Detailed Response

The remainder of this paper sets out Universities Scotland's response to a series of specific issues raised in the Green Paper. It takes the structure of the chapter and headings of the Green Paper but does not specifically respond to all the questions since, in many cases, these establish a restricted framework for debate,

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2: Learning, Teaching and Access

This chapter of the Green Paper set out a series of issues under the headings of:

- Linking to education
- More flexible admissions
- Reforming the "learner journey": early or accelerated entry, flexibility, articulation, funding
- Recognising teaching excellence
- Widening access

2.1: Linking to Education & More Flexible Admissions

Universities are committed to offering learners a range of routes into and through higher education in ways which best meet the diverse needs of men and women who may choose a university education at different stages of their lives and careers.

As outlined in *Towards A Scottish* Solution, universities are keen to continue to offer the flexibility necessary to meet the diverse demands of learners, regardless of the level of intensity at which they choose to study. The student population in Scottish universities is truly diverse with institutions offering a flexible range of learning opportunities tailored to the needs of learners and employers. For example, two in 10 of all entrants to undergraduate degree programmes in Scotland articulate into years two and three, and half of this group do so having previously attained an HNC or HND. Four in every ten students in the system study part-time.

Universities can adopt a number of approaches to build on this existing flexibility. Institutions have responded positively to demand for articulation as a route of entry to undergraduate study and are actively engaged in the five articulation hubs in Scotland. SFC statistics show that the number of students articulating across the five articulation hubs has almost doubled since 2007-08.[1] Work undertaken to track students taking Higher National qualifications (HNs) indicates that most of the articulating students in the Greater Glasgow Articulation Partnership (including 90% of HND qualified degree entrants) were offered advanced standing on the basis of their HNQs for entry to a degree programme.[2] In a context where not all HNs map to degree level subject provision, where some students opt to enter year one or choose to pursue a different subject at degree level, or where HNs may not meet prior learning requirements, this represents a significant level of admission with advanced standing.

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[1] Data submitted to SFC by articulation hubs.
[2] Higher National Tracking Interim Report, CRLL. See:
http://www.ggap.org.uk/media/ggap/content/downloads/HNTracking_2nd%20_Interim%20Report.pdf

However, any further significant increase in articulation is likely to require a redesign of the sub-degree programmes offered in Colleges. Originally developed as a preparation for employment, there may well be more effective ways to prepare learners for articulation to degree level study. A re-examination of this area is no timely given the changes brought about through Curriculum for Excellence and the wider exploration of the higher education sector via this Green Paper process.

A number of institutions, including those with significant articulating populations, have indicated that the academic content of some HN programmes means they do not articulate well to the full range of relevant degree programmes for practical reasons (e.g. a psychology HN programme focused on social sciences does not easily articulate to a scientific based degree programme at a university) or because they do not develop an approach to learning which helps develop the graduate attributes employers require for graduate level positions. These and other structural barriers need to be examined to enable any significant expansion of articulation's role in supporting learners' progress from sub-degree higher education to degree-level study. This will require universities and colleges to collaborate in design of the sub-degree curriculum and learning and assessment strategies, to remove the barriers, and to strengthen structures that support transition from schools and colleges to universities.

One element of any examination of the sub-degree provision in Scotland must consider the critical role of credit portability between colleges and universities. The SCQF is clearly very important in this regard, but recognition of credits requires both volume and credit and subject of credit to be appropriate for the higher level qualification. However, the experience of some universities indicates that, the limited proportion of credits at SCQF level 7 within some HNCs (i.e. a substantial part of the content of some HNCs is below 'higher education' level) means they do not provide the learner with a learning experience which offers them appropriate preparation for articulation with advanced standing. Ensuring any redesign of sub-degree qualifications addresses this anomaly will provide learners with greater clarity on the future learning opportunities open to them.

