European and External Relations Committee

The EU referendum and its implications for Scotland

Written submission from West of Scotland Colleges’ Partnership

Precis

Although this paper is submitted by an organisation representing a number of Scotland’s colleges, its content addresses macro-issues with regards to EU funding in Scotland as well as highlighting the significant impact that participation in EU programmes has had on the college sector and ‘WoSCoP member colleges in particular.

Key points for the Committee are that EU funding programmes – domestic and transnational - have had a huge impact on college activities, especially in the 1990s and 2000s; the financing of EU programmes, especially in the period between 1975 and 1993 is worthy of detailed scrutiny in preparing a Scottish response to Brexit; and that scrutiny can and should be supported by drawing on the widest range of expertise that exists in Scotland.

About WoSCoP:

The West of Scotland Colleges’ Partnership (WoSCoP) is a cost-sharing group that supports member colleges in the engagement with and intelligent exploitation of European and other external funding. It was established in 1996 following the reorganisation of local government and the incorporation of colleges. The unit was established within Strathclyde Regional Council in 1987, in preparation for the West of Scotland becoming eligible for European Funds. The legacy of expertise within the unit has been protected from that time, which ensures that WoSCoP staff have a unique awareness of European Funds stretching back to their introduction in Scotland.

WoSCoP’s current membership comprises six of Scotland’s publicly-funded colleges\(^1\), which deliver professional, technical and vocational education to around one-third of the nation's college student population. WoSCoP’s four core staff have a lengthy and diverse experience of EU programmes extending over the last 25 years, a defining characteristic of which is that they have not only delivered successful European projects but have also managed and implemented domestic and transnational European funding programmes in Scotland and Brussels.

WoSCoP represents member colleges’ interests on a wide range of funding and policy fora in the UK and internationally and promotes its colleges in a number of regional, national and international networks in the fields of professional, technical, vocational and higher education.

The WoSCoP Chair is a member of the Board of the European Association of Institutions of Higher Education (EURASHE), which is a key influencer at EU-level and WoSCoP staff serve on a wide range of strategic forums: examples include the

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\(^1\) City of Glasgow College, Glasgow Clyde College, Glasgow Kelvin College, New College Lanarkshire, South Lanarkshire College and SRUC (Scotland’s Rural College)
UK’s team of The European Higher Education Area (EHEA) Experts, the steering group for the UK’s team of Experts for the European Credit system for Vocational Education and Training (ECVET), the UK Sector Consultative Group for Vocational Education and Training (VET) a European Commission Focus Group on the Simplification of Costs, the Scottish Bologna Stakeholders Forum, the National Advisory Group for the Erasmus+ Programme, the Appeals Committee of the INTERREG VA Programme for Ireland, Northern Ireland and Scotland, and the working group referencing national qualifications frameworks to the European Qualifications Framework (EQF). Key WoSCoP staff work, regularly, with other stakeholders involved in promoting Scottish participation in European programmes – for example, NUS Scotland, Skills Development Scotland, the Scottish Credit and Qualifications Framework Partnership (SCQFP), the Scottish European Educational Trust (SEET), Scotland’s National Centre for Languages (SCILT), the Prince’s Trust, schools and local authorities – and are frequently engaged by the Education, Audiovisual and Culture Executive Agency (EACEA), in Brussels, and the UK National Agency for Erasmus+ to assist in the selection, monitoring and reporting of EU-funded transnational projects to support student and staff mobility and curriculum development.

In recent years, WoSCoP has established collaborative working arrangements with like-minded networks in the UK – Colleges Northern Ireland and Colleges Wales – and in mainland Europe – the Dutch Alliance, the Slovene Association of Higher Vocational Colleges, HETEL (Spain) and Finnet (Finland) to strengthen its own and its member colleges links with Europe.

Since its creation, WoSCoP has supported member colleges - and frequently the wider college sector in Scotland – to develop and successfully deliver national, regional and transnational projects that have attracted some £165m of European funding. This funding, drawn from a range of EU Programmes – ESF, ERDF, Interreg, LEADER, Community Initiatives, Erasmus+ (and its antecedents) – has contributed significantly to the modernisation of college estates and to boosting the skills of the nation’s workforce.

Introduction

The result of the UK Referendum on EU Membership was greeted with a sense of disappointment and shock, particularly in Scotland, Northern Ireland and London. Initial reactions – political and academic – focused on the potentially negative implications for the country, its people and its economy. In fact, the reactions of many of the organisations which had been long-term recipients of large-scale EU funding were akin to a form of panic. However, WoSCoP’s experience and knowledge affords it the ability to absorb the facts, recollect the history and apply their skills towards thinking innovatively and creatively about the next steps and the challenges and opportunities that have and will emerge.

