

The influence of EU membership on
uk public services

trouble and strife

an uneasy marriage?



\ introduction

The public purse, governance of public services and significant aspects of our working and personal life are inexorably linked to the UK's membership in the European Union (EU). The EU has a far-reaching impact on public service management, delivery, demand, supply chain and funding.

The historic relationship between the UK and the EU is complicated and has progressed to a stage where legislation, policy, and economic activity are so intertwined that the process of beginning to separate is likely to be extremely challenging.

Over the years, the popularity of the EU has been fluid, with a “heady enthusiasm” in certain sectors at certain periods.

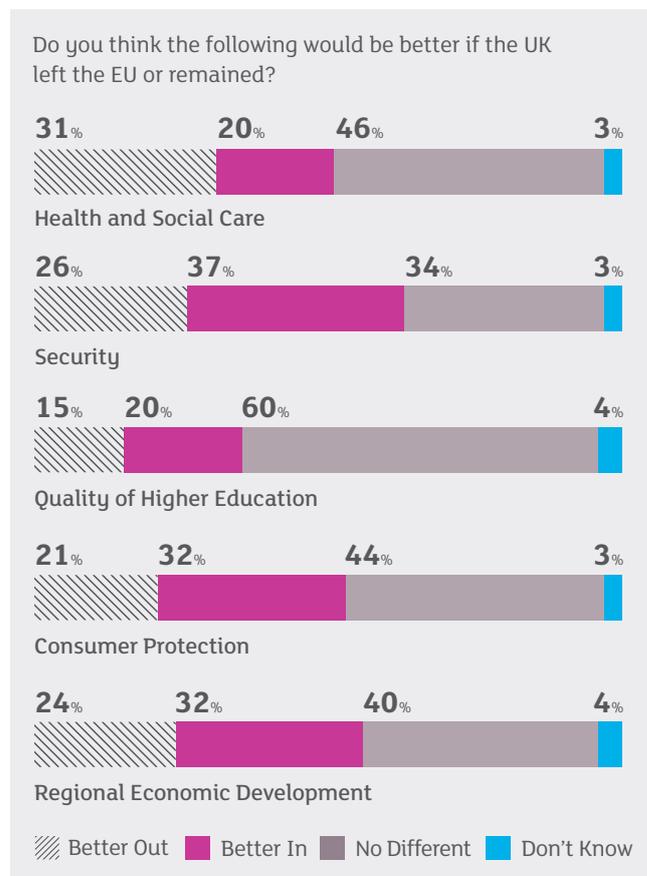
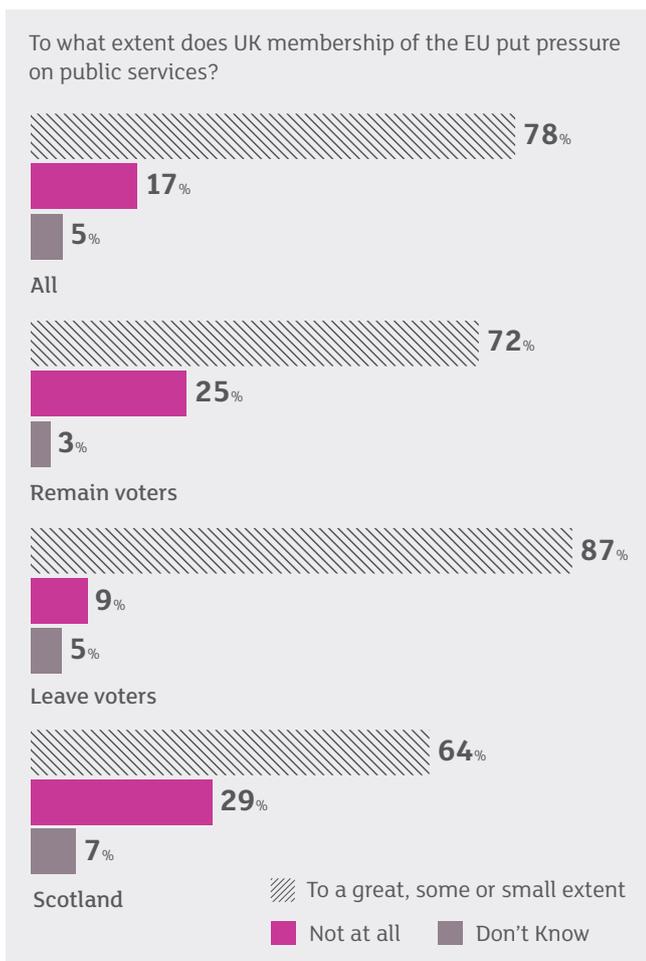
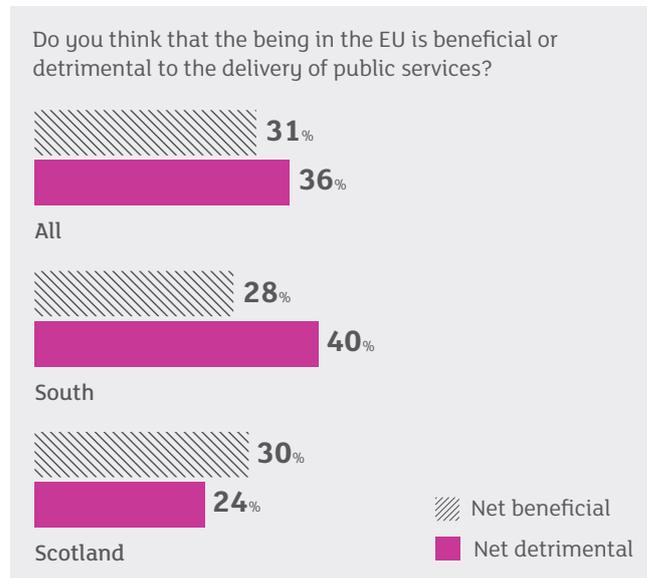
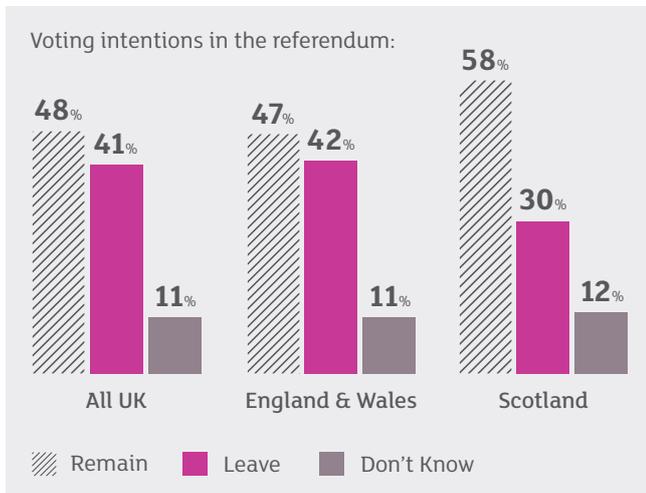
Different sectors within public services have also experienced varying levels of exposure to EU influence.

As the degree to which their work is affected by EU, this report will summarise the relationship between the EU and national public sector issues, local government, health and integration, higher education, housing and crime and security in turn.

To strengthen this research CIPFA, as foremost experts in public finances, has gathered the perspectives of leading public service professionals and combined this with an opinion poll of the British public.

Using this information, CIPFA has sought to understand more clearly the benefits and drawbacks of EU membership in the delivery of public services.

key findings from opinion poll



Source: CIPFA commissioned ComRes to interview 1,002 British adults by telephone between 18th and 20th March 2016. Respondents did not include adults from Northern Ireland due to issues concerning sample size. For Scotland, all results should be treated as indicative rather than definitive due to small sample size (n=83). Figures for 'all UK' in voting intentions are taken from a ComRes poll for ITV News.

key findings from public service leaders survey

Independent interviews with public sector leaders showed that all but one of 20 respondents said the UK should remain in the UK. This was on the basis that public services work well under the current arrangement.

The survey highlighted a range of concerns about the potential impact of 'Brexit'...

'I think if Britain was to leave then there would be a major economic issue, certainly in the short-term and possibly in medium-term as well.'

Health

'Everyone is second-guessing what an exit would look like.'

Crime and Security

'After Brexit, the goodwill to oil the wheels would not be there.'

Crime and Security

The survey also highlighted that day-to-day awareness of the EU and its institutions was generally low:

'This great debate is being massively simplified... but many people will develop their positions and vote in an emotional way.'

Crime and Security

Respondents stated that as EU and UK legislation, policy, and economic activity are so intertwined separating them is extremely challenging:

'Because Britain has been a part of the EU for 40 years it's pretty complex to work out what are the influences separate from everything else. It's difficult to work out what's EU-related and what's UK government-related.'

Higher Education

'Some regulations have been set by the EU and some of them are set by the UK government. I am unsure with the employment legislation whether it's EU or Westminster. We do what we are told basically.'

Health

CIPFA commissioned Coyne Research to speak to senior public service leaders, this included 20 finance directors, chief executives and service leaders in central government, crime and security, education, health and social care, housing, and local government.

On 23 June 2015, the citizens of the United Kingdom will vote to decide whether to stay in the EU. Voting to remain is a vote for the reforms negotiated by Prime Minister Cameron and agreed at the meeting of the European Council in February 2016. The reforms concern a UK opt-out from Ever Closer Union, protection for non-euro countries in the EU, and some control of the benefits paid to migrants in the EU. Voting to leave is a vote to initiate Article 50 of the Treaty of Lisbon and begin a two-year notice period before permanently leaving the EU.

Debate on EU membership has been recurring since before the UK first joined the European Economic Community in 1973. Cameron's Bloomberg speech in 2013 set the tone for debates on Europe during the 2015 election campaign and in the UK's negotiations with the EU.¹ Over the years, when discussing the UK's membership in the EU, common themes have been debated: whether there should be 'more Europe' or 'less Europe', perceived over-regulation, threats to sovereignty, uncontrolled migration and border control.