A number of degrees including Medicine and Dentistry, are strictly regulated by professional bodies and do not lend themselves to articulation easily. Even in these areas, innovative work between the University of St Andrews and Perth College is looking to develop opportunities for those lacking traditional qualifications to access such subjects. Nevertheless, the Scottish Funding Council has stated that, for some of these subjects, policy intervention would be likely to have little effect on the articulation rates.[3]

Curriculum for Excellence and the increased flexibility of the new national qualifications offer universities an opportunity to introduce a more flexible admissions policy and learner journeys which are better tailored to individuals learning styles. As outlined in *Towards a Scottish Solution,* there are three possible approaches to this issue. There are specific issues with each of these opportunities and these, coupled with the current pattern of provision within Scotland's Secondary Schools and the requirements of individual learners mean that a mixed model involving all three of the following is likely to be the most appropriate way forward over the medium term:

1. Universities have indicated that they would like to explore the possibility of admitting a greater proportion of student from S5 (in current terminology) to the first year of a degree. This would mean fewer students would study at S6

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[3] SFC/05/2007 C, p.23

reducing costs in the Schools sector and addressing the perception that S6 represents a "wasted year" for some pupils. Traditionally universities' admissions policies for certain subjects have required five Highers to be taken during one exam diet in S5. This provides an indication of an individual's ability to multi-task and to manage workloads: skills which are demanded by degree-level study and by employers. The increased flexibility to take Highers over two or more years, and to start sitting Highers earlier in the Senior Phase at school, will present challenges in terms of universities capacity to assess applicants' abilities in this regard. Previously some universities have voiced concern that Highers obtained in two years may not be necessarily academically rigorous enough or a reliable indicator of an applicant's academic ability for the most demanding and competitive courses. These are complex challenges, but it is in Scotland's collective interest that we find appropriate solutions to these issues. For this reason universities are actively engaging with the challenges and opportunities presented by reforms to the school curriculum and are represented on the Curriculum for Excellence management board.

2. Universities have also identified the opportunity to take an increased proportion of school leavers into years two of a degree programme where candidates hold appropriate Advanced Highers or Scottish Baccalaureate qualifications.

   This will, of course, challenge universities to ensure that their curriculum and induction arrangements are suitable to the needs of this diversity of learners. The experience with articulation from sub-degree programmes currently offered by further education colleges indicates that the transition to degree level study is at its most effective where there is a close collaboration to ensure curriculum development, and learning and assessment strategies at both institutions take account of the specific needs and prior learning requirements of students transferring to degree level study with advanced standing.

3. Significant expansion of entry to year two from S6 is not something which universities can address alone. Few local authorities in Scotland are currently in a position to offer the full flexibility introduced by CfE, nor the full range of Advanced Highers and the Baccalaureates at every secondary school and it is not clear that current budgetary constraints offer much scope to address this. It is therefore important that entry with advanced standing for students with Advanced Higher/ Scottish Baccalaureate is part of a 'mixed economy' building on the flexible spine of the 4 year degree, and that entry to year 1 of university for Highers-qualified students remains a generally available route.

2.2. Reforming the learner journey: Alternative Routes

According to the independent *Patterns*[4] report, Scotland's further education colleges were responsible for 15% of all higher education enrolments in 2007/08. This sub-degree higher education provision represents around 10%[5] of all enrolments at our further education colleges. With significant and growing numbers of those achieving Higher National qualifications now articulating to study at degree-level within universities, colleges' provision of sub-degree higher education qualifications

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[4] Patterns of higher education institutions in the UK: Tenth Report, UUK, 2010. See:
http://www.universitiesuk.ac.uk/Publications/Documents/PatternsOfHigherEducationInstitutionsInTheUK.pdf
[5] SFC INFACT database

represents an important route to social mobility and one which universities committed to expand in *Towards a Scottish Solution.*

As outlined earlier, statistics gathered by the SFC indicate that the number of students articulating from college to university almost doubled between 2007-08 and 2009-10, with around 3,500 students now embarking on degree level study via this route. In the interest of maximising social mobility, colleges and universities must continue their successful collaboration to expand opportunities for articulation. Data consistently shows that significant financial benefits accrue to graduates compared to those holding sub-degree or lower qualifications (see Table 1), and the benefit to graduates is near-universal with only those graduates in the bottom 10% of all graduate earners earning less than the median non-graduate weekly wage (See Figure A).