Given the opinions expressed by voters in Scotland in the Referendum, it is understandable that the Scottish Government should seek to preserve this country’s relationship with the EU. WoSCoP’s view is that whilst the Scottish Government should, as mandated by the Scottish Parliament, seek to retain Scotland’s membership of the EU or, that failing, membership of the European Single Market
(ESM), it should, also, be open to exploring novel approaches to achieving this. With this in mind, WoSCoP encourages the Scottish Government to:

1. Undertake a thorough audit of the full extent and true value of European funding that has come Scotland’s way since 1975 and that this is extensive and not simply not confined solely to ERDF, ESF, LEADER, Horizon 2020, Interreg and Erasmus+.

2. Develops a sound understanding of the principle that has underpinned the UK government’s approach to ERDF since 1975. This was founded on substituting EU funding for core UK Government funding for regional development. WoSCoP contends that the Scottish Government must take due account of this actual reduction in UK funding for regional development in setting any baseline for funds for Scotland that the UK Government seeks to deploy to fill the gap left if Scotland finds itself outside the EU. One potential outcome of this may be to recognise that the level of European Structural and Investment Funds (ESIF) that would be available to Scotland would be seriously diminished or even disappear after 2020, regardless of the vote. Consequently, if the Scottish Government is keen to secure the continuation of any activities that were supported by ESIF, it would be prudent for it to have a clear and detailed understanding of the history of those funds and their antecedents and to use this knowledge to inform its negotiating position with the UK Government over any national funding that would fill the gap.

3. Identify other EU regions and Member States with whom Scotland may cooperate to create new approaches and relationships to support positive European engagement and nurture “political” support for Scottish aspirations post-Brexit. Smart networking within existing European structures, interest and working groups offers relatively easy points of access – e.g., the European Higher Education Area, European University Association, EURASHE, The European Trade Union Confederation, the European Students Union, Eurocities, BusinessEurope.

4. Adopt a genuinely open and inclusive approach to assembling all of the expertise that is available to it – in and beyond Scotland – in order to harness all of the knowledge, experience and contacts that are available to it.

5. Devote sufficient resources – some of which may be supported by EU funding – to develop an informed, imaginative and agile response(s) as the Brexit process unfolds.

Impact of EU funding on WoSCoP colleges

Between 1994 and 2011, WoSCoP worked with its member colleges to secure £45m of ERDF to supplement national and institutional funds for capital investment in college estates. The majority of ERDF support for colleges was awarded in the earlier ERDF programmes. Post-2006, there were significant restrictions on the types of capital projects that could be funded.

In 2011, the Scottish Funding Council (SFC) assumed responsibility for applying for and managing all college sector activity associated with the ESF Programme in
Scotland. Up until that date, around 18% of the entire ESF budget for Scotland was used to support the provision of new and additional vocational training programmes for college students in order to address the need to upskill sections of the population experiencing economic exclusion. During the fifteen years prior to SFC managing the sector’s role in the ESF Programme, WoSCoP member colleges secured around £100m from it and £7.4m in the period from 2010 to 2013.

European funds for regional development are aimed at reducing economic disparities across Member States. Their underpinning rationale is to redistribute wealth – in the form of EU grants and subsidies – from the bloc’s most prosperous regions to its most deprived. Given that data from the International Monetary Fund’s (IMF) World Economic Outlook database\(^2\) indicates that the UK is the world’s 5\(^{th}\) and EU’s second largest economy, it is highly likely that its entitlement to any future EU regional development aid would have been extremely doubtful even if it the referendum result had been to remain in the EU. Therefore, WoSCoP stresses that, in the event of Brexit, it is of vital importance that the Scottish Government determines the full extent of regional aid lost to Scotland due to the UK Government’s deployment of a subtractionality\(^3\) funding model during the period from 1975 to 1995.

Conscious of the fact that Scotland’s entitlement to significant support from the EU’s ERDF and ESF programmes would inevitably decline and the relatively low intervention rate of such grants – up to a maximum of 45% of a project’s costs, WoSCoP has worked with its member colleges to better position themselves to exploit the benefits of the vast range of EU transnational programmes that are available to Member States and other countries and that have substantially higher intervention rates. Some of these programmes have, for a number of years, allowed the full participation of EEA and neighbouring non-EU Member States like Norway, Iceland, Liechtenstein and Turkey whilst others targeted cooperation with specific third countries – for example, the USA, Canada, Australia, South Korea and South American and African states. However, the 2014 to 2020 generation of transnational programmes, which includes Erasmus+ Horizon 2020, Creative Europe and others support the participation of countries across the globe. In addition, the territorial cooperation programmes, which are financed by ERDF and six of which are open to Scotland - INTERREG Europe; the Cross Border Programme for Northern Ireland, the Border Region of Ireland and Western Scotland; the North West Europe Programme; the Atlantic Area Programme, the Northern Periphery Programme and the North Sea Programme – support collaborative projects with neighbouring EU Member States and other countries. Since 2006, WoSCoP has worked with its member colleges to assist them in securing £12m of funding from these programmes and a WoSCoP member college was the first further education institution to participate in the EU’s Framework Programme for research and development. Therefore, WoSCoP urges the Scottish Government to devote sufficient attention to exploring how, in the event of Brexit, Scotland may continue to participate in these transnational programmes and to entering into discussions with relevant authorities in other countries in the EEA and beyond on how they have negotiated their

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participation in such programmes. These transnational programmes are particularly important for Scotland’s future European and international engagement and their shelf life is significantly longer than domestic EU funding like ESF and ERDF.