Economic

Both the Remain and Leave camps are touting figures that demonstrate that either the UK benefits financially from being in the EU or is burdened by its fees and tariffs.

In April 2016, the Institute for Fiscal Studies (IFS) found that in 2014 annual UK public spending was £743bn.² The European Commission figures show that the UK's gross contribution to the EU Budget was £11.3bn.³ IFS suggests the UK received back £5.6bn through various funding streams leaving a UK net contribution of £5.7bn.

IFS has estimated that going forward, the UK's overall net contribution, though likely to fluctuate, will be around £8bn. Although many Eurosceptics argue the money lost in contributions to the EU could be spent on public services, there is no guarantee a future UK government would choose to do that and, given the oft quoted Norway and Swiss model, it would equally depend upon the deal reached with the EU if the UK were to leave.

What is clear, is that the balance sheet of the UK heavily relies on economic stability, and downturns invariably affect

the spending capacity of public services. To achieve economic stability in Europe and boost public spending, the widely respected Eurosceptic economist, Roger Bootle, estimated the EU requires a budget of 10% of GDP.⁴ At the moment, data suggests the budget GDP ratio is a lot smaller. IFS claim that the overall EU budget is about 1% of the EU's Gross National Income (GNI) and GDP, which the IFS acknowledge is 'relatively small'.

The Treasury released a dossier in 2016 that estimated the UK's GDP growth would reduce in the event of a Brexit.⁵ They predicted a loss of 6.2% by 2030 or £4,300 for each household. Research from LSE in 2016, estimated this figure to be lower, between 1.3% to 2.6%.⁶

Recruitment and workforce

The EU's free movement policy has meant that individuals across Europe have a right to live, work and study in another EU country. All parts of the public sector have benefited from accessing a wider pool of skills and talent across all parts of its business. This includes attracting finance professionals. Although, recruitment outside the EU has always been common.

In terms of employment law, EU regulations are written into the terms and conditions of employee contracts. EU legislation is deeply entangled with UK law and in employees' contracts

Welfare and the fiscal effects of immigration

One of the major themes of the EU referendum debate has been immigration and the financial strain it is perceived to place on public services. Although the impact is difficult to evaluate as the costs and benefits are not easily identified or distributed

1 The Rt Hon David Cameron MP, EU speech at Bloomberg, 2013 www.gov.uk/government/speeches/eu-speech-at-bloomberg

2 The Institute for Fiscal Studies, The EU budget: a guide, 2016 www.ifs.org.uk/uploads/publications/bns/BN181.pdf

3 Office of Budget Responsibility (OBR), Economic and fiscal outlook: supplementary fiscal tables, 2016 www.budgetresponsibility.org.uk/download/economic-and-fiscal-outlook-supplementary-fiscal-tables-march-2016/

4 Roger Bootle, The trouble with Europe, 2014

5 HM Treasury, Analysis: the long-term economic impact of EU membership and the alternatives, 2016 www.gov.uk/government/uploads/system/uploads/attachment_data/file/517415/treasury_analysis_economic_impact_of_eu_membership_web.pdf

6 LSE, The consequences of Brexit for UK trade and living standards, 2016 <http://cep.lse.ac.uk/pubs/download/brexit02.pdf>

Those who would vote to leave are more likely to think the EU is detrimental to public services than those who would vote to remain.



Those who work in the public sector are more likely to think that the EU is beneficial to public services.⁷



evenly across regions, there is a widespread sense that migrants take advantage of our welfare system. Indeed, at the heart of David Cameron's reforms were plans to change EU migrant's access to child and in-work benefits.

According to analysis by the National Institute of Economic and Social Research (NIERS), the issue of EU migrants claiming benefits is not a significant economic problem.⁸ The Office of Budget Responsibility (OBR) calculates that 'on average EU migrants make a net contribution to public finances' and their net contribution will only grow in future.⁹ Indeed, research by University College London (UCL) suggested that European migrants contributed £15.2bn to UK public finances between 2007 and 2011.¹⁰ It also indicated that migrants are less likely than natives to receive state benefits or tax credits.

The UCL report also argued that migrants provide savings to the taxpayer by bringing with them educational qualifications paid for by their countries of origin. They found that 'between 1995 and 2011 European migrants endowed the UK labour market with human capital that would have cost £14bn if it were produced through the British educational system'.

Border arrangements

France and the UK negotiated a bilateral deal, called the Sangatte protocol, to counter the number of people arriving in the UK and claiming asylum. First introduced in 1994, the agreement means British border guards carry out

passport checks in France and Belgium, rather than French and Belgian authorities.

As a result of these agreements refugee camps, such as the 'Jungle', have surfaced close to French ports, which are managed by French authorities. Due to the fiscal burden this places on French public resources, the Prime Minister David Cameron, in a speech made in February 2016, suggested the French government would end this treaty if the UK were to leave the EU. Because of this, the Prime Minister suggested, the camps would appear in South East England.

Rob Whiteman, Chief Executive of CIPFA and himself former head of the UK Border Agency, argued that it is likely the camps would close, but they would not appear in the UK. He went on to claim that migrants arriving in the UK would be able to claim asylum and be dispersed across the country or placed in immigration detention centres at the cost to the British public.

Regulation

EU regulations have a far-reaching impact on the way public services are managed. The general discourse of the referendum debate has reflected the widespread disgruntlement with EU legislation and directives imposed on the UK.

Data from Open Europe shows that some of these regulations may create an unnecessary cost. Open Europe claims that between 1998 and 2010, regulation introduced in the UK,

⁷ Based on a sample of 246 public sectors workers and 321 private sector workers. Data is weighted to be representative of all British adults by age, gender, region and socio-economic grade, but not of public and private sector workers specifically

⁸ NIERS, Analysing the UK's deal: immigration, free movement and benefits, 2016

www.niesr.ac.uk/blog/analysing-uk%E2%80%99s-deal-immigration-free-movement-and-benefits#Vw5jeZwrK70

⁹ OBR, Fiscal sustainability report, 2013 www.budgetresponsibility.org.uk/fsr/fiscal-sustainability-report-july-2013/

¹⁰ Dustmann and Frattini, The fiscal effects of immigration to the UK', UCL Centre for Research and Analysis of Migration, 2013 www.cream-migration.org/publ_uploads/CDP_22_13.pdf

cost the economy £176bn.¹¹ Of this, £124bn, or 71%, had its origin in the EU.

Similarly, the Eurosceptic, David Davis MP argued that the previous government's own regulatory impact assessments estimated that EU regulations cost Britain's private and public sectors £140bn between 1998 and 2010.¹²

Conversely, the Coalition government's review of competencies within the single market report painted EU regulation in a positive light¹³. It concluded that the evidence showed the constraints on policy making were outweighed by it for integration, appreciable economic benefits and a liberal model of policy-making.

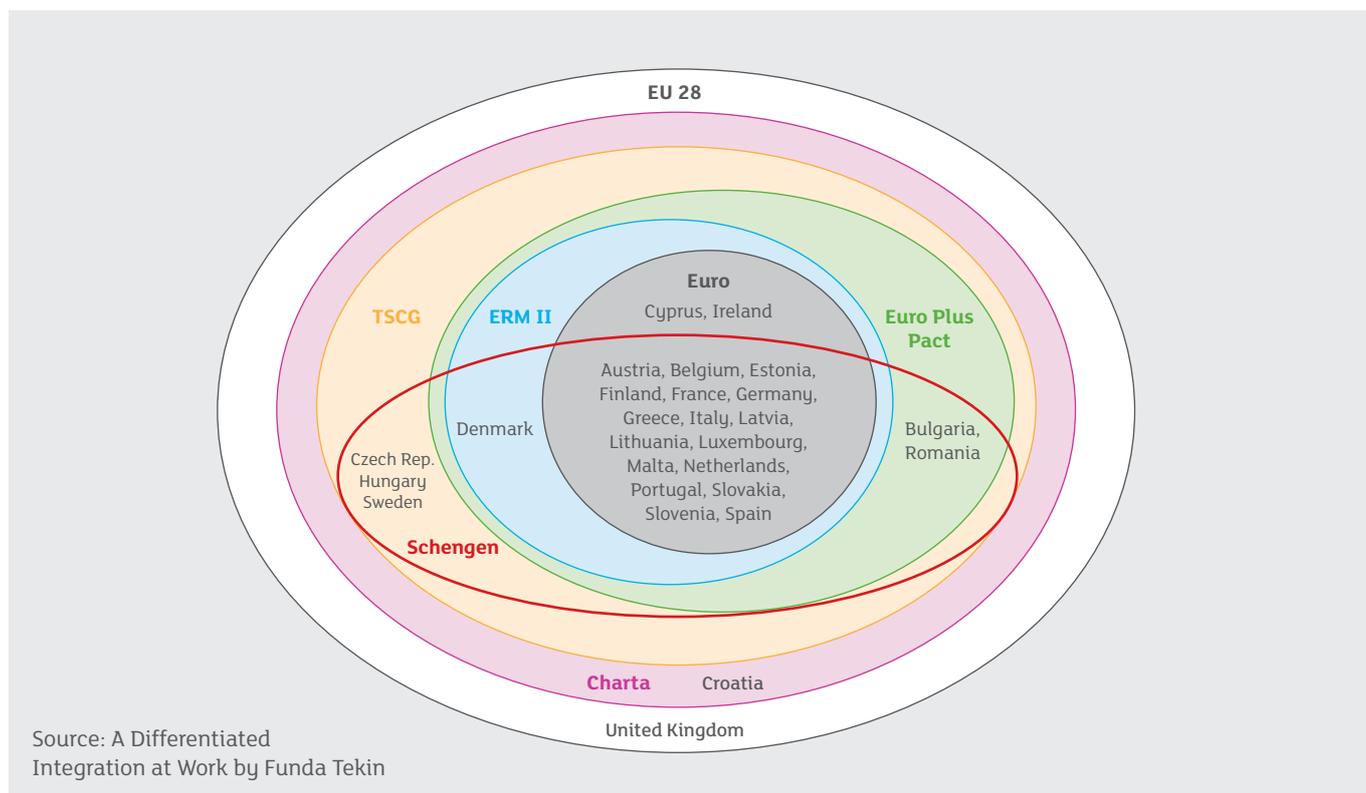
Equally as with the balance of payments, there is the likelihood that maintaining a special and reciprocal relationship in terms of trade and access to the EU would require the UK to conform to the EU's regulations.

