Universities Scotland

Implementing the Smith Commission: evidence to the Devolution (Further Powers) Committee

This paper sets out Universities Scotland’s views on issues relating to implementation of the Smith Commission recommendations.

Our comments relate closely to the points made in Universities Scotland’s submission to the Smith Commission.

They principally relate to issues which are not yet included in the draft clauses, or whose treatment is not clear from the draft clauses and the supporting commentary in the White Paper Scotland in the UK: An enduring settlement.

In summary our ‘asks’ are for:

- Early introduction of a devolved capacity to re-introduce a two-year post-study work entitlement for international students graduating from Scottish higher education institutions.
- Clarity about the capacity for Scottish management of the boundary between the benefits system and student support, to enable people on benefits to progress into higher education.
- Arrangements for the regulation of research which support cross-border collaboration and competitiveness.

These are set out more fully in the following pages.

Universities Scotland
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Post-study work entitlement

Universities compete in a global marketplace for international student recruitment. The quality and reputation of Scotland’s universities is very high but the current policy environment does not support our ability to compete to Scotland’s social, cultural and economic advantage. Despite a 1 per cent increase in overall student enrolment numbers of non-EU students from 2012/13 to 2013/14 Scotland’s universities have experienced a substantial cumulative decline in enrolments since 2010/11 of students from key overseas markets, particularly India (-58.4%), Nigeria (-28.2%) and for the first time also China (-2%).

A key ‘ask’ in the Universities Scotland submission was devolution of the capacity for Scotland to be able to introduce some limited variations from UK-wide immigration policy, to help address our particular demographic and economic challenges. We cited UK precedent for that through the successful ‘Fresh Talent’ scheme for Scotland (2004-08) which offered high-talent international graduates from Scottish universities the opportunity for up to 2 years post-study work in Scotland. We also cited international precedent, particularly the Canadian Provincial Nominee Scheme under which different provinces can prioritise the skills needs of their local economy and select people who meet those needs. Our submission was widely supported by student and trade union interests as well as organisations from Scotland’s business community including the Scottish Council for Development and Industry, the Scottish Chambers of Commerce and organisations specifically representing Scotland’s IT and renewables industry.

The Smith Commission reflected this in its recommendation 96(3):

‘The Scottish and UK Governments should work together to explore the possibility of introducing formal schemes to allow international higher education students graduating from Scottish further and higher education institutions to remain in Scotland and contribute to economic activity for a defined period of time.’

The Scottish Government has put work in hand with Universities Scotland and other stakeholders to design a new scheme to allow international graduates to contribute to the Scottish economy. We welcome this work, but its implementation is dependent on UK Government agreement. We urge the Committee to recommend that this is given as a matter of urgency.

Our Smith Commission submission expressed the case for this in the following terms:

‘The university sector’s most urgent ‘ask’ from a limited devolution of immigration policy is the capacity to re-introduce a two-year post-study work entitlement for international students graduating from Scottish higher education institutions.

This could be limited to work entitlement in Scotland only which would therefore have no impact on the management of migration totals in the rest of the UK. Such a move would deliver a positive benefit for Scotland, which has a strong cross-party consensus on the value of high-skill immigration, and strict limitations on the location of work entitlement would respect the different views on immigration in parts of the rest of the UK and the UK Government’s right to continue with its immigration policy.

We recognise that the UK Government has not capped the number of international student visas available in the UK but its restriction of the post-study work entitlement has harmed the Scottish higher education sector’s competitive position in attracting international talent to Scotland… By contrast, key competitors such as the United States and Canada have enhanced their post-study work entitlements in the interests of attracting international...
talent; a strategy that has paid off with continued expansion of 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).

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.

We believe that Scotland can compete successfully for international talent if we have the opportunity to offer a competitive post-study work entitlement.

**Enabling benefits recipients to progress to higher education**

Our Smith Commission submission highlighted the ‘benefits trap’ that can mean that people in receipt of benefits are unable to access higher education because they would lose their benefits – particularly housing benefit and council tax reduction. This is particularly a problem for adults with parental responsibilities, mature students, part-time learners and care leavers. The White Paper is unclear about whether the Scottish Government may in future have the capacity to adapt the rules of these benefits or their successors, e.g. so that student loans are exempt from calculation of income for benefits purposes. We would welcome clarity on this point.

**Regulation of research**

Paragraph 62 of the Smith Commission report (referred to at section 9.3 of the White Paper) makes the following recommendation:

‘The devolution of xenotransplantation; embryology, surrogacy and genetics; medicines, medical supplies and poisons; and welfare foods (i.e. matters reserved under Sections J2 to J5 of Head J – Health and Medicines, Schedule 5 to the Scotland Act 1998) should be the subject of further discussions between the UK and Scottish Governments. Those discussions are without prejudice to whether or not devolution takes place and in what form.’

This is of interest to universities because university research may involve for instance:

- biomedical research involving the transplantation of material from non-human animals
- biomedical research involving the use of human genetic material
- embryological research
- research into new medicines, and the clinical trials of new medicines.

Scottish universities do not seek further devolution of these aspects of research regulation. Much biomedical research is undertaken in cross-border collaboration with universities elsewhere in the UK, and compliance with a single set of UK-wide regulatory requirements supports those collaborative arrangements. Where Scottish universities are researching these issues on their own, they would be at a competitive disadvantage if they were subject to a more stringent regulatory regime than institutions elsewhere in the UK. Furthermore, further devolution of such regulation might deter investment from potential industry and governmental partners, whether UK-based or international.

We would welcome a clear commitment by the Scottish and UK Governments to maintain a UK-wide regulation of these aspects of research.

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