important contribution made by EU and other non-UK citizens who work, study and live in the UK'.

4.1.2 The UK remains a member of the EU for the time being and the government has confirmed that there will be no immediate changes to UK visa policies for university staff currently in, or contemplating coming to, the UK from the EU.

4.1.3 On a related point if the UK were to move to a 'points based system' for EU migrants similar to that which currently applies to non-EU migrants, this would make the recruitment of EU migrants much more difficult. This will also have a knock-on consequence for our efforts to increase the racial diversity of our workforce as part of our Global Engagement Strategy.

4.1.3 In terms of recruiting EU staff in the longer term, any changes will depend on the kind of relationship the UK negotiates with the EU. Ulster University would wish to highlight the value of all EU staff, including researchers, scientists and academics, and is urges government to guarantee that those currently working at UK universities can continue to do so in the long term.

4.1.4 As the only HEI in Northern Ireland outside Belfast, Ulster is particularly vulnerable to staff mobility, specifically at the Magee campus, where there are staff who live in ROI/Donegal, and work in NI. Two – thirds of our staff with an ROI address, work at the Magee campus. Should border checkpoints be re-established, this would have an adverse impact of staff mobility.

4.1.5. In respect of outward mobility of staff, quite often our academic staff and researchers go on secondment or extended placements to universities in other EU member states. If the UK places restrictions on EU citizens coming to the UK it is likely that EU member states will place similar restrictions on UK citizens going to the EU.

4.1.6 Engagement with, and exchange of staff and students, from other places enhances the knowledge, skills and culture of the wider university community.

4.1.7 Finally, many aspects of UK employment law are currently based on EU Directives. In a post-BREXIT environment the direction for UK employment law is uncertain.

## **5. OTHER MATTERS**

### **5.1 How will BREXIT impact the EIB and EIB loans?**

5.1.1 The Luxembourg-based bank, owned by EU member states, is the world's largest public lending institution, with a loan book two-and-a-half times bigger than the World Bank's. Last year the EIB lent the UK a record €7.77 billion. The loans are on competitive terms and can be for as long as 30 years.

5.1.2 As the exit of a member state from the EU is unprecedented, it is unclear what would happen to the UK government's 16% shareholding in the EIB – the same stake as Germany, France and Italy. In addition, unlike countries such as Germany, Britain does not have its own long-term infrastructure bank.

5.1.3 It is not anticipated that Ulster's EIB Loan will be adversely impacted by the UK's exit from Europe, but there is no roadmap for this process.

Ulster has secured a loan of £150m at a preferential rate, which is due to be drawn down in 2017/18.

## **5.2 Pension liabilities**

Post BREXIT the actuaries have calculated that the pension discount rate has fallen from 2.9% to 1.7% resulting in an increased USS provision of £4m. Coupled with this, early indications from NILGOSC suggest we should expect a 20% increase in the liability from 2015/16, which would amount to a further £7m provision in the Balance Sheet at year end.

## **5.3 Policy development - potential for a policy vacuum.**

There is no doubt that EU legislation supports a parity of standards, enabling cross border cooperation for research projects. EU Directives provide a framework to prioritise applied research, offering guidelines as to why research should be conducted and benchmarks to facilitate study design; therefore increasing the impact of research.

Leaving the EU brings with it the risk that a vacuum could be created in such guidelines and frameworks but more worryingly, the risk that breaking the existing parity of standards could undermine and negatively impact on the reputation of UK research globally.

## **5.4 Bologna Process**

The Bologna Process is a series of ministerial meetings and agreements between European countries designed to ensure comparability in the standards and quality of higher education qualifications. It is particularly important for student policy through: Key Action 1 (KA1): Mobility of individuals – staff and students, Key Action 2 (KA2): Cooperation for Innovation and Exchange of Good Practices and Key Action 3 (KA3): Support for Policy Reform.

Leaving the EU will undoubtedly impact on the UK's participation in the Bologna Process, certainly weakening our influence in advance of exit and potentially our ultimate removal from it. This risks undermining further all of the matters discussed elsewhere – staff and student mobility, collaborations and research funding – resulting in a negative impact on university research and activity.

## 6. KEY FUNDS AT RISK

Funding source	Amount NI	Period	Ulster share of future funding at risk	Period
Horizon 2020 research funding	€145m	2014-2020	€5.5m	Per annum
Peace IV and Interreg funding	€229m + €240m	2014-2020	€8.8m	Per annum
Other EU research funding			€2.1m	Per annum
EU tuition fees			£3.3m	Per annum
Erasmus funding			€752K	Per annum

The latest world university rankings are an unwelcome reminder that the chastening level of fiscal consolidation between 2010 and 2015 is taking its toll on one of the most important engines of economic development.

**Ulster University  
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