Influence

As EU laws and regulations are deeply entrenched in public sector procedures, it is difficult to disentangle trends in policy, legislation, and finance that are EU-specific from those that were made in the UK.

By the same token, it is difficult to judge whether certain changes in UK public administration would have taken place whether or not the UK had joined the EU.

For example, the EU practice of codification, where relevant legislations are brought together under a single act, was happening in the UK before they were members of the EU Single Market. Despite the difficulty in working out the EU's influence on the UK legislation and regulation, research claims the UK heavily influences the EU agenda.



¹¹ Open Europe, Repatriating EU social policy: the best choice for jobs and growth?, 2011 openeurope.org.uk/intelligence/economic-policy-and-trade/eu-social-law/

¹² David Davis MP, Europe: It's time to decide, 2012 www.daviddavismp.com/david-davis-mp-delivers-speech-on-the-opportunities-for-a-referendum-on-europe/

¹³ Robert Thomson, The relative power of member states in the council: large and small, old and new, The University of Strathclyde, 2008

public service leaders survey

According to research by Robert Thomson, at the University of Strathclyde, out of 29 EU actors the UK was fourth closest to final policy outcomes between 1996 and 2008.¹⁴ The UK was also a lot closer to policy outcomes than France and Germany.

Despite the UK's influence, evidence shows its position is particularly unique. According to LSE in 2015, the UK has demonstrated a reluctance to participate in many EU areas, more than any other member state.¹⁵

This includes: the Euro, justice and home affairs provisions, a banking union and a place in the Schengen area. The Institut für Europäisches Politik constructed a Venn diagram to demonstrate the UK's outside position:¹⁶

Pension funds

The public sector's pension funds totalled £1.3tn in the last Whole of Government Accountants (2015).¹⁷ A significant proportion of these are held in UK based shares. In a briefing in 2016, Camden Council estimated this amount to be at £1.23bn or 30% of the total national pension pot.¹⁸ This means these funds are vulnerable to changes in UK share prices. There is concern that if the UK were to exit the EU then the value of these holdings would decrease as there could be less investment in the UK market due to any trading restrictions.

Camden Council also argued that in the event of an exit then the pension funds yields could increase. They claimed that as government bonds- or gilts- may be a less attractive prospect outside of the EU, investors are likely to sell them off. This would bring down prices and, as the fund's liabilities are based on gilt prices, the ratio between public sector pension's assets and liabilities would increase. As a result, yields from public sector pensions could be greater.

14 HM Government, Review of the balance of competences between the United Kingdom and Europe: the Single Market, 2013 www.gov.uk/government/uploads/system/uploads/attachment_data/file/227069/2901084_SingleMarket_acc.pdf

15 LSE, Push or jump? Why the UK could be facing a 'Brexpulsion' rather than a 'Brexit', 2016 <http://blogs.lse.ac.uk/europpblog/2015/08/05/push-or-jump-why-the-uk-could-be-facing-a-brexpulsion-rather-than-a-brexit/>

16 The Institut für Europäisches Politik, Differentiated Integration at Work, 2012 https://books.google.co.uk/books/about/Differentiated_Integration_at_Work.html?id=Y-mapwAACAJ&redir_esc=y

17 HM Government, The whole of government accounts, 2015 www.gov.uk/government/publications/whole-of-government-accounts-2014-to-2015-guidance-for-preparers

18 Camden Council, Implications for the local borough of Camden, 2016 www.camden.gov.uk/ccm/cms-service/stream/asset/?asset_id=3440699

CIPFA's survey of public service leaders show they are concerned that leaving the EU would cost the public sector heavily. Professionals discussed the benefit staff from member states add to the sector:

'If we had an exit and it had a severe negative impact on the British economy then you would expect that it would filter down through austerity measures into local government.'

Local government

Public service leaders interviewed had little or no interest in trying to effect change directly at EU level. Most were satisfied with their access to policy-makers within their own sector. However, some did reflect that they had little involvement in EU policy making:

'Sometimes with European regulation, we don't seem to be able to influence it and we don't seem to be able to get that level of engagement to get our view, to be heard at an early stage.'

Health

Despite this, practitioners welcomed the influence that the EU gives the UK on a global platform.

Our survey also indicated that EU legislation and regulation were credited with providing a safety net and dampening extreme swings in policy as power in the UK alternates between the right and left wing political agendas.

For instance, issues like working conditions, which might be afforded less importance by certain governments, being governed by European regulations often get addressed at a supranational level.

devolved administrations – differences in perspectives

When it comes to the EU referendum, there are varying regional perspectives within the UK. Differences in public opinion between Scotland, England, Wales and Northern Ireland could have post-vote implications for the UK.

Many public services in the UK are devolved. A large majority of decisions about them are made by the Parliament in Scotland and by the Assemblies in Wales and Northern Ireland. Since inception their ability to influence wider society and economic wellbeing has increased and will continue to do so. Consequently any considerations of the impact that the EU has upon public services needs to consider devolved issues and public services.

Scotland

On 18 September 2015 the people of Scotland voted in a referendum to remain as part of the UK. Although the focus of the referendum was independence, the matter of Scotland's place in the EU became a point of debate and ultimately contention.

A white paper released by the Scottish Government in 2014 argued there are many advantages of EU membership for Scotland.¹⁹ These include: Scotland's considerable influence in the EU including the lobbying of strategic priorities, participating in the Europe 2020 growth agenda and being involved in reforming the EU.

In February 2016, the First Minister of Scotland, Nicola Sturgeon, was quoted as describing Scotland's removal from the EU (against its will) as being "democratically indefensible". This is dependent upon Scotland voting to remain in the EU if, say, the UK votes to leave. It is feasible that the consequences of the EU referendum could be to trigger a further referendum in Scotland.

Northern Ireland

One of the most important factors when considering the relationship between the EU and Northern Ireland is its border. Northern Ireland is the only part of the UK that has a land border with a Eurozone country (Ireland) which means much of its trade relies on this relationship. Northern Ireland benefits from EU programmes, such as the European Regional Development Fund (ERDF), which the Northern Ireland

Assembly suggest has brought a total investment package of over €513m.²⁰ Although in 2012 Open Europe claimed that Northern Ireland is a net loser with structural funds.²¹ The think-tank's research suggests that for every £1.58 Northern Ireland pay in, they get a £1 back.

Wales

The Welsh Government takes a firmly pro-European stance, citing the benefits Europe has on the Welsh economy and how its approach to policies are closely aligned with those of the EU.

In 2012, the Welsh Government launched a specific EU strategy which expressed the metrics of the benefits to EU membership.²² It argued that 200,000 jobs existed as a direct result of the EU.

According to data from Open Europe's 2012 report, Wales benefits to a greater degree from EU funding than any other part of the UK. In 2015/16 the Welsh local government received £48.1m in EU grants. According to Open Europe, this makes West Wales one of two net beneficiaries of EU structural funding in the UK, Cornwall being the other.

Using these funds, numerous assets and initiatives have been funded, including community centres that have been built in many parts of Wales. Daniel Evans, a professor at LSE, has said that this helps make the EU tangible in Wales.²³ He argued that as EU funded buildings bear the EU symbol with a placard it stands as symbols of EU 'benevolence'. This is one of the many reasons he cited for such a positive perception of the Union in Wales.

¹⁹ Scottish Government, Scotland's future: your guide to an independent Scotland, 2014 www.gov.scot/resource/0043/00439021.pdf

²⁰ Northern Irish Assembly, A citizens' summary of the operational programme 2014-2020, 2016 www.jobsandgrowthni.gov.uk/downloads/Citizens_Summary_2014-2020.pdf

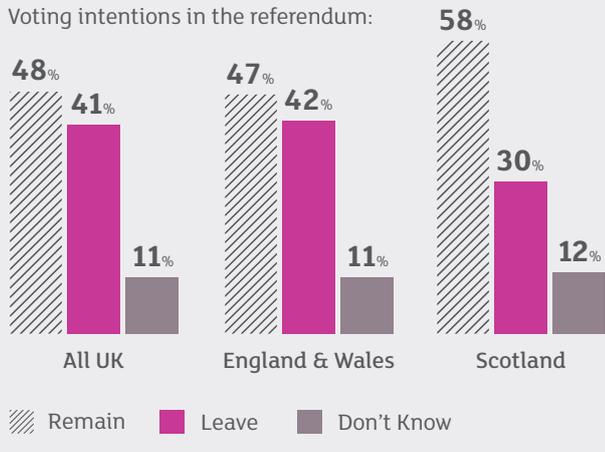
²¹ Open Europe, Off target: The case for bringing EU regional policy back home, 2012 openeurope.org.uk/intelligence/economic-policy-and-trade/eu-regional-policy/

²² Welsh National Assembly, The effectiveness of European Structural Funds, 2012 www.assembly.wales/Laid%20Documents/CR-LD9144%20-%20Report%20of%20the%20Finance%20Committee%20on%20the%20Effectiveness%20of%20European%20Structural%20Funds%20in%20Wales-17122012-241688/cr-ld9144-e-English.pdf

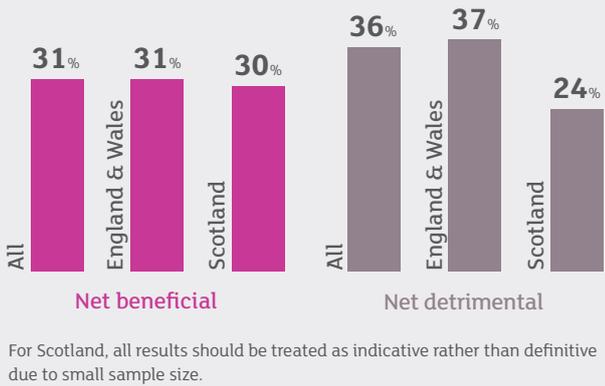
²³ Daniel Evans, No more 'Welsh effect?', 2015 www.blogs.lse.ac.uk/brexitvote/2015/12/17/no-more-welsh-effect/

public service leaders survey

Voting intentions in the referendum:



Significantly fewer people in Scotland think EU membership is detrimental to public services than in England and Wales



Structural funding

While the UK is a net contributor to the EU, several regions have benefited from EU investment since the 1970s. In 2013, the Coalition government stated that: ‘in 2007/2013, EU Structural Funds are estimated to so far have helped create more than 50,000 jobs in the UK, assisted the start up of more than 20,000 businesses and supported more than 1,300 research and technical development projects’.²⁴

EU structural funds are distributed relative to regional GDP output, so now poorer accession countries are receiving greater funds than the UK.²⁵

Public service leaders expressed concerns that a ‘Brexit’ would trigger a Scottish referendum. Due to the relationship between the EU and the Welsh Government, public service practitioners working in Wales believe it could also inspire a nationalists movement in the country:

‘Igniting the independence debate will impact on Wales as well.’

