

Brexit Update

General Political Update

The Withdrawal Agreement Bill (WAB) entered into Law on 23 January and was signed off by the European Commission on 24 January. Therefore, the UK will leave the EU on 31 January, entering the transition period until 31 December 2020. During this time, the UK will remain a member of the customs union, free movement of people will continue and UK institutions will continue to be able to access EU funding sources.

The UK and European Commission will enter into negotiations on the terms of the UK's future relationship with the EU in 2020. As well as the future trading relationship, negotiations will also cover issues which directly impact colleges and universities, such as potential future association to Erasmus+ and Horizon Europe.

We do not yet know the extent to which the negotiated exit deal might include transitional arrangements on education which stretch beyond 2020. In addition, it is unclear whether we might receive information on the separate strands of negotiations over the course of the year, or whether details will only be released once negotiations have concluded on all areas of the future relationship.

SFC will provide updates to the sector as we receive relevant information.

There is still the potential that the UK will exit the EU with “no deal” if the two parties cannot reach agreement as part of the negotiations in the coming year. It is important to emphasise that this is a different type of “no deal” to the one that was commonly discussed in the lead up to the previous Brexit deadlines in March and October 2019. However, the potential remains for this to impact on the future arrangements for educational issues.

Fees for EU students

The Scottish Government has previously confirmed it will meet the cost of tuition fees for eligible EU students starting their course in 2019-20, and 2020-21, for the duration of their course. This includes eligible articulating students starting Higher National courses who progress directly to year two or three of a degree.

Scottish ministers are currently considering their position on fees for EU students starting their course in AY2021-22. We will update the sector as more information becomes available.

Erasmus+

The UK remains a full member of the Erasmus+ and European Solidarity Corps (ESC) programmes for the remainder of 2020. All existing Erasmus+ and ESC projects that have a contract to deliver funded activities are advised to continue to do so.

Organisations intending to submit applications for funding should also continue to apply as planned during 2020.

The next Erasmus+ programme covers the period 2021 – 2027. On 8 January, MPs voted against the proposed amendment to seek to negotiate continued full membership of the EU’s Erasmus+ education programme beyond the transition period. However, a Department for Education spokesperson said: “The Government is committed to continuing the academic relationship between the UK and the EU, including through the next Erasmus+ programme if it is in our interests to do so... As we enter negotiations with the EU, we want to ensure that UK and European students can continue to benefit from each other’s world-leading education systems.”

The UK Government’s decisions on Erasmus+ will be driven by Spending Review and longer-term value-for-money considerations. In addition, the UK Minister for Universities and Science has indicated that his officials are also exploring potential domestic alternatives to the Erasmus+ programme, as a back-up position.

Meanwhile, the Scottish Government has signalled its strong support for continued participation in Erasmus+ and has stated that it will explore the possibility of Scotland associating to the scheme if the UK Government decides not to pursue association.

We await the outcome of the negotiations on Erasmus+ and will update the sector as more information becomes available.

Research

UK scientists, researchers and businesses can continue to participate in, bid for and lead Horizon 2020 programmes. In addition, they can continue to receive EU grant funding for the lifetime of individual projects, including projects finishing after the transition period ends in 2020. Scottish organisations are encouraged to fully participate in the scheme and proceed with planned Horizon 2020 activity.

A very limited number of UK Horizon 2020 projects, which involve access to security-related sensitive information restricted for EU Member States, may be unable to continue after EU Exit in their current form. The European Commission will directly inform participants if this is the case. Any affected UK grant holders should contact UKRI at EUGrantsFunding@ukri.org.

Beyond the transition phase, the UK Government's stated position is that it prefers the option to associate to Horizon Europe (Horizon 2020's successor which is due to begin in 2021). However, the European Commission's regulations for association to Horizon Europe have not been finalised yet and may differ from those currently in place for Horizon 2020. In particular, it will be important to understand what the regulations for association and third countries will be. Other influencing factors will be the UK Government's longer-term value-for-money considerations and immigration policies.