Finally, WoSCoP would like to highlight some of the systemic impacts that participating in EU programmes has in Scotland. These include the following:

a) All types of EU funding have punched above their weight in terms of impact. Their disappearance would be much more than a purely financial loss. It would have the potential to lead to a decline in regional, national and international partnership working, leverage, and policy and delivery experimentation.

b) It is an absolute truth that funding drives behaviour and EU programmes have been perfect exemplars of this, particularly in the fields of sustainability, protection of the environment, partnership working, employability and portability of qualifications. Many of the approaches that are, now, perceived as standard practice emerged, entirely or in large part, as a consequence of priorities attached to EU funding. It is clear that EU policy priorities have often run ahead of domestic mainstream funds and have been a fertile testing ground for educational innovation or scaling up successful pilot work. This has helped foster Scotland’s image as a Europhile country and as a pathfinder in accommodating and mainstreaming EU ambitions within its own policy aspirations and priorities. Evidence, elsewhere suggests that this is in contrast with the position adopted by successive UK Governments. It is hoped that Scotland’s embrace of European values will stand it in good stead with other Member States as the Brexit process proceeds and that the Scottish Government will continue to be positive and outward-looking in its engagement with our European partners and neighbours.

c) EU funding has been such an integral feature of Scotland’s educational, employment and economic development landscape for so long now that the removal of these resources cannot easily be accommodated. Over the past three decades, domestic EU funding has become woven deeply into the fabric of the overall funding envelope for education and employability. Its removal or reduction will have no less of an impact than a reduction in core financing. The removal or reduction in both forms of funding simultaneously will place considerable pressure on a number of key areas of Scottish Government policy.

d) WoSCoP colleges are ambitious and outward looking colleges. They understand the benefits that participation in EU-funded transnational projects brings in terms of student and staff mobility and international partnership working. These transactional and relational benefits vastly exceed the financial rewards and extend beyond the funding periods to lay the foundations for further and deeper international cooperation. This, in turn, has and continues to support current, and previous, Scottish Government’ aspirations to develop a world class education system by providing opportunities for those involved in education in Scotland to learn from others, share good examples of practice and ensure that our students are well taught,
well qualified and better prepared to hold their own in a dynamic global economy.

e) It is hard to find a person who attended college in Scotland in the last 20 years who has not been touched by EU funding – be it by the quality of the enhanced premises in which they learned or in enrolling on a course or in the content of the course they followed or in the support they received in their community on their journey to college.

f) Colleges took a substantial share of all EU funding. This share fell dramatically when responsibility for accessing the funds moved from individual colleges to the SFC. The amount that is now accessed is modest by comparison but doubly important as the diminishing EU funds came at the same time as significant reductions in colleges’ core budget and an expectation that WSUM/Credit/student number targets could still be maintained. The disappearance of this EU funding would deal a serious blow to the levels of activity that colleges could deliver, unless alternative funding was put in place.

g) Scotland has had some well-documented difficulties with audit issues associated with EU programmes and there is a popular conception that there is a disproportionate level of bureaucracy associated the management and implementation of such programmes. The current situation offers opportunities for radical thinking to address these issues. The temptation to focus, solely, on plugging gaps in key core budgets may offer some answers, but WoSCoP contends that is not the absolute solution. The early days of competition in securing EU funding generated innovative thinking around excellence in delivering relevant outcomes for public policy aspirations. A willingness to allow similar levels of creativity in imagining a post-Brexit landscape could contribute, significantly to generating novel and improved funding models that are even more relevant to Scotland and Europe’s future.

Conclusion

The absence of a clear and well-formulated forward plan for Brexit at a UK level is regrettable. The corollary is that the Scottish Parliament and the Scottish Government find themselves with a blank canvass upon which to construct their own strategy for the situation that is unfolding. This response from WoSCoP is predicated on ensuring that all relevant factors for its members – and, for that matter, the entire college sector – are duly considered so that any unintended consequences may be anticipated and mitigated. In closing, WoSCoP urges the Scottish Government to resist any temptation to push for expedient or simplistic responses to the disappearance of EU funding and Scotland’s future relationship with the EU. It is hoped that the content of this paper demonstrates that college engagement with Europe and with EU-funded activity is not just about the money but rather the wider positive impact which being a member of the EU bring to the nation.