Housing

In terms of structural funding and how it may benefit and disadvantage certain areas, there was a more balanced set of views.

Some public service leaders interviewed said that as the objectives of structural funding, in post-mining and post-industrial areas, have largely been achieved it makes sense for funding streams to dry up.

²⁴ UK Government, Allocation of structural funding, 2013 www.gov.uk/government/news/allocation-of-eu-structural-funding-across-the-uk

²⁵ The Institute for Fiscal Studies, The EU budget: a guide, 2016 www.ifs.org.uk/uploads/publications/bns/BN181.pdf

Decisions regarding the day to day running of the NHS and social care, and indeed the integration of these, are made by individual members of the EU. As set out in the EU's overarching health strategy, 'Together for Health' which was issued in 2007, health expenditure is viewed by the EU as being of great value in itself and in its ability to promote economic growth.²⁶

The EU's health strategy also cited solutions to the joint challenges member states are facing and the major health inequalities that remain between countries. It is unclear what influence these solutions have had on the UK, as they closely align to strategies the health sector would have implemented without the EU. Indeed, the 'Mid-Term Evaluation of the EU Health Strategy 2008-2013' found that health policies within member states that reflect EU policy are due to aligned priorities rather than significant influence.²⁷ The EU's evaluation found that the EU's health strategy main value is as a guiding framework and 'as a catalyst for actions at the EU level'.

Workforce

10% of health and social care professionals in the NHS are from countries within the European Economic Area (EEA).²⁸ EU membership means that European medical qualifications must be recognised across member states, which makes it easier for practitioners from Europe to work in the NHS.

According to the last government's 2012 Balance of Competences report, nursing in particular has benefited enormously from the free movement of professionals.²⁸

Research by Oxford University claimed migrant workers add great value to the sector, significantly in social care.²⁹ The research suggested that there is greater flexibility amongst non-UK workers, particularly to work the unsocial hours required to provide 24-7 cover.

Changes to legislation have significantly closed off opportunities for non-EU care workers, increasing the UK's reliance on support staff from within the EU. Other EU legislation, such as the Working Time Directive (WTD) and the Agency Workers Directive (AWD), has a great impact on the health sector's workforce.

The WTD is an EU social law that regulates working time and rest periods to ensure a workforce is not too tired to undertake duties safely. This policy has been widely criticised for leading to a lack of flexibility and reduced hours.

If the UK were to leave the EU then there would be an opportunity to remove policies that influence workers' rights, such as the WTD, from UK contracts. However, Jeremy Corbyn, leader of the Labour party, in 2016 claimed this means that other policies, such as equal pay, annual leave and maternity pay rights could also be put at risk.³⁰

Research and innovation

The UK is a global centre for pharmaceutical research, and UK-based scientists are at the forefront of global public health research, including efforts to tackle Ebola and Zika.

In 2013, the NHS Confederation demonstrated that UK organisations are the largest beneficiary of EU health research funds, having secured more than €670m from the Seventh Framework Programme (FP7).³¹ The successor policy, Horizon 2020, offers an even greater level of research funding and wider access over seven key themes, of which the largest (€7.5bn) is health, demographic change and well-being.

²⁶ European Commission, Together for health, 2007 www.ec.europa.eu/health/ph_overview/Documents/strategy_wp_en.pdf

²⁷ European Commission, Mid-Term Evaluation of EU Health Strategy 2008-2013, 2011

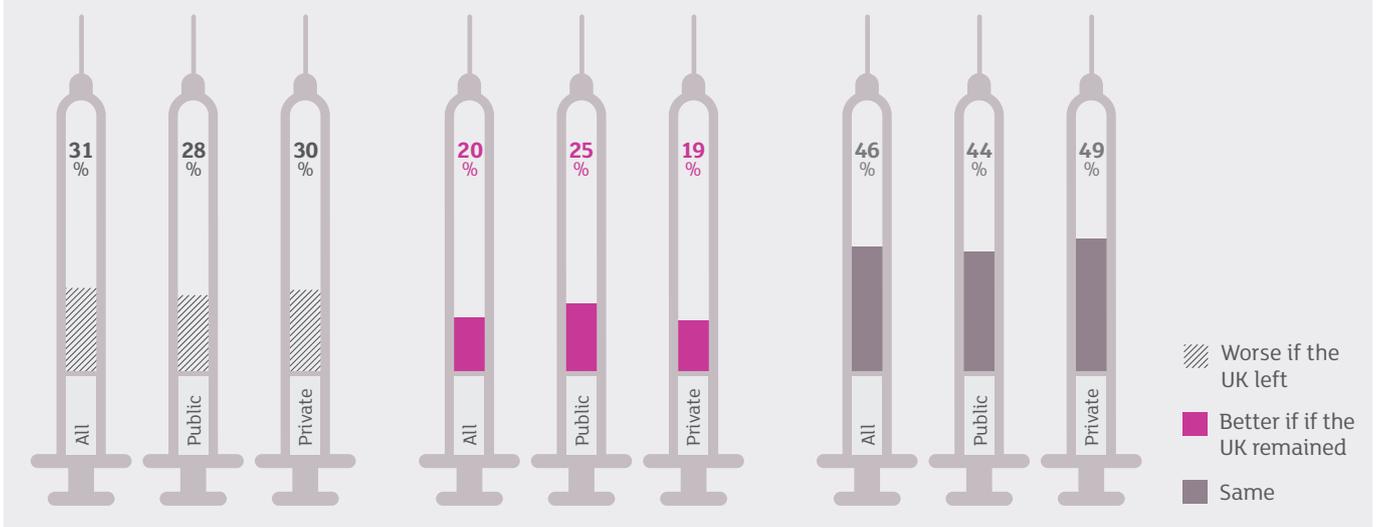
²⁸ HM Government, Review of the balance of competences between the United Kingdom and the EU: Health, 2012 www.gov.uk/government/uploads/system/uploads/attachment_data/file/224715/2901083_EU-Health_acc.pdf

²⁹ Oxford University, Social care for older people and demand for migrant workers, 2011 www.migrationobservatory.ox.ac.uk/policy-primers/social-care-older-people-and-demand-migrant-workers

³⁰ BBC News, Jeremy Corbyn warns of workers' rights 'bonfire' if UK leaves, 2016 www.bbc.co.uk/news/uk-politics-eu-referendum-36039925

³¹ NHS European Office, EU funding For research and innovation, 2013 www.nhsconfed.org/~media/confederation/files/publications/documents/eu-funding-research-innovation.pdf

Attitudes towards whether health and social care is better for being inside the EU



Given the structure of the NHS and its close links with academia, the UK is well placed to put forward successful bids in the future, particularly following the development of Academic Health Science Networks. A particular stream of research funding has been identified for the integration of services.

The Balance of Competences report specifically praised public health research and cited the benefits it has had tackling issues such as alcohol abuse.

The report recognised that preventative action will hopefully decrease the significant burden so called ‘lifestyle’ diseases are having on the NHS.

However, it did also raise concerns that ‘outcomes and application from the research could be greatly improved and that the process of funding research could become more transparent’.

Networks

There are various formal and informal networks within the EU that have a positive effect on service provision, as they provide an opportunity to see how services operate in other jurisdictions. Such co-operation may also benefit public health measures. Through collaboration, there has been a joint effort to reduce alcohol misuse, tobacco addiction and health inequalities.

Obesity, which is estimated by the Government to have cost the NHS £6.3bn in 2015, is one of the areas which the EU is attempting to tackle.³² In 2012, in the Balance of Competences report, the Coalition government said voluntary co-operation on obesity policy is likely to ease the problem at a European level

Medical tourism/cross-border flows

Much has been made of the financial burden this issue has on the NHS. In 2014 Department of Health figures showed the UK was only able to recoup £49.3m for EU nationals that have been treated in Britain.³³ However, at an EU-wide level the costs and numbers involved are very low overall.

EU figures suggest total cross-border healthcare accounts for 1% of all healthcare spend and, as this includes dealing with emergencies, the costs associated with planned cross-border care are lower.³⁴ Although the flows are not evenly distributed.

Health tourism has even been blamed for the NHS’s £3bn deficit. Doctor and UKIP member, Angus Dalglish argued that the thousands of health tourists attracted to the UK are partly to blame for the sector’s difficult financial situation.

