Advice for universities following the vote to leave the European Union

24 June 2016

Current situation

Barring unilateral action from the UK Government, members are advised that the vote to leave the European Union (EU) does not mean there will be any immediate material change to the UK university sector’s participation in EU programmes such as Horizon 2020 and Erasmus+, nor to the immigration status of current and prospective EU students and staff.

Article 50 of the Lisbon Treaty foresees a two-year negotiation process between the UK and other Member States, during which time the terms of the UK’s exit from the European Union will be decided.

For more detail on this process please see appendix 1 which sets out what we know about the processes and timescales for exiting the EU.

Further information

A vote to leave the EU clearly poses significant challenges for UK universities, creates uncertainty and leaves many unanswered questions. There will be many important questions that require urgent answers - from universities, staff, students, prospective students, research partners and other stakeholders – that may be impossible to answer for some time. We should remember that leaving the EU will not happen overnight – there will be a gradual exit process with significant opportunities for Universities UK to seek assurances and influence future policy.

Universities UK will seek urgent clarification on key cross-sector questions (see later section of this paper) from Government, the European Commission and other relevant agencies. However it is likely that it will take time for some of the more difficult questions to be answered, particularly those that require high level political decision making and those that are dependent on the exit negotiations or negotiations of any new (non-member) arrangement between the UK and EU. We have already flagged an initial set of issues with No.10 and BIS and we are meeting with the Universities Minister today. Universities Scotland and Universities Wales are in contact with Scottish and Welsh Governments and will seek clarification from them on devolved matters.

We will keep in regular contact with members to share new information and highlight next steps as they become clear.
Immediate communications

In any communications you may wish to draw on the following text to give overall context:

_Barring unilateral action from the UK Government, members are advised that the vote to leave the European Union does not mean there will be any immediate material change to the UK university sector’s participation in EU programmes such as Horizon 2020 and Erasmus+, nor to the immigration status of current and prospective EU students and staff._

_Article 50 of the Lisbon Treaty foresees a two-year negotiation process between the UK and other Member States, during which time the terms of the UK’s exit from the European Union will be decided._

Until the point we are able to receive further clarity on key specific issues, institutions may also wish to consider communications to the following audiences:

- **EU staff**: to clarify that their immigration status has not changed as a result of the vote. This will remain the case until the Government decides otherwise.

- **Current EU students**: to clarify that their immigration status and associated fee status, as well as their access to the student loan book, have not changed as a result of the vote. This will remain the case until the Government decides otherwise.

- **EU students with a place to start in academic year 2016/17 and 2017/18**: to clarify that at this stage there is no reason to assume any change to their immigration status or access to student loan book. _UUK is liaising with the Home Office and the Department for Business, Innovation and Skills and institutions are advised to check both websites regularly for updates from the UK Government. Given the differing arrangements in the devolved nations, Universities Scotland and Universities Wales will seek clarification in terms of tuition fee grant and/or access to loans from the Scottish and Welsh Governments._

- **EU students studying in the UK under the Erasmus programme**: to clarify that their immigration status has not changed, and that they continue to be eligible for their Erasmus grant until at least as long as we remain a member of the EU and could well be extended beyond this.

- **UK students studying in the EU and elsewhere under the Erasmus programme**: to clarify that their immigration status has not changed, and that they continue to be eligible for their Erasmus grant until at least as long as we remain a member of the EU and could well be extended beyond this.
UUK is liaising with the British Council as National Agency for Erasmus+ and institutions are advised to check the Erasmus+ websites regularly for updates including student-focused communications.

- **All staff currently undertaking EU funded projects:** to clarify that the UK’s status as a full participating member of the Horizon 2020 programme has not changed as a result of the referendum vote and that existing project grants and contracts will be honoured unless or until advised otherwise.
  
  *UUK is liaising with the UK Research Office and the European Commission and institutions are advised that detailed advice on prospective and currently negotiated projects will be circulated as soon as is possible*
Universities UK public statement, 24 June 2016

Universities UK will be working pro-actively with the UK Government to minimise the disruption caused by this decision to the UK science, research and higher education sector, and to work to secure an outcome from negotiations which ensures continued cooperation and collaboration between the UK and European Member States.

Universities UK released the following public statement at 7am this morning:

“Leaving the EU will create significant challenges for universities. Although this is not an outcome that we wished or campaigned for, we respect the decision of the UK electorate. We should remember that leaving the EU will not happen overnight – there will be a gradual exit process with significant opportunities to seek assurances and influence future policy.