The UK Government also commissioned the [Smith Review](#) and established a Horizon Europe Alternatives Board and a Stakeholder Working Group on EU Exit, Universities, Research and Innovation to consider potential alternatives to Horizon participation. The UK Government is working on its response to the Smith Review and alternatives.

The Scottish Government has indicated that it is keeping all options on association to Horizon Europe and/or on domestic alternatives open.

We await the outcome of the negotiations on association to Horizon Europe and the UK Government's response to the Smith Review and its announcement of its wider plans for international research and innovation. Closely linked to these areas of research policy will be the UK's post-Brexit immigration policy on global talent (see section below for more details). We will update the sector as more information becomes available.

Immigration

EU citizens (except those from the Republic of Ireland) resident in the UK before 31 December 2020 will have to apply for 'settled status' if they wish to remain living and working in the UK after that date. To be eligible for 'settled status' they will need to have lived continuously in the UK for at least 5 years. Those who have not lived continuously in the UK for 5 years and want to stay will have to apply for 'pre-settled status'. Once they have been resident for 5 continuous years, they can apply for 'settled status'.

The UK Government intends to implement the future immigration system from 1 January 2021. In December 2018, the May Government published its White Paper 'The future skills-based immigration system' and established the Migration Advisory Committee (MAC) to provide further advice on immigration policy. The Johnson administration then announced some changes to the immigration policy previously outlined by the May administration:

- The MAC should focus its advice on the establishment of a points-based immigration system.

- International students starting their courses from 2020-21 will be eligible to remain in the UK for 2 years following the end of their studies.
- A new fast-track visa will be introduced for researchers and their eligible dependents which will fit into the existing Tier 1 visa route (Global Talent visa) and be administered by UKRI.

On 27 January, the Scottish Government published proposals for a tailored Scottish immigration system which recognises Scotland's distinct demographic, geographic and skills challenges. The UK Government rejected the Scottish Government's recommendations and is now considering the recommendations of the MAC, which published its report on the establishment of a points-based immigration system and salary caps on 28 January.

We will update the sector as more information becomes available on the future direction of UK immigration policy.

Skills and workforce implications for Scotland

There are concentrations of EU nationals working in some of Scotland's key labour market sectors and geographic regions. Scottish Government [analysis](#) shows some of the workforce sectors and geographic regions with the highest concentrations of EU nationals. We are aware that if the numbers of EU nationals working and studying in Scotland decrease, then this could result in skills shortages or compound existing shortages.

There is also the potential that key industries and employers will leave Scotland or become unviable as a result of skills shortages and/or economic factors – particularly in the event of a 'hard Brexit' or if the UK and EU are unable to agree a future deal – leading to localised problems in certain Scottish geographies.

This issue will be strongly influenced by the decisions that the UK Government takes on future immigration policy (see previous section).

Over the course of 2020, we will continue to work with Scottish Government, Skills Development Scotland, colleges and universities to prepare to respond to skills challenges and economic downturn.

EU Structural and Investment Funds / Shared Prosperity Fund

During the transition phase, organisations in the UK can continue to participate in, bid for and lead projects funded through EU Structural and Investment Funds. Organisations can continue to receive EU grant funding for the lifetime of individual projects, including projects finishing after the transition period ends in 2020. Scottish

organisations are encouraged to fully participate in these projects and proceed with planned activity.

The UK Government has indicated its intention to provide successor funding to EU Structural and Investment Funds through its proposed UK Shared Prosperity Fund (SPF). However, little detail on the SPF has been released and planned consultation activity by the UK Government has not been undertaken.

The Scottish Parliament's Finance and Constitution Committee last year undertook to review Scottish priorities for the planned SPF – its [final report](#) was published in October 2019. The Scottish Government has also launched a [consultation](#) on the planned SPF – it closes on 12 February 2020.

We will update the sector as more information becomes available on the SPF.

Future communication and further information

SFC will continue to monitor the negotiations on the future relationship between the EU and UK. We will keep universities and colleges informed through our Brexit web page, our network of Brexit contacts, college and university visits, and group meetings.

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