

Education and Culture Committee

Scotland's Educational and Cultural Future

Universities Scotland

Universities Scotland welcomes the opportunity to submit written evidence to this inquiry.

Universities Scotland does not have a preferred constitutional option. It is for the people of Scotland to decide Scotland's constitutional future. We do, however, want the proponents of all constitutional options to be able to set out clearly how their preferred outcome would support policies which promote the excellence, international competitiveness and financial sustainability of Scotland's university sector. We believe this is important to Scotland's economic, social and cultural wellbeing.

We set out our position in detail in November 2012 in [Universities in a dynamic constitutional environment: policy issues for consideration](#), which was informed by conversations across the political spectrum. This paper offers supplementary comment on the issues identified in the call for written evidence.

International students

Universities Scotland's publication [Richer for it](#) sets out the social, cultural and educational benefits Scotland gains from the presence of a strong community of international students. We are enriched in many ways through the contribution made by a diverse and talented community who have chosen Scotland as the best place to learn. The benefits to Scotland include:

- the enrichment of the learning experience for all students;
- the development of an international outlook amongst home students and graduates which is valued by more than two third of employers;
- positive impacts within the wider community as a result of public engagement; and
- the creation of a vast network of alumni around the world who maintain strong and enduring connections to Scotland, acting as informal ambassadors for a country they perceive as a second home.

These benefits are in addition to the economic contribution made by international students including an estimated £337m per year in fees and £441m in off-campus expenditure.

Scotland, along with the rest of the UK, has experienced a 0.9% decline in enrolments of international (non-EU) students in academic year 2012/13 compared to 2011/12. More worryingly, within this we have experienced a decline in enrolments since 2010/11 of students from key overseas markets, particularly India (25.7%) and Nigeria (14.1%). By contrast, key competitors such as the United States and Canada have continued to expand their international student numbers very steadily over the past five years (on average 5.5% for USA and 7.3% for Canada over the period).

We believe there are specific issues with the UK immigration regime which need to be addressed if Scotland is to reap the full benefit of participation by international students in Scottish life. In particular:

- the continued inclusion of students in the UK net migration figures, taken alongside the UK Government commitment to reduce net immigration to the 'tens of thousands', sends a mixed message about the UK's openness to high-talent migration.
- The UK's very limited offer of post-study work opportunities for international students is a competitive disadvantage, and is less generous than the USA, Australia and Canada. As a result, these competitor nations are increasing in popularity. [Annex A.1](#) sets out more detailed evidence about competitors' offers.
- Restrictions on Masters' students' ability to bring spouses is a competitive disadvantage.

Applicants' experience with the process for UK visa applications is mixed, with students from some countries finding the process onerous compared to that for competitor jurisdictions, which impacts negatively on the student experience particularly in regards to Tier 4 compliance. Further evidence on this is included at [Annex A.2](#).

We are neutral as to whether improvements to the UK visa regime are taken forward by the UK Government or by a potential post-independence Scottish Government.

Further growth in the population of non-EU international students cannot displace opportunities for Scottish-domiciled students. The places available for 'Scottish/EU' students are ring-fenced and cannot be filled by non-EU international or Rest-of-UK (RUK) students. Universities have to meet target numbers for 'Scottish/ EU' students and are fined by the Scottish Funding Council (SFC) if these numbers are significantly under-achieved. International students' financial contribution does, however, help to create and sustain the excellent teaching environment which benefits home students. The financial contribution made by international students is crucial to institutions' financial sustainability: the £337m fees contribution from this source is a huge addition to the £634m teaching grant contributed by the SFC.

Rest-of-UK students

SFC stopped funding new rest-of-UK students in 2012-13, with the exception of some remaining funding for high-cost subjects such as medicine which cost more than £9,000 a year to teach. By the end of 2015/16 the withdrawal of SFC funding for RUK students will be practically complete. Institutions will by then have lost approximately £92m p.a. of SFC funding for RUK students relative to the 2011/12 baseline when they were funded by the SFC. Institutions have to make up for this loss of income by recruiting fee-paying rest-of-UK (RUK) students. Some institutions have lost significant funding as a result of this, and the removal of the student number cap in England will make it more difficult for institutions to sustain RUK student numbers.