Research carried out by the LSHTM (the London School of Hygiene and Tropical Medicine) and University of York suggested that whilst numbers seeking treatment in the UK from abroad have always been fairly high, they have remained stable.³⁵

³² HM Government, Reducing obesity: future choices, 2007 www.gov.uk/government/publications/reducing-obesity-future-choices

³³ Department of Health, Vote Leave Freedom of Information (FOI) request, 2016 www.voteleavetakecontrol.org/uk_gives_5_8_billion_more_to_eu_countries_for_medical_costs_than_it_gets_back

³⁴ European Commission, Cross border healthcare policy, 2013 www.europa.eu/rapid/press-release_MEMO-13-918_en.htm

³⁵ London School of Hygiene and Tropical Medicine and the University of York, Implications for the NHS of inward and outward medical tourism, 2014 www.journalslibrary.nihr.ac.uk/hsdr/volume-2/issue-2#abstract

public service leaders survey

Since 2010, the number of health tourists has been overtaken by the numbers leaving the UK to seek health treatments abroad- an estimated 52,000 came to the UK for treatment and 63,000 UK citizens went abroad.

They state that 'UK residents most commonly travel for medical treatment to north, west, and southern Europe with France being the most visited country over the decade'.

They also cite the more positive economic impacts of health tourism, with c. £220m being spent on hotel costs per annum alone. Indeed, in 2010, figures from LSTM and York University show 18 British hospitals received an income of £42m from people coming to the UK for treatment.



TTIP

Transatlantic Trade and Investment Partnership (TTIP) is a series of trade negotiations being carried between the EU and US. As a bi-lateral trade agreement, TTIP is to reduce regulation and thereby increase trade.

The introduction of TTIP means public services will be opened up to US companies, as they will be able to bid for public contracts.

There has been speculation that this will threaten the NHS as deals could lead to privatisation of some services. The European Commission has stated that public services will not be involved in TTIP. Although, UK Trade Minister Lord Ian Livingston has admitted that talks over the NHS are still ongoing.³⁶

³⁶ Huffington Post, NHS not safe from private firms, 2014
www.huffingtonpost.co.uk/2014/09/01/ttip-eu-us-trade-deal_n_5747088.html

CIPFA's survey of public service professionals discussed the benefit staff from member states add to the sector:

'The ability for the travel of the labour across into our country is critical and they add a significant added value to the expertise, not just at a clinical level but across the pool.'

Health

Due to this reliance, public service leaders expressed concern that if the UK chooses to leave the EU, there may be staff shortages. This could place significant pressure on the ability to run services and on budgets due to the use of locum and agency staffing.

Respondents also praised the networks within the EU and how they share best practice. Those working in the health sector said exposure to different governance, funding, and delivery models has challenged and inspired policy-makers:

'We do look at various other EU countries, Scandinavia in particular, Sweden, Denmark; we use their health systems to learn from the best basically.'

We have done many field trips to those communities and we feel that we can learn something from them. We have partnership arrangements with a number of organisations.'

Health

Public service leaders said they looked to the innovation and the development of best practice seen in health sectors in the USA, Canada, Australia, New Zealand and Scandinavian countries. Respondents were keen to build networks with these countries regardless of EU membership.

Many practitioners working within local government have defended the EU's influence on local government. Core Cities is a group representing the eight largest city economies outside of London. When announcing their position in 2016, they claimed it was because the EU has created 63,000 jobs and protected at least 16,800 jobs across Birmingham, Bristol, Cardiff, Glasgow, Leeds, Liverpool Manchester, Newcastle, Nottingham and Sheffield.³⁷

However, not all councils take the same stance as the Core Cities. In January, Havering Council became the first in Britain to vote to leave the European Union. The symbolic gesture was made because some councillors felt EU rules and regulations have significant cost implications for local government. In turn, they also felt being part of the EU puts the area at risk of having to accommodate more migrants.

However, it is a matter of much debate whether the influence the EU has on other areas, such as procurement, state aid, devolution and environment, is beneficial to local services.

Immigration

The increase in population due to immigration is seen to increase pressure on local authorities. In 2008, even before the refugee crisis, the Government claimed local areas are experiencing 'transitional impacts due to the pace of population change'.³⁸

According to the IPPR (the Institute of Public Policy Research) the rate of population change is set only to increase.³⁹ In 2015, IPPR claimed that by 2061 the ethnic minority share of the UK population is projected to be 30%. They also suggested that 'local authorities need to be far better prepared than they are at present' to deal with these issues.

Regional experiences of immigration vary as some areas have higher levels of pressure due to the current migrant crisis. The Home Office claimed in 2013 that there are 26 local authorities that are experiencing high migration.⁴⁰

A briefing issued by Vote Leave in 2016, argued that the EU is significantly responsible for the high levels of immigration.⁴¹ The campaign group claimed that if the UK were to leave the EU then the government would be able to stop people entering

the country who are unable to contribute to the economy. Instead, more funds would be available to accommodate other immigrants:

'The pressure that this large inward-migration has put on our schools and hospitals means that we are now forced to block people from non-European countries who could contribute to the UK from coming here. This is an immoral, expensive, and out of control system.'

Vote Leave also suggested that the EU has made the Syrian crisis worse by the Charter of Fundamental Rights. The European Union Charter sets out a range of civil, social and political rights. According to Vote Leave this prevents member states from 'halting the flow of boats across the Mediterranean'.

Many countries within the EU are dealing with the effects of the Syrian crisis and member states are working together to try and co-ordinate an adequate response. These initiatives dictate local government procedure.

Central government's dispersal policy is that refugees are spread fairly across the country, so that no individual local authority 'bears a disproportionate share of the burden.'⁴¹

37 Core Cities, Core Cities are IN Europe, 2016 www.corecities.com/news-events/core-cities-are-europe

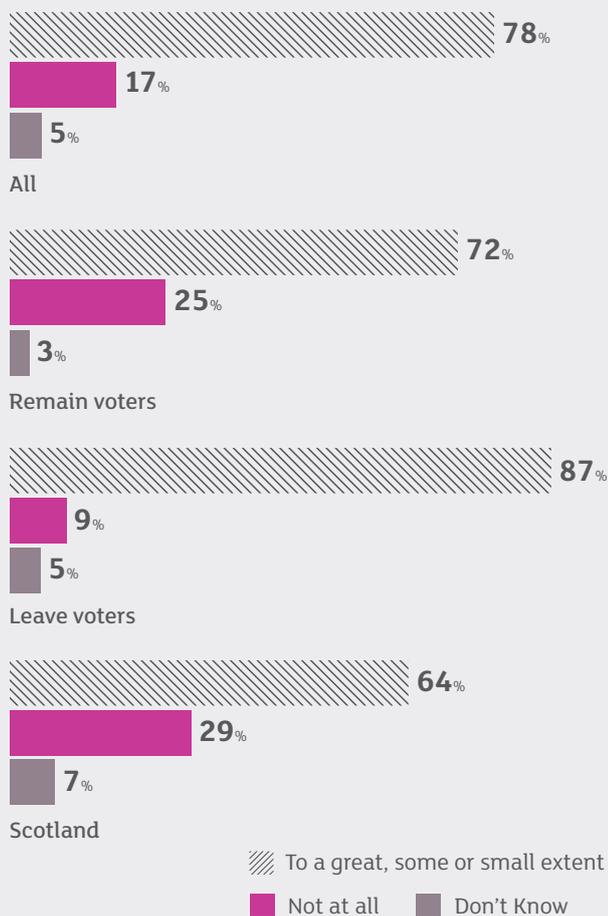
38 HM Government, The economic impact of immigration, 2008 www.parliament.uk/documents/upload/governmentresponse.pdf

39 The Institute of Public Policy Research (IPPR), Trajectory and transience, 2015 www.ippr.org/files/publications/pdf/trajectory-and-transience_Nov2015.pdf?noredirect=1

40 HM Government, Social and public service impacts of international migration at the international Level, 2013 www.ippr.org/files/publications/pdf/trajectory-and-transience_Nov2015.pdf?noredirect=1

41 Vote Leave, Immigration briefing, 2016 www.voteleavetakecontrol.org/briefing_immigration

To what extent does UK membership of the EU put pressure on public services in the country?



Despite this, the perceived amount of pressure in South East England is higher. In January 2015, Kent County Council stated that vulnerable children are being placed outside of their home county as they grapple the influx of child asylum seekers.⁴²

The Government has not yet responded with a clear plan on how to ensure equitable distribution of Syrian refugees. Although in October 2015 they stated that they will be identifying the resettlement capacity of local authorities by talking to councils and other partners.⁴³

Although decisions over logistics rest with central government, councils, such as York and Ealing, have opened discussions with local partners to co-ordinate efforts.

UK adults are more likely to think economic development in the UK would be better if the UK remained in the EU than if it left.



Procurement

According to figures released by the Department of Local Government and Communities in 2014, local government spends around '£45bn – over a quarter of its annual expenditure – on procuring goods and services from third parties'.⁴⁴

This significant level of spending is subject to EU procurement rules, which were made to ensure transparency and free access on competition across member states.

The UK parliament does not have total sovereignty to amend or totally repeal procurement regulations for local authorities.

The regulations mean that UK suppliers do not get priority for tender opportunities in the UK. By the same token, they are on equal-footing with other EU companies when tendering to provide goods and services to local public bodies in other member states. England, Wales and Northern Ireland have implemented these directives into national law, Scotland is in the process of doing so.

Before these rules were in place, local authorities were able to follow their own internal procedure rules and financial regulations. If the UK were to leave the EU, there is a possibility that authorities could implement localised procurement policies.

State aid

EU rules on state aid cover the use of taxpayer funded resources to provide assistance to one or more organisations in a way that gives an advantage over others that could distort competition. Local authorities need to consider regulations when awarding discretionary relief.

⁴² BBC News, Kent council struggling to cope with rise in child migrants, 2016 www.bbc.co.uk/news/uk-england-kent-35403862

⁴³ Home Office, Syrian Vulnerable Person Resettlement Programme fact sheet, 2015 www.gov.uk/government/publications/syrian-vulnerable-person-resettlement-programme-fact-sheet

⁴⁴ Department for Local Government and Communities (DCLG), Local government procurement, 2014 www.publications.parliament.uk/pa/cm201314/cmselect/cmcomloc/712/712.pdf

In accordance to the EU's de minimis regulations (1407/2013), discretionary relief can be compliant with state aid regulations if it does not exceed the €200,000 limit over a three year period. Before granting aid, local authorities must inform businesses of the de minimis regulation and ensure that the ceiling hasn't already been reached.