Table 1: Average Weekly Earnings by Level of Qualification 2005-09[6]

	UK	Scotland
Higher Degree	£719	£645
First Degree	£608	£566
HNC/HND Equivalent	£462	£419
NVQ Level 3	£380	£357
Trade Apprenticeship	£432	£444
O Level or equivalent	£316	£291
Other qualification	£334	£314
No qualification	£261	£260

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[6] Labour Force Survey (Data relates to place of residence)

Figure A: Graduate and Non-Graduate Earnings by Age Group in Scotland[7]
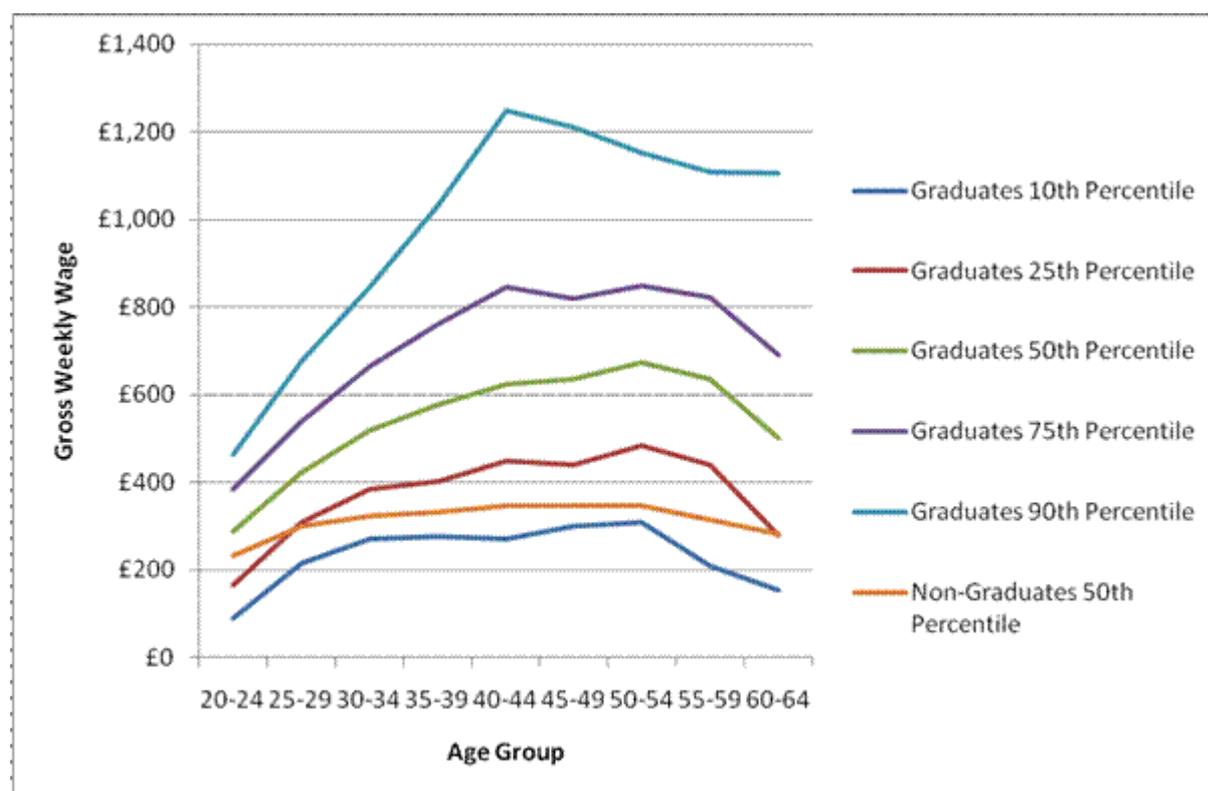
Just 0.3% of Scotland's undergraduate degree level registrations take place within Scotland's further education colleges. The remaining 99.7 per cent of first degree registrations are with universities.[8] In light of this, ensuring equality of opportunity to the benefits a degree provides will rely upon colleges and universities continuing their successful collaboration and doing more to expand opportunities for articulation. Such work will be critical in ensuring that the personal, financial and wider benefits which accrue to graduates are available to the widest possible spectrum of society.

Scotland's further education colleges have made great strides in widening access to sub-degree higher education by those in the most deprived sections of society. In order for Scotland to capitalise on colleges' achievements, and to ensure that we do not constrain individuals aspirations, earning potential and economic contribution, it is critical that we continue to work together to expand opportunities for articulation as outlined in *Towards a Scottish Solution*.

