



# HIGHER EDUCATION – MANAGING PEOPLE IN CHALLENGING TIMES

Institutions need to pay close attention to employment and immigration issues to stay competitive, says Ashley Norman, partner at Bevan Brittan

**I**t's a critical time for the UK's higher education (HE) institutions as they adjust to a new world order in which the coronavirus pandemic, leaving the EU and changing student demographics are driving rapid change.

The sector remains one of the UK's strongest and most important economic drivers – through its ability to attract international students and generate commercial opportunities through collaborations with overseas institutions and UK industries.

Latest data shows there were 485,600 overseas students studying at UK universities: EU nationals make up 30 percent of students and 18 percent of academic staff (source: Universities UK). The current benefit to the UK economy is estimated at £25.8 billion with £3.3 in tax revenues.

But the Institute for Fiscal Studies says there is now a “significant financial threat” to the sector, with “large income losses” from falls in student enrolment. Therefore, in managing immigration and employment issues, universities and other HE institutions need to be both agile and competitive.

## NEW IMMIGRATION SCHEME

For employers and employees, the UK's new points-based immigration system coincided with the end of free movement on 31 December 2020.

The new system now treats EU and non-EU citizens equally and anyone coming to the UK to work, excluding Irish citizens (who benefit from long standing alternative arrangements), must meet a specific set of requirements. Visas will be granted to those who gain sufficient points. EU, EEA and Swiss citizens already resident in the UK by 31 December 2020 have until 30 June 2021 to apply for ‘settled’ or ‘pre-settled’ status under the EU Settlement Scheme.

Institutions should be assessing how the scheme is affecting their employees and encourage those employees eligible under the scheme to apply for settled status now, if they haven't already done so. Organisations wishing to recruit skilled EU and non-EU workers in the UK from 1 January 2021 will need a sponsorship licence from the Home Office.



## EMPLOYMENT AND RECRUITMENT

EU nationals can represent a sizeable proportion of UK organisations that rely on the wider European talent pool to fulfil critical roles. This is particularly true of universities, which have traditionally engaged EU staff into a range of roles including academic and research positions.

Employers are advised to create a ‘talent pool impact assessment’ to identify which areas of their businesses are most affected, and review the demographics of their current workforce. As well as offering competitive salaries, non-financial benefits – such as offering flexible working – could be key to attracting staff and preventing recruitment difficulties.

Greater pressure on recruitment due to a diminishing pool of available EU workers and reductions in foreign student revenue, could lead to substantial financial pressures on the HE sector and a consequential need to reduce costs or restructure. Employers must be communicative about potential jobs cuts or restructurings and if specific positions will be eliminated. Where redundancies are inevitable, employers should be focused in their approach and mindful of following the correct redundancy processes.

From staff recruitment to customs documentation and changing contract terms, Brexit is likely to bring additional business costs.

In an attempt to alleviate these costs – but avoid redundancies – many employers have increased the use of atypical working arrangements within their workforce, including more use of contractors, casual workers and fixed-term workers. Employers must be careful

that such arrangements are compliant with employment law and tax concerns.

## EMPLOYMENT LAW

The elephant in the room post-Brexit is when and whether the government will begin peeling back EU-derived employment legislation to increase competitiveness. TUPE is often mentioned as one such legal area which might be removed or amended to make it more business-friendly. At the moment, all employment laws based on EU jurisprudence remain unchanged but universities, like all UK employers, will no doubt monitor developments closely.

## REMOTE WORKING

With remote working comes greater mobility, and social media has seen a flurry of images of sea and countryside ‘office’ views with people taking advantage of the ability to work anywhere, including from overseas.

In agreeing to such arrangements, the HE sector must be mindful of the legal ramifications, including tax, social security, immigration and employment implications, as well as differing timezones. Employers that do ‘location-based’ salary may be tempted to adjust salaries in a bid to save costs if they become aware employees are no longer living in prime locations such as London, or are saving on commuting costs.

**If you wish to find out more about these and other immigration and employment issues affecting the higher education sector, Bevan Brittan is hosting a webinar on 11 March 2021. To register, please visit: [www.bevanbrittan.com/HE-Immigration](http://www.bevanbrittan.com/HE-Immigration)**