This means local authorities can be restricted when trying to incentivise large businesses to set up in their area. For instance, they would be unable to grant business rates 'holidays' for a significant period to avoid exceeding the €200,000 limit.

Staying on top of whether the state aid limit has been exceeded can sometimes be complicated. For example, if business rates relief is granted to a retail business then local authorities would need to know if other branches across the country have also received the same amount of relief to ensure they do not reach the limit.

Devolution

Devolution is significantly reliant on the economic growth of local authorities. Being in the EU has financial advantages and disadvantages for councils, which then indirectly affect the economics behind devolution. Core cities, such as Manchester, Leeds and Bristol, have been campaigning to stay in the EU, arguing membership cultivates growth, which ensures the success of devolved economies.

As well as growth, the EU's structural funding scheme was seen as important to devolution by the practitioners surveyed. According to the Government, the UK will receive £5.3bn in structural funds for 2014-2020.⁴⁵

In 2016, the IFS highlighted that, on average, the UK receives less in structural funding than other member states. They estimated that in 2014 the UK received around €109 per person, whereas across member states this was €254.⁴⁶

Going forward, IFS predicted that the UK's net would be over £8bn, with West Wales and Cornwall the only two net beneficiaries. This means, that areas in the UK that have low disposable income per capita may lose out.

It is a matter of much debate whether the EU hinders or encourages devolution, with no clear answer, but what is clear is that the momentum towards it is one way.

Environment

It is the duty of local authorities to care for the well being and quality of life of its communities. Environmental laws, such as the Environment Act 1995, give responsibilities to local authorities to meet national targets which are often set at EU level.

The EU has also interwoven environmental objectives into legislation. For instance, EU procurement directives mean local authorities need to ensure their contracts contain environmental criteria.

In 2016, Mary Creagh, Labour's shadow environment secretary and Chair of the Environment Select Committee, argued that evidence given to the Committee demonstrates that the EU improves the UK's local environments.⁴⁷ Citing the EU's policies on clean beaches, pollution and protected nature zones, she claimed local economies have greatly benefited from this influence.

In 2014, the Environment agency suggested the UK has gained financially from EU policies. For instance, they estimated that the EU Water Framework Directive⁴⁸ has given England and Wales a net benefit of £9bn by 2027.

Social housing

The EU's free movement policy has regularly been referred to by those campaigning for a 'Brexit' as having a significant negative effect on social housing. In a speech in December 2012, Theresa May claimed that more than a third of all new housing demand in Britain was caused by immigration.

Although the statement didn't specifically refer to migration inside the EU but all migration, it mirrors a common trope when debating the housing crisis: the idea that it is exaggerated by migration resulting from the EU freedom of movement policy, and that without EU migration, Britain would have less need for more housing.

⁴⁵ HM Government, EU structural funds allocations, 2013 www.gov.uk/government/speeches/european-regional-development-fund-and-european-social-fund-allocations-2014-to-2020

⁴⁶ The Institute for Fiscal Studies, The EU budget: a guide, 2016

⁴⁷ The Guardian, For a clean, green future, Britain must remain in the EU, 2016

www.theguardian.com/environment/2016/jan/21/for-a-clean-green-future-britain-must-remain-in-the-eu-mary-creagh

⁴⁸ The Environment Agency, Economic Analysis Extended Report, 2014 www.consult.environment-agency.gov.uk/file/3078881

public service leaders survey

Research does dispute this claim. A 2011 survey by the London School of Economics shows that new arrivals, including those from the EU, tend to live in denser households and take up less space.⁴⁹

Furthermore, according to the Oxford Migration Observatory, migrants are more likely to rent in the private sector, as opposed to buying homes or living in social housing.⁵⁰

In 2011, LSE (the London School of Economics) linked two thirds of the demand on social housing not to migration, but to a number of reasons including a lack of social housing stock and an increase in life expectancy. Yet, a common perception still prevails that migrants receive positive discrimination when it comes to social housing.⁵¹

Figures from housing associations disprove this. Of all housing association lettings made in the last three years, only 5% went to those from accession EU countries and 4% to migrants from other member states and countries outside of the EU.⁵² This means 91% went to UK nationals. The proportional spread of nationalities in housing association homes is largely reflective of the distribution of nationalities in the wider UK population.

Official evidence from the Government indicates that the UK's membership in the EU has little impact upon demand for social housing. Official statistics on social housing lettings in England show that between April 2014 and March 2015 the vast majority of lettings (91%) were made to UK nationals.

However, evidence from the Chartered Institute of Building (CIB) claims that the EU's free movement policy does affect supply as it provides skilled workers for labour.⁵³

The CIB research suggests, caps on immigration will also potentially harm housebuilding rates, as not enough British-born nationals are trained or interested in construction careers and migrants have been filling the gap.

Practitioners from the housing sector in our survey also expressed the value the free movement policy when it comes to the portability of skilled labourers.

⁴⁹ The London School of Economics, The impact of migration on access to housing and the housing market, 2011 www.gov.uk/government/uploads/system/uploads/attachment_data/file/257238/lse-housing.pdf

⁵⁰ The Oxford Migration Observatory, Migrants and housing in the UK, 2015 www.migrationobservatory.ox.ac.uk/briefings/migrants-and-housing-uk-experiences-and-impacts

⁵¹ The London School of Economics, Immigration and the access to social housing in the UK, www.cep.lse.ac.uk/pubs/download/dp1264.pdf

⁵² Core Lettings, Housing association lettings, 2015

⁵³ The Chartered Institute of Building, An analysis on migration in the construction Sector, 2015

The public service leaders survey highlighted concerns over how local government will cope with the migrant crisis, particularly as central government has not yet outlined their approach to allocation. The survey also raised how the south-east corner of the UK has had to grapple with more than their fair-share of issues due to the migration crisis:

‘There has been a huge increase in the number of unaccompanied asylum-seekers and it is putting and enormous strain and pressure on services.’

Local government

In terms of other aspects of the EU influence on local government, practitioners surveyed were, on balance, pleased with EU directives. For example, they praised EU regulation over the procurement process and the environment:

‘I think that the procurement rules that are in place are fair.’

Local government

‘I think the role of the EU is really positive as a catalyst for change. The EU is talking about legislating for recycling rates by 2030. That will be really challenging for councils to do but for me that’s a challenge we ought to be up for.’

Local government

However, with structural funding, the public service leaders survey showed that some felt the funding classifications and indicators of wealth are inflexible. They also expressed a desire for it to be more tailored and relevant. There was also some reference to over-the-top regulation and auditing of any funding received.

crime and law enforcement

In the wake of the terrorist attacks in Brussels and Paris, many leading figures within the crime and security sectors claimed that EU collaboration will help us find joint solution to this shared problem.

Europol's British Director Rob Wainwright pointed out after the Paris attacks: collaborative organisations like the European Counter Terrorism Centre 'will lie at the heart of a stronger EU standing up to the threat of terrorism'.⁵⁴

Despite this, there has been widespread criticism that some EU policies expose the UK to risk and that we would be safer outside of the EU. In February 2016, former Work and Pensions Secretary, Ian Duncan Smith, said that staying in the EU makes the UK more vulnerable to terrorist attacks.⁵⁵

Schengen

The Schengen agreement or so called 'open borders policy' means that within European there are open physical borders. Signed in 1985, the treaty means there is:

- a common set of rules applying to people crossing the EU external borders, including the types of visa needed and checks at external borders;
- harmonisation of conditions of entry and rules on short stay visas;
- enhanced police cooperation (including cross-border surveillance and hot pursuit);
- stronger judicial cooperation through a faster extradition system and transfer of enforcement of criminal judgments;
- establishment and development of the Schengen Information System (SIS);
- documents needed for travelling in Europe.

The UK and the Republic of Ireland opted out of the internal borders policy, but did sign up to the other agreements of the Schengen treaty. This includes the Schengen Information System (SIS) which is a database allowing judicial authorities from signatory states to access information relevant to law enforcement.

It also includes enhanced police co-operation and hot pursuit, allowing police to pursue a suspect across the borders of member countries.

European Arrest Warrant

The European Arrest Warrant (EAW) is a mechanism for individuals wanted in relation to significant crimes to be extradited between EU member states to face prosecution or to serve a prison sentence for an existing conviction.

The National Crime Agency assesses the proportionality and legal validity of EAW requests into and out of the UK. The Home Office is the policy lead and individual police forces making the initial request for an EAW for subjects in another EU country. Police forces also arrest subjects in the UK who are wanted by other EU countries.

The history of such co-operation, however, is founded on bilateral extradition agreements rather than the work of EU policy.