2.3. Recognising excellence in learning and teaching

Universities already take a keen interest in the reward and recognition of teaching. With increased competition and more information relating to teaching available than ever before, ensuring a high quality student learning experience is critical to a university's success and a key focus for management. Universities recognise and reward excellence in learning and teaching in a number of different ways. For example, many institutions include teaching excellence as a promotion route and

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[7] Labour Force Survey 2005-09
[8] Patterns of higher education institutions in the UK: Tenth Report, UUK, 2010 p.96

therefore it features in promotion criteria. In light of this, the sector welcomed recent proposals by the Higher Education Academy to include additional opportunities for recognition of good teaching in the proposed revisions to its UK Professional Standards Framework.[9] These could provide further valuable opportunities for recognising lecturers' teaching which the sector would be keen to explore.

Over half of Universities Scotland's members already participate in the student-led teaching awards in partnership with their Students' Associations. This is a valuable route for recognition of good teaching because it focuses on the student voice. Working with students and with others and Scottish universities take the view that the sector itself is best placed to devise methods to reward and recognise good teaching, as opposed to government. The Higher Education Academy has also undertaken research on this issue which institutions can and do utilise.[10]

Whilst the National Student Survey (NSS) is a useful tool for quality enhancement, and a majority of institutions in Scotland choose to pay to participate in the exercise, its potential use as a tool for the reward of teaching excellence is open to debate. Some within the sector take the view that some of the questions could be clearer and care is needed in handling and interpreting the results data. For example, across the UK some subjects consistently return lower satisfaction rates than others for reasons that are not clear.   There are also issues in comparing results between different disciplines either within or across institutions. A recent report highlighted these issues.[11] This same report also stated that "in most cases, the differences between whole institutions are so small as to be statistically and practically insignificant".   As such the data provide a useful source of management information, but may be of limited utility in making robust value judgements about relative performance.

The Green Paper suggested that graduate employment outcomes might be used as a metric of teaching quality. Universities work hard to ensure that employability skills are embedded in the curriculum and that students are supported towards successful employment. Graduate employment outcomes cannot, however, be used to judge teaching excellence.   As data presented in section 2.2 indicates, the improved benefits in earnings and employment accrue to the individual graduate *over a career* and to judge teaching excellence by means of a graduate's first job would be to ignore this fact. Regardless of timescales, employment outcomes depend on many factors that are unrelated to teaching such as personal choice, mobility, economic climate, subject studied and industry demand.   Information on employability is already publicly available and can be accessed by students to inform their selection of courses if desired (see also comments made in relation public information).

A bureaucratically burdensome exercise to identify excellence in teaching and learning would not be helpful. The current system in Scotland is working to preserve standards and is also more efficient than previous systems. The first edition of the handbook for ELIR (published in 2003) noted that over the preceding decade the higher education sector in Scotland participated in a range of quality assurance initiatives including:

- a complete round of teaching quality assessments at the subject level;
- 75 academic reviews at the subject level;
- a complete round of audits of institutional management of quality; and

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[9] http://www.heacademy.ac.uk/ourwork/universitiesandcolleges/accreditation/ukpsf-consultation
[10] http://www.heacademy.ac.uk/ourwork/supportingresearch/rewardandrecog
[11] http://www.hefce.ac.uk/pubs/rdreports/2010/rd12_10/rd12_10a.pdf

- 13 second round, continuation audits.[12]

These activities were extremely resource intensive for both the sector and QAA (and therefore SFC and ultimately the public purse). The handbook goes on to say that "the outcomes of these activities have demonstrated that, in general, Scottish higher education institutions had in place effective quality management systems relating to the experience of students and the standards of their awards, and that the subject provision experienced by students was highly satisfactory or better." Therefore SFC decided that continuing the previous resource-intensive system when standards were being met (or exceeded) was a waste of public money. For this reason, this detailed level of subject scrutiny was dropped and the Enhancement-led institutional review (ELIR) was introduced (subject reviews are still undertaken, but are led and organised by institutions themselves – featuring external panel members, often from outwith Scotland).

ELIR is widely recognised as a robust and proportionate means of ensuring continual improvement of universities' learning and teaching activities. The system has been admired internationally for its emphasis on enhancing the student experience and involving students in discussion of how this can be achieved, supported by the unique sparqs (student participation in quality Scotland) service which offers students expert advice and support to participate in enhancement of their educational experience.