In Universities Scotland's view, it is reasonable to expect that RUK students should pay a fee to study in Scotland since they are expected to do so in their home jurisdictions. Scottish institutions are proud to offer an exceptionally competitive range of measures to ensure that RUK students from challenged backgrounds are able to study in Scotland. For AY2012-13 Scottish institutions allocated just over 9% of fee income from RUK entrants to means tested bursaries and a further 5% to non

means tested support. This compares to an average spend of 7.5% on equivalent support by institutions in England.

Universities Scotland believes it is essential that a regime is in place to ensure sustainable management of cross-border flow on a stable and predictable basis. This is important as part of any constitutional outcome of the referendum, whether this is independence or further post-referendum development of the devolution settlement. Otherwise:

- The fees differential between England (\leq £9,000 p.a.) and Scotland would inevitably lead many more English students in particular to make the economically rational choice to study in Scotland.
- If Scottish-domiciled and EU (including RUK) students had to be treated equally for fees and admissions purposes, this would lead to significant displacement of the opportunities available to Scottish-domiciled students

If there is a vote for independence, we believe it is essential that prior to independence day the Scottish Government is able to give institutions robust legally-defensible certainty that a regime will be in place which enables a sustainable level of cross-border flow.

We do not have a fixed view as to how this could be achieved. However, some months prior to the White Paper, Universities Scotland published [legal advice](#) which we had obtained which suggested that there might be a basis for construction of an 'objective justification' under European law for the differential treatment of EU students based on residency. The Scottish Government's White Paper suggests a basis for the possible construction of an 'objective justification' for differential treatment of RUK students based on residency. We look forward to seeing a full articulation of the Scottish Government's proposed 'objective justification' as soon as this is developed.

Research funding

Universities Scotland has consistently stressed the need for Scottish research to be funded competitively, and the benefits of retaining a common research 'ecosystem' of staff and facilities across the UK or its successors to enable the close collaboration which adds strength to the collective UK research effort. This is a priority for the sector under any revised constitutional settlement, whether this is independence or whether it is further development of the devolution settlement.

The Scottish university sector currently benefits from a diversity of Scottish, UK, EU and international sources of research funding, and from funding from charities and industry for research which addresses their priorities. Funding sources include:

- Scottish Government funding for research infrastructure through the SFC Research Excellence Grant and Global Excellence Grant (an aggregate total of £244m budgeted for in academic year 2014-15)
- £96m research contracts from governmental sources (including UK, Scottish, local authorities and NHS) (2011-12)
- £229m from UK Research Councils (2011-12)
- £167m from charitable and industrial funders across Scotland, England, Wales and Northern Ireland (2011-12)

- £62m from EU research contracts (2011-12)
- Scottish Funding Council Research Postgraduate Grant (£34m in AY2014-15)
- £26m from international funders (2011-12)

We are pleased that the UK Government and Scottish Government positions both recognise the collective value to all parts of the current UK of maintaining a common research ecosystem. As stated in the conclusion of UK Government's paper [Scotland analysis: Science and research](#),

'The current research environment within the UK serves Scotland well. Together, Scotland and the rest of the UK have a large, heavily integrated and thriving research base. This helps drive improvements in economic competitiveness and productivity, as well as improving the way people live their lives.'

And 'Scotland's Future' notes that:

'The UK operates as a 'common research area', ensuring no barriers to collaborative research and access to facilities for researchers throughout the UK. We recognise the benefits - for the academic community, business and research charities - of maintaining long-term stability in research funding and systems that support initiatives of scale and researchers working together across boundaries. It is clearly in the interests of both Scotland and the rest of the UK to maintain a common research area including shared research councils, access to facilities and peer review.'

The UK Government's paper acknowledges that negotiation of continued arrangements is possible, but does not commit the UK Government to this:

'An independent Scottish state might wish to share arrangements and facilities with the continuing UK. But this would be subject to negotiations and there is little international precedent for such arrangements.'

In Universities Scotland's view, successful negotiation of this outcome would be the optimum solution in the event of constitutional change. The financial basis of this would obviously be a central element of discussion between the UK and Scottish Governments and the outcome of that is not predictable. The UK Government's Scotland Analysis sets out what could be understood as a starting point for discussion of Scotland's proportionate contribution:

'Including all Research Council funding (including grants, studentships and fellowships and spending on infrastructure), Scotland secured £307 million (10.7 per cent of the UK total).'

