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## Board Meeting

Date of Meeting	Monday 31 October 2016
Paper Title	Brexit Implications for Colleges
Agenda Item	18
Paper Number	BM2-0
Responsible Officer	Principal Paul Little, City of Glasgow College
Status	Disclosable
Action	For Noting

### 1. Recommendations

The Board are asked to note this report for information.

### 2. Purpose of report

To provide assurance to the Board that together we are actively monitoring the impact of Brexit, to date, and its high level implications for the sector in Glasgow.

## **1. Context**

As members will be acutely aware the buzzword for Brexit is uncertainty. No one knows the long term effect that it will have on local and national economies far less directly on funding for the sector and the Glasgow Region.

There is little prospect of Britain leaving the EU before 2020, according to Lord Kerlake the former head of the Civil Service, speaking recently in the Scottish Parliament. He said that leaving the EU would be "a lot more complex and take a lot more time than people think it will." He estimated that it was at least five years away and that two years was overly optimistic.

We are monitoring developments as they play out across the following areas:

### **College Sector Impact**

#### **2014 -2020 Programmes**

The Scottish Funding Council has responsibility for managing the European Social Fund (ESF) and the Youth Employment Initiative (YEI). SFC has said that they will work with the Scottish Government, colleges and universities to assess the impact of the outcome of the referendum and to manage that impact, with its priority being to reduce uncertainty for students and institutions in both the short term and the longer term.

#### **Glasgow Region Impact**

In terms of income, the Glasgow region is due to receive an ESF grant of £6,682,883 in 2016/17 (up from £6,113,802 in 2015/16).

#### **Other Funding**

The Colleges are also active in exploiting other EU funds like Erasmus+ for staff and student mobility opportunities. UK's participation in most of these is assured for at least the next two years and the funding available in many of these programmes is about to increase significantly between now and Programmes' end dates in 2020. It is not clear at this early stage what the impact of Brexit will be on the Erasmus Programme longer term.

Additionally, agencies such as Skills Development Scotland manage funds, which are partly supported by European Union money, and which Colleges access, for example, Modern Apprenticeships. Any reduction in funding such as this will impact on Region activity.

#### **UK Government Position on Funding EU Projects**

Chancellor Philip Hammond speaking on 13 August 2016 gave some reassurance on funding bids for UK organisations (such as universities and colleges) who bid for EU projects whose lifespan extends beyond the UK's departure from the EU; the Treasury will underwrite such projects beyond the UK's departure from the EU.

## **European Investment Bank Loans**

As members will be aware a significant loan facility from EIB was secured over City of Glasgow College's new campus by GLQ. EIB has confirmed that legal obligations on EIB loans will not change and that existing borrowers will not face any change in contracts that have already been signed with the EIB.

However, future funding of similar projects is clearly in question.

## **EU Students**

Colleges have a number of EU enrolments. Though minimal in number we stand to lose EU students and importantly the cultural richness and diversity they bring to us, if there are restrictions introduced on freedom of movement to study.

## **2. Impact and implications**

We stand to lose a significant amount of EU funding and may see a reduction in student numbers as a consequence of Brexit. At the current time it is unclear how or whether this gap will be filled.

We will continue to monitor the implications of BREXIT for the Region and, as more detail emerges, ensure that we carry out analysis of the implications for students and the potential impact on income streams and overall strategic direction for the Region.