

## Children, Young People and Education Committee Report Recommendations

### Degrees of Separation? The Impact of Brexit on Higher and Further Education

#### **Recommendation 1**

The Welsh Government should proactively demand, via any future UK Immigration Bill, executive powers for Welsh Ministers that allow them to make spatially different immigration rules specifically for students and academic staff in Wales. Michelle Brown AM does not agree with this recommendation.

Agree in principle.

The Welsh Government agrees that Wales needs a higher education system that allows institutions to continue to collaborate freely and to work together across Europe and the globe. A system that allows our students to travel and study in other countries and ensures Wales continues to be a welcoming place for those from abroad to learn and to work. These collaborations must continue and we will work with universities to make sure that these bridges are maintained and strengthened in years to come.

The UK Government has committed to a 12 month engagement programme on their immigration system white paper “The UK's future skills-based immigration system”. The Welsh Government is looking at the likely results and economic impacts of the proposed changes for Wales and we will be putting forward our own evidence on the requirements of the Welsh labour market, including the appropriate salary threshold level. Our aim is to ensure the Welsh economy is not adversely affected by an overly restrictive migration system and that Welsh Universities are able to meet their future staffing and student needs.

Given the importance of EU citizens to our economic prosperity, and the interconnectivity between migration and our devolved responsibilities for public services such as education, higher education, health and local government, we have been seeking assurances from the UK Government that we will be given the opportunity to share our views with them and that they will be taken on board, before the UK Government sets out its future immigration policy.

It is disappointing that the UK Government have failed to do so.

#### **Recommendation 2**

The Welsh Government must commission a research project to answer the question of what motivates EU and other international students to come to Wales to study, and report back within the next 6 months. This research should consider the impact of the removal of the Tuition Fee Grant on EU student recruitment and develop a

range of proposals to help universities attract international students to study in Wales, including an evaluation of financial incentives.

Accept in principle.

The Welsh Government is able to provide help in promoting Wales and the high quality and standards of our universities, working with Universities Wales, the British Council Wales, Visit Wales and other partners to support the “Study in Wales” brand to help attract EU and other international students to study in Wales. We are also providing funding from Global Wales and Global Wales II to support their work.

As independent, autonomous bodies recruitment is a matter for the universities themselves. As such I would expect the sector to understand their markets and to undertake research to understand student’s expectations as well as being aware of the value of incentives. Indeed, Universities UK published “[A ‘No Deal’ BREXIT: Implications for universities and minimising risk](#)” in December 2018. This paper outlines the steps that the UK Government needs to take to mitigate the risks of a no deal BREXIT and the mitigating actions that universities should consider.

The Welsh Government recognises that the Higher Education sector will continue to face challenges in 2019-20 which are compounded by the ongoing uncertainty surrounding the UK’s exit from the EU. I am therefore expecting HEFCW to help provide some assurance that the sector is prepared for leaving the EU and that they can help the Government develop Wales’ place in Europe and the rest of the world.

### **Recommendation 3**

The Welsh Government must publish an evaluation of the Global Wales I programme and in its response to this report, demonstrate the application of any lessons learned from it to the new Global Wales II programme.

Accept.

It is a condition of funding that evaluations are undertaken of the projects and programmes it supports. The Welsh Government received Annual Reports on the effectiveness of Global Wales I and the effectiveness of the interventions in developing links between Welsh Higher Education Institutions (HEIs) and counterparts around the world as part of the Grant Agreement with Universities UK International. The reports are attached at Annex B.

Global Wales I was a much smaller programme than Global Wales II with a focus on identifying priority markets and then using Global conferences to promote Wales as a destination for international students to choose to study here through the promotion of Study in Wales. Global Wales II looks to expand on the activity undertaken through the predecessor programme. This will include ramping up

engagement with the priority countries identified (the USA and Vietnam), identifying further priority markets and expansion of activity such as the development of scholarship programmes with those countries. It will also include a refresh of the Study in Wales brand and the promotion of that more widely, including to Europe and into internal markets within the UK.

**Recommendation 4**

The Welsh Government must ensure that the Study in Wales website and marketing material, which is part of the Global Wales programme, is urgently updated and refreshed, not least to include information on the 2019/20 EU student funding guarantee.

Accept.

The Welsh Government will establish a Global Wales marketing sub-group to review the Study in Wales brand, website and future marketing content and materials. The sub-group will consider closer alignment of the Study in Wales brand with the 'Cymru Wales' nation brand, and the opportunity to adopt a more unified approach to promoting Wales to the world.