Other elements of which would need to be considered as part of a negotiation include:

- Whether Scottish participation in international research collaborations (e.g. CERN and the European Southern Observatory) should be part of a common arrangement with the rest of the UK or negotiated separately.
- How to secure cross-border access to facilities which all researchers in the nations of the UK value, e.g. (in Scotland) the HECToR supercomputer and the UK Astronomy Technology Centre, and in England the Harwell research complex and Daresbury laboratory which put the UK at the forefront of fundamental physics.

- What future role the Technology Strategy Board might have in Scotland.

Separately, the university sector will seek affirmation that the major UK research charities will continue to invest in excellent research by Scottish universities which addresses their priorities, and assurance from the Scottish Government that in the event of constitutional change it would continue to operate a research infrastructure funding regime which enables Scotland to attract excellence-driven charitable research.

EU membership

Universities are dependent on the free movement of people and ideas. EU membership is an important element of this. EU membership is also an important factor in considering how to build sustainable arrangements for cross-border student flow, and is an important element of a diverse and robust regime for supporting university research. In Universities Scotland's view, it is important that any constitutional settlement provides for continued EU membership.

Conclusion

The university sector looks forward to contributing to Scotland's economic, social and cultural success under any constitutional outcome. Whatever choice is made by the electorate, it will be important that policies are in place which enable universities' contribution to Scotland's success.

Universities Scotland

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Annex A.1: Post-study work entitlements

Some educational agents who advise students on study destinations are now showing a preference for countries such as the United States, Canada and Australia where the immigration procedures and post-study work opportunities are considered to be better. A report from i-graduate which runs the Agent Barometer survey showed that the Canadian government's continued focus on international education and increasingly open immigration policy are likely factors in Canada's higher popularity amongst educational agents.

- Canada has two programmes:
 - Post-Graduation Work Permit Programme (PGWP) which allows recent graduates to work in Canada for a length of time equivalent to their study programme. Skilled Canadian work experience gained through the PGWPP helps graduates qualify for permanent residence in Canada.
 - In 2011 Canada introduced a new initiative to allow up to 1000 international PhD students apply for permanent residency as Federal Skilled Workers.
- USA:
 - International students in the USA can work in a field related to their studies for up to 1 year following graduation through the Optional Practical Training scheme (OPT). The USA has also removed the cap on the allocation of H1B visas (sponsored work visas) for international graduates.
- Australia:
 - In March 2013 the country replaced the Temporary Graduate visa with the Skilled Graduate visa as a part of the implementation of new post-study work arrangements. The Temporary Graduate visa has two streams: the Graduate Work stream and the Post-Study Work stream. The Post-Study Work stream offers extended options for working in Australia to eligible graduates of a higher education degree. Under this stream, successful applicants are granted a visa of two, three or four years duration, depending on the highest educational qualification they have obtained.

Annex A.2: Visa process difficulties

Students have reported the following concerns:

- Difficulties in obtaining clear guidance:

The policy guidance for students is enormous and contains a huge amount of information. More work is needed to make the system seem less complicated. The 2011 UKCISA survey on the student experience of Tier 4 indicated that students repeatedly face difficulties in obtaining clear and correct information, especially from the Home Office. Meanwhile competitor countries, such as Australia have introduced streamlined visa processing for international students at Higher Education Institutions.
- Credibility Interviews
In December 2012 the Home Office started to roll out credibility interviews for students from "high risk countries". Students and institutions have reported concerns about the

interviews being excessively daunting for students. There is also concern about the level of training, knowledge & understanding that Entry Clearance Officers have of the HE system to allow them to determine the applicants genuine intention. There have also problems with delays in the process where students were unable to join the course because of backlogs and the time taken to arrange interviews.

- Police registration

An ongoing concern for universities and students is the experience around police registration. Students from what are deemed “high-risk countries” by the Home Office are required to register with the police within seven days of arrival within the UK. The Police Force, notably in Edinburgh, is unequipped to process the high number of students within the short time-frame and students have previously had to camp out in very long lines to make sure that they are registered.