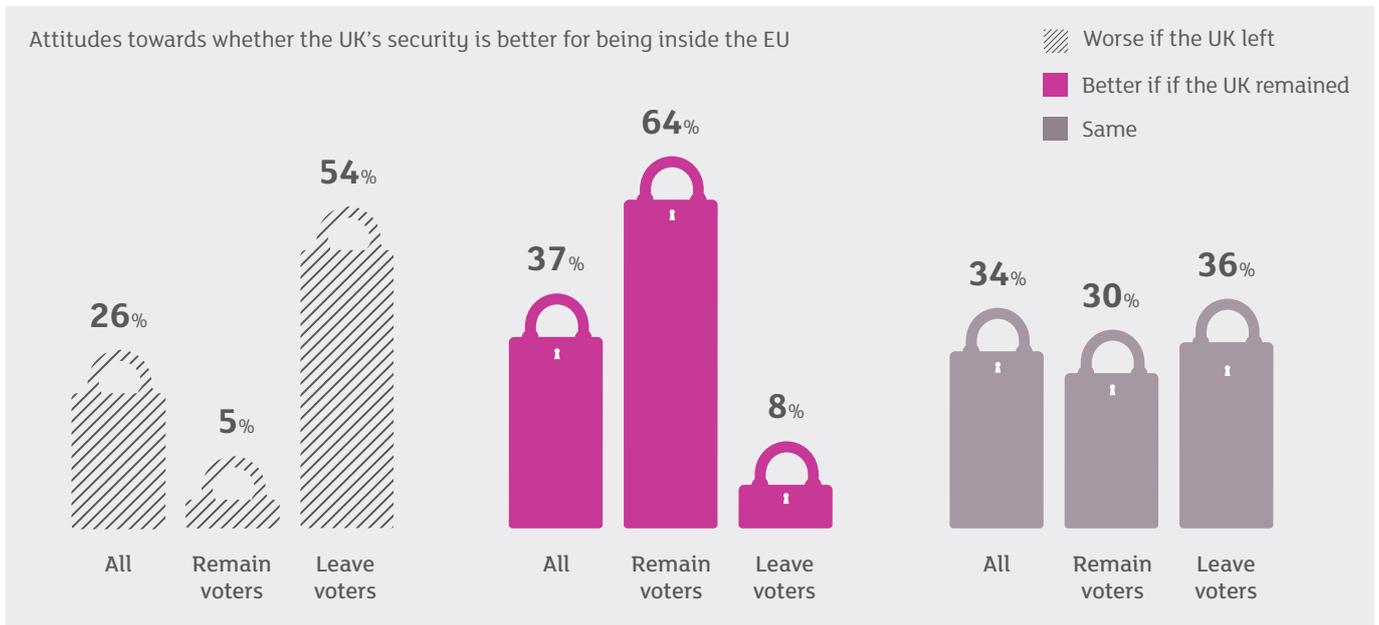
Laws

Much of UK legislation is influenced directly by EU Law. Public services and law enforcement agencies are shaped by EU legislation and its policies and procedures. Tracing the history of UK law, the impact of the EU has been enormous and it is difficult to disentangle one from the other.

Since 2014, the Court of Justice of the European Union (CJEU) has been able to rule on any criminal justice and policing matters. In the public debate there has been criticism that the CJEU unfairly overrides British courts on criminal law matters.

⁵⁴ Europol, European Counter Terrorism Centre strengthens EU response to terror, 2016 www.europol.europa.eu/content/ectc

⁵⁵ The Guardian, UK risks Paris style attacks by staying in the EU, 2016 www.theguardian.com/politics/2016/feb/21/ian-duncan-smith-uk-risks-paris-style-attacks-by-staying-in-the-eu



David Davis MP argued that the ‘European Court of Justice is moving to a position where it can tell our law makers and our law givers, our parliamentarians and our judges exactly what they should and shouldn’t do’.⁵⁶

A report from the Law Society, on the EU’s influence in the sector, suggests that the frequency of which the CJEU rules on criminal justice and policing matters is likely to increase.⁵⁷ However, they claim that such interference is not ‘unhelpful’ and that they are likely to be respectful of the UK system.

The report also argues that the UK’s justice system has a unique position in the EU. Rather than just following directives, they claim that the UK is one of the most influential shapers of justice and criminal policy.

Data protection

At present, UK citizens have the protection of the European Courts and of EU legislation on data protection. These rules regulate the way the public sector deals with data.

Lynne Shackley and Sandra Lomax claimed in 2015 that data controllers have focused too heavily on complying with regulations rather looking to improve information sharing.⁵⁸ They argued that as the public sector is evolving there needs to be better systems in place to help amalgamate services. New Data Protection Regulation from Europe has been established to help support this. These EU laws also mean that organisations are able to share personal data for the prevention and detection of frauds. UK organisations, within both the public and private sectors, are able to collect data on fraudsters and share their information.

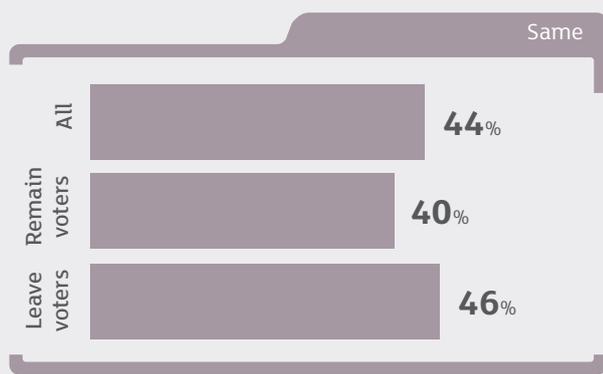
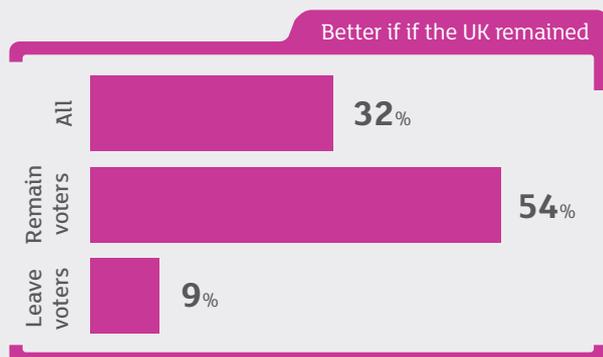
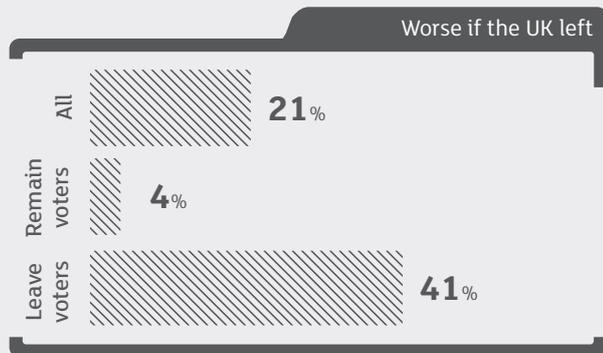
⁵⁶ David Davis MP, Europe: It’s time to decide, 2012 www.daviddavismp.com/david-davis-mp-delivers-speech-on-the-opportunities-for-a-referendum-on-europe/

⁵⁷ The Law Society, EU and the legal sector, 2015 www.lawsociety.org.uk/News/documents/eu-and-the-legal-sector-October-2015/

⁵⁸ Lynne Shackley and Sandra Lomax, Public Finance, Aligning Public services: shared knowledge is power, 2015 www.publicfinance.co.uk/feature/2015/07/aligning-public-services-shared-knowledge-power

public service leaders survey

Attitudes towards whether consumer protection (such as product safety or data protection) is better for being inside the EU



The survey of public service leaders demonstrated that the UK's links and programmes with the EU greatly benefit the law enforcement sectors although there was criticisms with some policies.

The open borders policy is seen as a long-standing issue in the UK. The public service leaders surveyed, who work in the area of crime and security, said they view the EU's free movement policy as a potential threat. With its risks ranging from illegal immigration to illicit trade, including money laundering. Practitioners said these issues have been exacerbated by the growth of technology.

Practitioners cited the benefits of being part of the SIS, as it allows member states to share information and intelligence to co-ordinate efforts. When facing current threats such as terrorism, leaders highlighted the usefulness of being able to share passport information.

Public service leaders surveyed said the EAW boosted their efforts in fighting crime and policing borders.

One respondent pointed to a recent cross-border organised crime case illustrates the borderless terrain of criminal gangs, and the necessity for co-operation among police forces. A gang leader was murdered and the suspect fled to Spain, whereupon the gang dispatched a 'hit team' to Spain. Officers from a UK police force, the National Crime Agency, and Spanish National Police co-operated to make arrests and seizures.

Those surveyed expressed that most of the laws passed by EU have worked well. A respondent from the police sector discussed how legislation has changed since the UK became a member of the EU:

'Up until [EU membership] police practice had been governed by convention or internal rules and regulation.

They got cleaned up, regularised, and got put either in primary legislation or secondary legislation.'

Crime and security

Many campaign groups, who represent researchers within universities, argue that the EU is an engine that is driving the UK higher education sector forward. Organisations such as Scientists for the EU claim that if the UK were to leave the EU then UK universities will greatly suffer.

Access to higher education

EU legislation means that students from an EU member state wishing to study in the UK have the same access to education as UK nationals. Therefore, currently eligible EU students pay the same tuition fees as UK students and can apply for the same tuition fee support.

In 2013/14, there were 125,300 EU students in UK universities, this accounted for 28.8% of non-UK students. This represents about 6% of total university enrollment in Britain and is estimated to generate £2.27bn for the UK economy and support up to 19,000 jobs.⁵⁹

The Government has to provide student loans or maintenance funding for EU students who attend UK universities. In 2015, the House of Commons found that £224m was paid in fee loans to EU students on full-time courses in England (3.7% of the total loans). It is unclear how much of taxpayers' money is lost on EU students who attend English universities but do not repay their loans.

European research funding

The 2016 Times Higher Education European University Rankings, based on several factors to do with research, show UK universities are performing strongly.⁶⁰ In the top 200 universities in Europe, UK universities have nearly a quarter of places (46) and seven of the top ten places. As a result, the UK does well out of EU research funding based on scientific excellence.

The UK is one of the largest recipients of research funding in the EU. National contributions to the EU budget are not itemised, but the UK Office of National Statistics (ONS) indicative figure for the UK's contribution to EU research and development from 2007 – 2013 was €5.4bn.⁶¹

During this time, the UK received €8.8bn - €6.9bn of Framework Programme 7 (FP7) and €1.9bn of structural funds for research

and innovation activities. This represents the fourth largest share in the EU. In terms of funding awarded on a competitive basis in the period 2007 – 2013 (Framework Programme 7), the UK was the second largest recipient after Germany.

EU support also expands the UK's research activity through promoting international collaboration and UK universities work closely with EU partners. The Horizon 2020 programme is an example of this. The programme is the largest ever European funding programme for research and innovation. It has a grant budget of €79bn and will run until 2020.⁶² UK universities are coordinating one-third of the projects funded by Horizon 2020 for 2014/20.