“Throughout the transition period our focus will be on securing support that allows our universities to continue to be global in their outlook, internationally networked and an attractive destination for talented people from across Europe. These features are central to ensuring that British universities continue to be the best in the world.

“Our first priority will be to convince the UK Government to take steps to ensure that staff and students from EU countries can continue to work and study at British universities and to promote the UK as a welcoming destination for the brightest and best minds. They make a powerful contribution to university research and teaching and have a positive impact on the British economy and society. We will also prioritise securing opportunities for our researchers and students to access vital pan-European programmes and build new global networks.”

Additionally, Universities Scotland and Universities Wales have also released public statements. These will be circulated separately to Scottish and Welsh members.
What are the key questions that we are seeking answers to?

Summarised below are some of the key questions that we are seeking answers to. These include questions that are immediate priorities – such as EU student ongoing access to tuition fees loans and other issues where quick and positive answers may help to reassure prospective students, current students and staff - and more medium term questions that need further detailed discussion – such as regulatory change. We have already and will continue to ask members to inform us of other issues that need resolving. However, for the time being, we do not know what the answers to these questions are.

- **EU students access to tuition fee loans**

  Will undergraduate EU students continue to have access student loans for their tuition fees? If so, does this also apply to prospective EU students commencing in autumn 2016 and/or students accepting a deferred place starting in autumn 2017? How long will this access remain in place? Given the differing arrangements in the devolved nations, Universities Scotland and Universities Wales will also seek clarification in terms of tuition fee grant and/or access to loans from the Scottish and Welsh Governments.

- **Immigration status of existing EU staff and students**

  Following the date that the UK formally leaves the EU, will EU staff currently working at UK universities be granted the right remain in the UK permanently? Will visas be required for EU staff and/or students to work or study at UK universities? If so, on what terms? When would any new visa requirement come in to place, and what transition arrangements are foreseen? Are there any reassurances that can provided to current and prospective EU students and staff in the UK regarding immigration status? Does the contractual status of EU staff make a difference to their right to remain? (i.e. will staff on fixed term contracts and permanent contracts be treated differently?)

- **Mobility for UK staff and students**

  Are there any reassurances that can provided to current UK students or UK staff on Erasmus or other EU mobility programmes? Are there any reassurances that can provided to Erasmus students in the UK? For what time period can UK students and staff continue to access Erasmus programmes on current terms?

- **Access to EU funding programmes and networks**

  For what period of time can UK universities continue to access EU funding programmes and networks on current terms? What are the immediate implications for people involved in current EU funded research projects and for those considering submitting applications? Is
there any impact on existing EU-funded consortia and contractual entitlements and obligations under the existing grant agreements? After formal exit, will UK students and staff be able to access any research or mobility networks and programmes? If so on what terms? What will be the impact on current structural (ERDF) funding from now until these programmes end in 2020? Will there be any changes to how this funding is managed and delivered within the regions, the devolved nations and through the LEPs?

In seeking clarification to the many questions about programmes and networks we suggest prioritising seeking answers on Horizon 2020, Erasmus+ and Structural Funding.

- Regulatory issues

As the UK leaves the single market what impact will this have on regulation which impact universities? (E.g. VAT, workforce, procurement, copyright, data etc). What are the timescales for any changes? Where can universities seek further information and guidance?

- European Investment Bank (EIB)

What is the impact EIB future lending in the UK? Is there any impact on current EIB loans to UK universities?

- Funding from UK Government

Will the UK Government increase spending on research and innovation to a level that at least meets any shortfall of funding from loss of access to EU programmes, as indicated during the Vote Leave campaign? Will the UK Government provide additional funding to support international networks, mobility and promotion of the UK as a destination for talented international staff and students to help counter some of the most negative impacts of leaving?
Next steps and points of contact

UUK will be liaising closely with the UK Government, the European Commission and other relevant agencies and will keep in regular touch with members to highlight next steps as they become clear, and will seek urgent clarification on key cross-sector questions. Universities Scotland and Universities Wales are in contact with Scottish and Welsh Governments to seek clarification on devolved matters.

However, it is likely it will take time for some of the more difficult questions to be answered. If you would like to highlight specific concerns meantime, please get in touch with:

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Appendix 1: What do we know now? Process, timescales and current situation

Barring unilateral action from the UK Government, UUK Members are advised that yesterday’s vote to leave the European Union does not mean there will be any immediate material change to the UK university sector’s participation in EU programmes such as Horizon 2020 and Erasmus+, or to the immigration status of current and prospective EU students and staff.