The highly successful Cymru Wales brand has already been applied across promotion of Wales for tourism, trade and investment, food and drink and GP and nurse recruitment campaigns. The next stage in the evolution of the Cymru Wales brand will be delivery of the Digital Gateway project and greater digital integration and impact. This project will involve the launch of a series of new web platforms for Wales in 2019 (centred on wales.com), and underpinned by a market-leading content marketing approach that will focus on engaging stories about Wales aimed at global audiences. The Global Wales marketing sub-group will consider opportunities to align the Study in Wales website and future investment in marketing content with the Wales Digital Gateway project.

**Recommendation 5**

The Welsh Government must, as part of its response to this report, explain how it is ensuring that the Global Wales II programme demonstrably benefits and supports all those Welsh universities that experience reduced demand from EU students.

Accept.

The Global Wales II programme has an evaluation of the activities it supports built into the design of the programme. A clear focus is an expansion of the Study in Wales brand into Europe to promote Wales as a destination of study. The aim is to support all Wales' HEIs to continue to attract European students in a post Brexit scenario and to explore other unexplored markets such as Vietnam and mid-west United States.

**Recommendation 6** The Welsh Government, as part of its response to this report, should provide information regarding the expected impact of the Global Wales II programme, including the expected student numbers and other quantifiable benefits.

Accept.

HEFCW is responsible for monitoring the delivery of the Global Wales II project and reporting to the Welsh Government on the expenditure, outputs and outcomes, as outlined in the Project proposal. It is required to provide annual reports on an academic basis and four interim narrative updates on progress made towards the agreed deliverables and on project activity. This includes increasing Wales' market share of the UK's recruitment of international and EU students. The Welsh Government has also set a target to double the number of Welsh domiciled outward student mobility during this Assembly term and Global Wales will have a part to play in that too.

**Recommendation 7**

The Welsh Government must work with the higher and further education sectors to put in place and test funding arrangements that will guarantee no financial disruption or uncertainty for ERASMUS+ students, particularly those on modern language degrees, taking into account the conditions attached to the current Treasury guarantee. The Welsh Government must report back to this Committee when it has done so.

Accept in principle.

Clearly the continuing uncertainty surrounding the UK Government's approach to Brexit is far from ideal and that uncertainty extends to the financial position and the funding of Erasmus+. The UK's financial contribution to the EU is held by HM Treasury, not by Welsh Government and in order to deliver a replacement scheme for Erasmus without cutting other programmes of activity, we would need that funding to be transferred to us from HM Treasury. The Welsh Government has been clear on the need for a Block Grant adjustment to cover the European funding which would have come to Wales; this is not something which has been resolved.

If the UK Government fails to secure participation in Erasmus+ and fails to deliver a replacement UK scheme, then in that scenario, the Welsh Government would need to look very carefully at the current range of Erasmus+ activity and consider what can be achieved with the resources available to us.

Erasmus+ is a UK wide programme administered by the National Agency, a partnership between the British Council and Ecorys on behalf of the Department for Education (DfE) in England and the Devolved Administrations of Northern Ireland,

Scotland and Wales. Officials continue to have regular discussions with counterparts regarding the operation of Erasmus+ under the terms of the HM Treasury guarantee and also on contingency planning for its continued delivery as the UK leaves the EU, including for those studying modern language degrees.

**Recommendation 8**

The Welsh Government must commission a further research project, building on the recent work which informed the international mobility pilot, to develop a more detailed picture of the impact of international mobility on the outcomes of students from under-represented groups in Wales, and report back to the Committee within 6 months.

Accept.

In January 2018, the Welsh Government appointed OB3 Research, in conjunction with the Wales Institute of Social and Economic Research, Data and Methods (WISERD) of Cardiff University, to undertake a scoping study with the key aim of providing evidence to support the development of an overseas study pilot.

Fieldwork included a literature review of international student mobility and a review of current funding provisions in Wales and overseas. Welsh Government officials and representatives from key stakeholder organisations including Higher Education Institutions (HEIs) were interviewed and interviews with past and current overseas students and focus groups with individuals interested in studying overseas were conducted.

Whilst the study found that there is a lack of data to enable full degree overseas study from Welsh-domiciled students to be quantified, the report does include an analysis of four years of HESA returns (2013-17) on Welsh-domiciled students studying in the UK who have undertaken a period of up to one year of study abroad. We know that the number of Welsh domiciled students, volunteering or undertaking work experience abroad remains low at under 2 per cent of the total Welsh domiciled student population. Indeed the report we commissioned from OB3 Research, in conjunction with the Wales Institute of Social and Economic Research, Data and Methods (WISERD) earlier this year noted that evidence suggests that Welsh domiciled students are less likely than their UK and European counterparts and international students generally, to undertake overseas study. Latent demand in Wales is likely to be low at considerably less than 200 per year.

