



The
University
Of
Sheffield.

University
Secretary's
Office.

Brexit Coordination Group, 14 January 2021

UEB, 26 January 2021

Council, 8 February 2021

Brexit Update: The UK EU Trade and Cooperation Agreement

UEB Sponsor: Heidi Fraser-Krauss

Authors: Dr Tony Strike, University Secretary
Matthew Borland, Senior Governance and Policy Officer

1. Purpose

- 1.1. To provide an update on Brexit following the UK and the EU agreeing a Trade and Cooperation Agreement on 24 December 2020.

2. Recommendations

- 2.1. Council is asked to note the update and to comment.

3. Background

- 3.1. In a referendum held on 23 June 2016, the majority of those who voted chose to leave the European Union (EU). The UK was anticipated to leave the EU on 29 March 2019, but following three extensions the UK left the EU on 31 January 2020 and entered a transition period. The transition period concluded on 31 December 2020 and the UK left the EU Single Market and Customs Union.
- 3.2. The details of the UK's future relationship with the EU was the subject of negotiations which began on Monday 2 March 2020. With a week to go until the end of the transition period, the UK and EU announced a Trade and Cooperation Agreement on 24 December.

Ratification

- 3.3. To ratify the agreement the UK government published the European Union (Future Relationship) Bill on 29 December, the purpose of which included implementing the provisions of the Trade and Cooperation Agreement in domestic law. Parliament was recalled on 30 December and the Bill received Royal Assent the same day.
- 3.4. For the EU unanimous approval in the Council of the EU (Member State Government representatives) and European Parliament consent was required prior to ratification. However, due to time pressure the Council of the EU approved, on 29 December, a provisional application prior to ratification.

University approach

3.5. The University has a Brexit Coordination Group, chaired by the Executive Director of Corporate Services. The Brexit Coordination Group met on 14 January to consider the implications of the Trade and Cooperation Agreement on the key risks for the University that it had previously identified.

4. Content of the Trade and Cooperation Agreement

4.1. The full [Trade and Cooperation Agreement](#) and a [Summary Explainer](#) have been published by the government.

4.2. The Trade and Cooperation Agreement is made up of three pillars:

1. A free trade agreement covering the economic and social partnership, including transport, energy and mobility,
2. A framework for cooperation between law enforcement and judicial authorities across civil and criminal matters,
3. An overarching governance arrangement which will allow for cross-retaliation across different economic areas.

Research: Horizon Europe

4.3. Of particular interest to the higher education sector is the fact that the Agreement includes continued UK participation in some EU programmes, notably Horizon Europe as an associate member. The UK will now have no influence over the programme as a whole, or on how the money is spent. UK researchers will not have access to the European Innovation Council Accelerator fund.

4.4. This does mean though that UK science and research will be eligible for funding from the new Horizon Europe scheme on equivalent terms as organisations in EU countries. Horizon Europe is due to run from 2021 to 2027 with a proposed budget of over €80 billion.

4.5. The UK will make a contribution towards the Horizon Europe budget in order to secure its participation. If, for two consecutive years, the UK takes out more than it puts into the programme, by an amount that exceeds 8% of its contribution, it will have to reimburse the EU to cover the difference. A reciprocal refund mechanism the other way was not agreed.

4.6. The UK will continue to have a role in four other EU programmes, namely the Euratom nuclear research programme, the ITER project to build the world's first functioning nuclear fusion system, the earth monitoring project Copernicus, and EU satellite surveillance and tracking services. In the absence of defence cooperation, the UK will not have access to Galileo encrypted military data.

Other aspects

4.7. On trade, there will be no tariffs or quotas on trade in goods provided rules of origin are met. There are increased non-tariff barriers. The Agreement is overseen by a UK-EU Partnership Council supported by other committees.

4.8. There are binding enforcement and dispute settlement mechanisms covering most of the economic partnership, involving an independent arbitration tribunal. There is no role for the Court of Justice of the EU in the governance and dispute settlement provisions.

- 4.9. In relation to 'level playing field' provisions, both parties have the right to take counter-measures including imposition of tariffs, subject to arbitration, where they believe divergences are distorting trade. There is also a review mechanism where this occurs frequently. Both parties are required to have an effective system of subsidy control with independent oversight. Either party can impose remedial measures if a dispute is not resolved by consultation.
- 4.10. The University will continue to review whether any supply chain issues have arisen in the short to medium term. Although none were reported at the meeting on January 14th.

