Dear colleagues,

The UK Government and EU negotiators have today published a joint report on progress made during phase one of negotiations on the UK’s exit from the European Union. The report provides welcome progress on some important issues for universities:

- progress on securing the residency rights of other EU citizens living in the UK
- the UK’s continuation in existing EU programmes that form part of the 2014-2020 Multiannual Financial Framework, including Horizon 2020 and Erasmus+, and
- the European Investment Bank.

These issues – still to be ratified by the European Council on 15th December – are set out below in more detail, including an overview of the next steps that UUK will take to secure both greater certainty for the sector before the UK leaves the EU and throughout any transition period, and an effective post-exit settlement for universities. Overall, we welcome the fact that agreement has finally been reached which should ensure that the 46,000 other EU nationals working across the university sector can remain in the UK indefinitely. In addition, we are encouraged that today’s agreement offers further clarity that UK universities, students and researchers will continue to be able to participate in incredibly valuable programmes such as Horizon 2020 and Erasmus+ until their end dates.

One caveat to apply to what has been published today is that “nothing is agreed until everything is agreed”, referring to the fact that the second phase of exit negotiations – on transition and the future UK-EU relationship – has the potential to influence the UK’s withdrawal agreement. However, we are hopeful that the key issues around citizens’ rights and continuing budgetary contributions would not be jeopardised in terms of what has been agreed today.

EU citizens’ rights

- Today’s report states that a common understanding has been reached on securing the residency rights of EU nationals currently living in the UK. This is a welcome development. However, the UK’s Withdrawal Agreement and an Implementation Bill will need to enshrine any final settlement into UK law, which UUK understands could be several months away.
- The cut-off point for EU nationals to be covered by the agreement reached today will be the date the UK leaves the EU (March 2019). This is a welcome development given that the UK Government previously indicated that one option for a cut-off date was the day Article 50 was triggered (March 2017).
- EU nationals living in the UK will be able to apply for ‘settled status’ when the applications portal opens, likely towards the end of 2018, and will remain open for at least two years. Two further positive developments related to this today include:
  - Those with permanent residence (PR) will be able to convert their PR to a new settled status free of charge subject only to verification of identity, a criminality and security check and proof of ongoing residence (previously it had been suggested there would be a cost attached to this which would be no greater than the cost of obtaining a U.K passport)
  - Those with settled status will be able to leave the UK for up to 5 years without losing their status, a shift from the two years indicated previously
- We will be working with the Home Office to influence their planned communications strategy to EU nationals on the details of today’s agreement.
UK participation in existing EU programmes, including for research and education

- Today’s report states that: “following withdrawal from the Union, the UK will continue to participate in the Union programmes financed by the Multiannual Financial Framework (MFF) 2014-2020 until their closure”. This indicates that UK participants will be able to remain in the Horizon 2020 and Erasmus+ programmes until the end of the programmes in 2020. UUK is seeking urgent confirmation that this statement does definitely include these programmes. Additionally, we are seeking to ensure the programmes will continue to work in the same manner allowing universities to plan and apply for funding as normal.

- This statement also outlines that the EU and the UK will also have to “agree to simplified procedures so as to avoid unnecessary administrative burdens extending well beyond the end of the current MFF”. This would ensure that projects requiring funding beyond the end of the programmes in 2020 would be sufficiently administered and financed so they can conclude as planned and UUK is working to gain clarity on these ongoing arrangements.

- Positively, it concludes with the notion that “the UK states it may wish to participate in some Union budgetary programmes of the new MFF post-2020 as a non-Member State”. Whilst this does not outline which programmes the UK is looking at, UUK will continue to articulate the numerous benefits of remaining in successor education and research programmes.

European Investment Bank

Today’s report states that:

- After the date of withdrawal from the European Union, UK projects will not be eligible for new operations from the EIB reserved for member states. UK Government, however, considers that there could be ‘mutual benefit from a continuing arrangement’ with the EIB, and will explore these possible arrangements in the second phase of negotiations. UUK is seeking clarification on how these arrangements might take shape and how funding might be accessed by universities, given the UK will no longer be a member state.

- The UK’s share of the paid-in capital will be reimbursed in twelve annual instalments starting at the end of 2019. The report notes that the financial settlement ‘should not disrupt the operational functioning of the EIB as a result of the UK withdrawal in relation to the stock of operations’ at this point. UUK is seeking clarification on what this means for existing UK university projects funded by the EIB, as well as for universities that are in the process of applying between now and the exit date.

Transition period and the future UK-EU relationship

Separately, European Council President Donald Tusk has today set out his suggested guidelines for phase two of the exit negotiations. Although still subject to agreement, the proposal is that a transition period will be negotiated first (noting that the UK Government has asked for this to be in place for around two years, into 2021), followed by a discussion on the “British vision of its future relationship with the EU”.

In recent months, UUK has worked to increase the UK Government’s awareness of the stability measures universities need to provide certainty on issues such as citizens’ rights and access to vital EU research and education programmes. While today’s news appears to have addressed some issues of uncertainty, we will now seek that Government confirms the following:

- The positive developments on citizens’ rights will be enshrined into UK law as soon as possible to provide the necessary reassurances for those affected by EU exit.

- That EU student fees for 2019/20 entrants, and for those starting a course throughout any transition period, will not change. UUK’s position is that, in the interests of stability, there should be no changes to the rules governing EU students’ fee status or eligibility for grants/loans affecting these cohorts of students. We will continue our work to influence the Government on this position.
We will also shift the focus of our engagement with parliamentarians, Government officials, European partners and through the media towards the longer-term settlement that universities need in order to thrive post-exit. This includes: access to a Framework Programme 9 focused on excellence; building an immigration system that supports universities’ ability to attract global talent with minimal barriers; greater support to facilitate outward student mobility – of which Erasmus+ should form part, and a UK Shared Prosperity Fund to replace EU Structural Funds.

All the best,

Alistair