The pilot itself, and its evaluation, will give us an opportunity to test that demand by offering short-term spells of study that will perhaps be more attractive to those students who might otherwise be put off by the idea of going overseas for longer. Indeed, the OB3 report notes that 'There has been a steady growth in the overall numbers of Welsh domiciled students studying, volunteering or undertaking work

experience abroad over the last four years, with the numbers almost doubling from 795 in 2013/14 to 1,430 in 2016/17 at a time when the overall population of Welsh domiciled students studying at HEIs declined by 10 per cent.’ The pilot gives us an opportunity to build on this.

### **Recommendation 9**

The Welsh Government must continue to press the UK Government on future regional investment being a devolved “made-in-Wales” solution and follow through on its commitment that future regional investment will not be subsumed into Welsh core-budgets and will remain multi-annual in nature.

Accept.

The Welsh Government position is clear that Wales must not be a penny worse off after Brexit. We launched our Regional Investment in Wales after Brexit paper on 14 December 2017, which develops our thinking on the future of regional investment policy in Wales. We will continue to press the UK Government to provide assurances that every penny of the £370m that Wales currently receives from the EU’ Structural and Investment Funds each year be replaced by the UK Government as a permanent upward adjustment to the Welsh Government’s budget.

### **Recommendation 10**

The Welsh Government must work closely with the higher and further education sectors when developing any detailed regional investment proposals, to ensure the key role universities and colleges play in reducing inequality and increasing productivity is taken into account.

Accept

The Welsh Government established the Higher Education Brexit Working Group in September 2016 to share intelligence and provide advice on the implications of Brexit. This now includes further education sector representation.

We value the contribution of this group and will ensure that through this group and our wider engagements with the sectors that their views and perspectives on a range of matters, including reducing inequality and increasing productivity are appropriately considered.

### **Recommendation 11**

The Welsh Government must commit to working jointly with the further education sector to jointly develop and publish a plan, funded by a EU Transition Fund bid and taking account of the differing regional needs, to identify and respond to any

changing skills demands in those sectors most likely to experience Brexit related disruption.

Accept.

The Welsh Government supports and recognises the important role that Regional Skills Partnerships (RSPs) have in producing regional intelligence informed by employers. RSPs submit annual reports to Welsh Government that highlight regional priorities for employability and skills, based upon employer needs. This approach is enabling Welsh Government to align regional skills provision to investment and growth opportunities as part of a move to implement a new strategic approach to post-16 planning and funding.

RSPs also provide strategic skills intelligence which underpin City Deals and Growth Bids. “The Independent Report of the Governance of Regional Skills Partnerships in Wales” by Dr John Graystone (March 2018) recommended that RSPs remain independent in their advisory capacity to Welsh Government and for RSPs to continue to act as arms-length bodies. This provides them with a key role to provide independent advice and guidance to Welsh Government with respect to identifying regional skills needs. This is a fundamental principle of the new post-16 strategic planning and funding approach which has the “demand led” concept at its centre.

The Welsh Government will ask RSPs to consult closely with their employer networks in order to inform our work on the impacts of Brexit on regionally significant sectors.

My officials are currently developing proposals for a series of skills projects to help build Wales’ resilience, to be considered for support from the EU Transition Fund. This work will be informed by direct engagement with our stakeholders.

### **Recommendation 12**

The Welsh Government must recognise the fundamental importance of research and innovation to the prosperity of Wales and recognise the danger inherent in falling behind England and Scotland in funding these activities in what is an extremely competitive setting. The Welsh Government must therefore begin to immediately fund the recommendations made by Professor Reid in his review.

Accept in part.

The Welsh Government accepts in principle the findings and recommendations of the Reid review.

The key messages that Welsh Government took from the review and are working on to take forward include:

- increasing the visibility and influence of Welsh research and in particular press forward with “a dedicated London presence to promote Welsh Research and Innovation”
- ensuring that Wales had parity in the levels of un-hypothecated research and innovation funding compared to the rest of the UK, where possible: This included strengthening the current Welsh research base to enable Welsh researchers to compete for a greater share of new UKRI-wide funding by implementing Diamond’s recommendation for QR funding and knowledge exchange funding, and in addition, incentivising Welsh researchers to win greater funding from outside Wales.
- increasing the coherence and impact of research and innovation support and funding for business in order to grow the existing scale of activity and achieve more effective engagement with investors, outside the Welsh Government post-Br-exit.

The first recommendation asked the Welsh Government to increase the visibility and influence of Welsh research by creating a new Welsh Research and Innovation London Office (WRILO) and as a direct result we are currently recruiting staff to undertake this new role. There is a critical need to rebalance science, research and innovation spending across the UK, encouraging regional growth and in pursuit of higher investment and productivity. We recognise that this team will have a vital role to play in increasing the visibility of Wales.

The second and third recommendations within the Reid Review relate to future resources, beyond existing budgets and will need to be considered as part of future budget considerations.