At a LSE (London School of Economics) hearing, they identified that research programmes, such as projects of Knowledge and Innovation Centres (KICS) rely on 'a pool of resources, data and infrastructure that are beyond the capacity of a single state'.⁶³ They also highlighted that the research has shared benefits for member states.

Horizon 2020, amongst other European research programmes, do include participation from non-EU members, such as Norway, Israel and Switzerland who have 'associated country' status. However, during LSE's hearing they argued that the UK's position is not matched by non-EU participating countries. Participants at the hearing also argued that Switzerland's contribution to research programmes has taken a marked toll since they did not agree to the EU's policy on immigration.

The UK has, due to its population size, the third largest delegation to the European parliament. This, combined with the UK's prowess in the high education sector, meaning that the UK has the kind of status and power on research programme that no non-EU participating country has.

⁵⁹ House of Commons, Exiting the EU, 2015

⁶⁰ Times Higher Education, University rankings, 2016 www.timeshighereducation.com/world-university-rankings/best-universities-in-europe-2016

⁶¹ UK Office for National Statistics, UK Government expenditure on science, engineering and technology, 2015 5

⁶² European Commission, Horizon 2020 programme, 2013 www.ec.europa.eu/programmes/horizon2020/en/what-horizon-2020

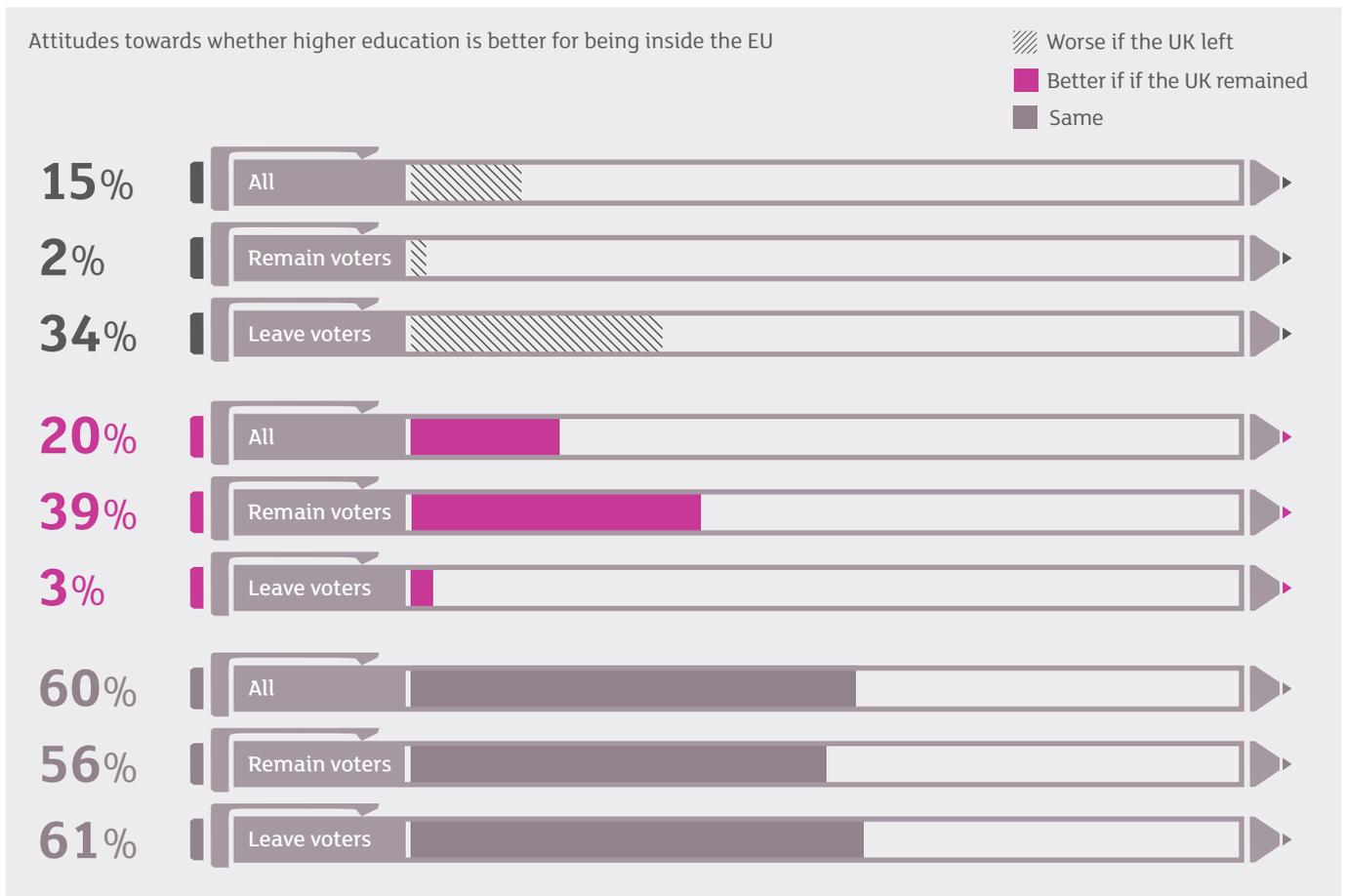
⁶³ LSE, Commission Hearing, 2016 www.blogs.lse.ac.uk/brexitvote/2015/12/22/commission-hearing-just-how-much-do-british-universities-need-the-eu/

European structural funding

European Structural funding is targeted at economically disadvantaged parts of the EU. Higher education institutions are able to make bids to the European Social Fund and the European Regional Development Fund. The funds are meant to support investment in innovation, businesses, skills and employment and create jobs. Swansea University, for example, received a significant buildings and equipment funding award of €49.4m from the European Regional Development Fund (ERDF) through Welsh Government.⁶⁴

Staffing

UK universities use the EU open border policy to attract research and teaching staff from across Europe. In 2013/14, 15.5% of academic staff in UK universities were from the EU.⁶⁵ Many universities has said free movement benefits UK universities' competitiveness through recruiting key talent.



⁶⁴ Swansea University, media centre, 2015 www.swansea.ac.uk/media-centre/latest-news/firstminister-opensuniversitysbaycampusengineeringquarter.php

⁶⁵ Universities for Europe, Key facts, www.universitiesforeurope.com/register/Documents/The-European-Union's-contribution-to-UK-higher-education.pdf, 2015

⁶⁶ European Investment Bank, The EIB in the United Kingdom, 2015 www.eib.org/projects/regions/european-union/united-kingdom/index.htm

public service leaders survey

Opportunities for UK students

Mobility within the EU allows large numbers of UK students and researchers to study in continental Europe. The Erasmus+ programme allocates almost £1bn to help UK students do this.

The UK is also a signatory to the 'Bologna' process, which is focused on the need to increase compatibility in higher education across Europe. If the UK were to leave the EU, the access of EU students to UK universities and colleges would not be protected.

European Investment Bank

UK universities have been able to secure loans at favourable interest rates from the European Investment Bank (EIB). This is because 90% of the EIB's funding is allocated to promoting growth in EU member states. The UK is the largest beneficiary of EIB university lending. In the last five years, the EIB has provided £1.45bn for investment in 20 UK universities.⁶⁶

Respondents from the higher education sector were largely positive about EU influence. They felt that the EU offered a pool of resources, which is critical to research. They also reflected that being part of the EU exposes UK Universities to best practice:

'There is a lot of interest in learning from central Europe.'

Higher education

In particular, they acknowledged the benefit the funding and research has made. However, the process involved in accessing the funds was criticised:

'The day to day experience of dealing with the European structural fund is pretty horrible because it has so many rules that have been laid onto it.'

Higher education

⁶⁶ European Investment Bank, The EIB in the United Kingdom, 2015
www.eib.org/projects/regions/european-union/united-kingdom/index.htm

\ conclusion

The benefits to the public sector for the UK remaining as a member of the EU outweigh the drawbacks, while the negative impact of leaving would be great, according to the study.

However, given the widespread uncertainty over the full relationship between the UK and the EU, it is crucial voters are provided with more detailed and balance information.

The report highlighted the perspectives of public service leaders and the public, showing that opinions differ between the two groups as to how the public sector could be impacted by the UK leaving the EU.

The poll indicated that those who work in the public sector are more likely to think membership of the EU is beneficial to the delivery of public services in the UK (38% vs. 28%).

CIPFA also uncovered distinct regional variations, for example, the public in Scotland are far less likely than the public in England to think the EU has a negative influence on public services (24% vs 38%). Nearly half of Scots (45%) think the EU puts no pressure on public services, whereas in England this is around a quarter (28%).

When it comes to the impact the EU has on specific areas, such as higher education and data protection, workers in the public and private sector largely think the same. The only significant difference is in attitudes towards health and social care. A quarter (25%) of those working in the public sector think healthcare is better off inside the EU compared to around a fifth of private sector workers (19%).

When considering the differences in opinion between the private and public sectors, it is important to understand that those working in the public sector, particularly leaders, are more likely to have experienced directly the interaction between the EU and services. The public service leaders surveyed, while recognising that general day-to-day awareness of the EU and its institutions is generally low, were almost unanimous (19-1) in their view that public services are better off as a result of the UK being in the EU.

It is of utmost importance then that the voters get to hear better informed arguments that clearly demonstrate and consider the impact the EU has on public services rather than emotionally driven arguments that would seem to be founded on, often, false perceptions rather than reality.

\ survey approach

CIPFA commissioned Coyne Research to speak to senior public service leaders, this included 20 finance directors, chief executives and service leaders in central government, crime and security, education, health and social care, housing, and local government.

The discussions covered the current status of EU influence on the delivery of UK public services.

The Institute also commissioned ComRes to compare the opinions of public and private sector workers. ComRes interviewed 1,002 British adults by telephone between 18th and 20th March 2016.

Data has been weighted by age, gender, region and socio-economic grade to be representative of all British adults aged 18+.

Combining the results from both the survey and the poll, CIPFA has been able to identify the key areas within each sector that are particularly influenced by the EU.



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