5. What is not included in the Trade and Cooperation Agreement

Erasmus+

- 5.1. The UK will no longer participate in the Erasmus+ scheme. Instead, the government has said it will establish an alternative, named the 'Turing Scheme'. Government has [announced](#) £100 million to fund 35,000 placements and exchanges around the world starting in September 2021. DfE have said that new scheme will also target students from disadvantaged backgrounds. UK organisations will be invited to bid into the scheme in early 2021. Further details on how the scheme will work are expected to be announced.
- 5.2. A number of issues have aired since the Turing Scheme was announced. It is aimed solely at outbound students, i.e., students at a British university going on an overseas placement. It does not have provision for inbound students, students from overseas going on a placement to a British university. The Turing Scheme will not fund the tuition fees of UK students going abroad, which Erasmus+ previously did. The funding announced compares, in 2019, with 54, 619 participants in 684 UK projects who took part in Erasmus+ and the total grant was € 144.69 million.

During a [Question Time](#) in the House of Lords on 5 January 2021 Lord Parkinson of Whitley Bay, spoke for the Government. He responded to the suggestion that not being part of Erasmus was a choice the Government made by saying that "we would have been paying in nearly £2 billion more than we got back, and we did not think that would represent value for money."

- 5.3. The Irish government will fund Erasmus+ grants for students in Northern Ireland, at an estimated cost of €2 million per year. No further details have been provided for how this will work in practice.
- 5.4. The decision announced by UK government to launch a national alternative to Erasmus+ means, subject to advice, that the institutional alternative considered by the Brexit Co-ordination Group and UEB as a contingency measure will not now be required.
- 5.5. UEB will receive from Global Engagement an assessment of the issues related to the transition from Erasmus+ to Turing, and the application process.

Data Protection.

- 5.6. Data adequacy is not included in the agreement. However, the UK and EU have agreed a temporary arrangement to allow data to continue being transferred from the EU to the UK from 1 January. This will initially last for four months and is extendable to six months.
- 5.7. Without an 'adequacy' decision, where the European Commission recognises the UK's data protection regime as comparable to the EU's own, then organisations wanting to

transfer data from the EU to the UK would have to use alternatives, such as standard contractual clauses.

- 5.8. A joint declaration published alongside the deal makes clear that the EU will undertake an adequacy assessment. The EU still has to decide whether to deem the UK's data protection regime adequate, although, according to the Institute for Government it is more likely to do this now a deal has been reached. In the absence of an adequacy agreement the additional four months leeway is welcome.
- 5.9. UEB have already agreed a Data Protection Plan and priorities, with an associated resource plan, which included non-recurring monies to prepare for the lack of an adequacy decision. Where data transfers with EU partners are affected it may be possible by agreement to introduce standard contract clauses.

Mutual Recognition.

- 5.10. Disappointingly, the Agreement did not include mutual recognition of professional qualifications between the UK and the EU. Agreements will have to be negotiated on a profession-by-profession basis by country. This means that someone with a professional qualification must have their qualification recognised in each EU member state where they want to work, between the relevant registering bodies in each country. There will, however, be provisions for short-term business trips and temporary secondments of highly skilled employees.
- 5.11. Student Recruitment and Admissions have started a piece of work to check websites and programme offers are clear so that UK and EU students on programmes leading to professional registration understand the position on mutual recognition in member states related to their profession.

Immigration

- 5.12. The most significant impact of Brexit on UK immigration is that freedom of movement between the UK and EU ended at 11 pm on 31 December 2020. With effect from 1 January 2021 freedom of movement has been replaced with a points-based system under which EU and non-EU citizens are treated equally. The Trade and Cooperation Agreement does not affect these new Immigration Rules.
- 5.13. Immigration issues are causing short-term difficulties in particular in the School of Languages and Cultures where students are due to go on placement under the existing Erasmus scheme and colleagues are working on sources of visa advice to students.
- 5.14. UUKi has commissioned work on post-exit immigration arrangements for UK staff and students travelling to the EU to work and study after 1 January 2021. This work will cover all 27 EU member states, plus Norway, Iceland and Switzerland. It is expected to be sent out to institutions by late January. The work undertaken will provide further advice and detail on:
 - Immigration requirements for short-term study arrangements (up to 90 days, and 90 days to one year).
 - Immigration requirements for work placements (up to 90 days, and 90 days to one year).
 - Immigration requirements to carry out work in an EU member state in the framework of their UK studies.
 - Clarifying whether there are differences from an immigration perspective between remunerated and non-remunerated training placements.

6. Next Steps

Communications

- 6.1. Corporate Communications are updating the FAQ's on the website, preparing internal communications for staff and students, and external communications to international partners.

Brexit Coordination Group

- 6.2. The Brexit Coordination Group will continue to meet monthly for so long as considered useful, with provisional dates currently being sought until May 2021.