Invoking Article 50

In order to begin the process of withdrawing from the European Union, the Prime Minister will need to invoke Article 50 of the Lisbon Treaty which sets no timeframe for notification so if the UK Parliament wishes to hold a debate or a Parliamentary committee wants to take evidence on the UK exit before formal notification, this could be delayed.

The negotiation process & timescales

Article 50 of the Lisbon Treaty foresees a two year negotiation process between the UK and other Member States, during which time the terms of the UK’s exit from the European Union would be negotiated. An extension to the two year period is possible (if Council agrees unanimously) and seen as likely given the complexity of negotiations. If there is no sufficient agreement reached after the two years and no extension is granted by other Member States, the UK would leave the EU immediately without any replacement on the basis of which trade and travel could take place.

Once Article 50 has been invoked:
- The European Commission would need to seek a mandate from the European Council (excluding the UK) to propose a withdrawal agreement;
- This agreement would then be negotiated with the European Council;
- And consented to by the European Parliament (presumably including UK MEPs, the current Parliament sits until 2019).

Seeking a new agreement with the EU

Article 50 does not specify how much the withdrawal agreement itself should say about the future relationship between the EU and the departing Member State. Any sort of detailed relationship would have to be put in a separate agreement that would have to be negotiated alongside the withdrawal agreement using the detailed processes set out in the EU Treaties. Article 50 does not specify whether these negotiations should be simultaneous or consecutive. This would be a matter for negotiation.

The two separate processes are illustrated in the two diagrams below:
Processes for negotiating withdrawal from the EU (Article 50, TEU) and for negotiating a new agreement under the Treaty on European Union (TEU)²

### Withdrawal agreement from the EU Article 50 (TEU)

**European Council (excluding the UK) agrees by consensus guidelines for the EU’s negotiation**

**Possible further stage where the European Commission submits recommendations to the Council of the European Union and the Council (excluding the UK), by enhanced qualified majority voting, authorises the opening of negotiations and appoints negotiator**

**European Commission undertakes negotiations**

**European Parliament consents to the withdrawal agreement by a simple majority**

**Council of the European Union (excluding the UK) agrees to withdrawal agreement by enhanced qualified majority voting**

### New agreement with the EU (excluding the UK)

**European Commission submits recommendations to the Council of the European Union**

**Council of the European Union agrees the opening of negotiations, and appoints negotiator/special committee. Voting procedure in the Council depends on what the agreement covers, but a detailed agreement would likely need unanimity**

**European Commission undertakes the negotiation, in conjunction with negotiator/special committee**

**European Parliament is either consulted on the new agreement or has to give its consent, by a simple majority, depending on what the agreement covered**

**Council of the European Union agrees to new agreement. Voting procedure in the Council depends on what the agreement covers, but an ambitious agreement would likely need unanimity**

**Individual Member States ratify the final new agreement nationally if it is a mixed agreement**
The final agreement of post-exit arrangements needs to be agreed on by both parties. The arrangements would require agreement on the EU side by 20 out of the 27 Member States as well as a majority of the 751 MEPs in European Parliament. MEPs from the UK would probably still be allowed to vote as they would still formally be part of the EU.

The withdrawal agreement will be subject to the usual procedures for ratification and so will have to be laid before Parliament with a Government Explanatory Memorandum for 21 sitting days before it could be ratified. The withdrawal agreement would have to be implemented by an Act, or Acts, of Parliament. The European Communities Act 1972 could have to be repealed or possibly amended and other primary legislation implementing EU law would have to be repealed.

During the negotiation period, the UK would be restricted in its ability to negotiate and conclude new trade agreements with countries outside the EU. Additionally, it is likely that those with whom the UK has existing preferential trade agreements with through the EU would want to see the terms of the UK’s future relationship with the EU before any new trade agreements are negotiated with the UK.

Given all of the above, it is probable that the UK would have to negotiate the exit from the EU first, any future arrangements with the EU second and only then would the UK be able to negotiate and form trade deals with countries outside the EU. Therefore, the Government estimates that the whole negotiation process could lead up to a ‘decade or more of uncertainty’.

For the UK higher education sector two key questions in terms of exit negotiations are:

- Whether any change will occur in relation to before or the UK’s participation in EU programmes or the immigration status of current and incoming EU nationals before or during the negotiation process for withdrawal and if so what transition measures will be applied.

- What terms the EU and the UK can agree as part of the withdrawal agreement and how these impacts freedom of movement for students and staff, and access to EU programmes.