2.4. Widening Participation

A sustainable Scottish solution for the future of Higher Education must protect the principle of equal access to university study for suitably qualified applicants from a range of social and economic backgrounds. We recognise that the challenges to widening access to Higher Education are multi-faceted and are present from early years throughout the education system. Investment in early years of a young person's life is likely to improve the person's life chances and educational opportunities. It is also essential that universities are supported to ensure that a university education is a realisable aspiration for men and women from every socio-economic background.

Universities in Scotland have a long history of widening participation to HE, including significant outreach work with Schools, including the early years of secondary education and at primary schools. This experience demonstrates that students from non-traditional backgrounds and under-represented groups require additional academic and student support on entry to HE in order to enhance retention and academic attainment. Universities are proud to offer that support, but it comes at a cost, which is only partly reflected in the SFC's Widening Access and Retention Premium (WARP). Failure to create a sustainable funding model for Scottish universities will deny opportunity to the students we want to help, by reducing the overall number of student places as well as by making it difficult to fund universities' outreach and retention activities.

Scotland's universities undertake significant, carefully targeted and long-term outreach activities in order to increase participation by those from disadvantaged backgrounds. Even in those universities receiving no WARP funding from the SFC there are activities including summer schools, interventions prior to selection of Standard grade subjects and access courses for individuals with few or no formal

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[12] Data taken from the first edition of the ELIR Handbook

qualifications. Such work also includes considerable resources being committed to student support, induction, and transition. Support for student retention is a key element of the institutions' widening participation activities. Institutions have made substantial funding investment in development of information management systems that enable them to monitor, collect, analyse and report data on student retention.

Universities in Scotland increasingly use contextual data in admissions to improve inclusivity and to make evidence-based judgements on the potential of individual applicants. Contextual data is used to widen participation to HE, to identify learners with additional needs and practical advice during their application process, transition or when registered as a student, or to assess eligibility for bursaries or other funding support. Use of contextual data in admissions is a resource-intensive process for the universities to administer.

Five selective universities of Edinburgh, Glasgow, St Andrews, Aberdeen, and Dundee are involved in the new national project Reach Scotland. In this project, the universities will work with pupils in S4-S6 in secondary schools in their local areas which are on or below the national average of participation in Higher Education (32% over a 3 year mean). The aim of the project is to increase the number of entrants from these low participation schools to key professional areas: Medicine, Law, Vet Medicine, and Architecture. The national project is co-ordinated in each area of Scotland by Widening Participation staff at each university, working with academic and support staff in the high demand professional subject areas within each HEI. Standardised contextualised admissions will be introduced as part of this programme.

Scottish Universities take the provision of opportunity to all very seriously. The Reach Scotland project is just one of numerous outreach activities which aim to boost aspirations and attainment in schools with traditionally low rates of progression to HE. The Lothian Equal Access Programme for Schools (LEAPS) is another such example. LEAPS has been in operation since 1995, despite the fact that it is not in receipt of any direct or earmarked funding from the Scottish Funding Council. In 2008-09 alone LEAPS helped prepare over 1,100 students from non-traditional higher education backgrounds to successfully enter university education: achievements of this scale would be reversed if universities were no longer financially supported in a way which enabled them to do this.

> **3: Research and Knowledge Exchange**
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> The Green Paper made proposals under the following headings:
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> - Encourage a different research/teaching balance in each university
> - Concentrate funding on research excellence
> - Concentrate research funding on Scottish Government priorities
> - Promote international collaboration as an integral aspect of research pooling
> - Promote a collaborative approach to training researchers
> - Increase support for research where impact is greatest
> - Improve collaboration between Scottish businesses and university researchers
> - Maximise funding from Europe

3.1. Encourage a different research/teaching balance in each university

There is already a wide range in the balance between research, teaching and knowledge exchange within our 20 member institutions. This diversity of mission between institutions enables Scotland's universities to collectively address the broad range of demands made by Scotland's students, industry and society as a whole. However, the typical academic is successfully combining teaching and research in a synergistic way. A recent survey of 22,000 academics (including 3,000 from Scotland), by the Centre for Business Research of the University of Cambridge found that: "over 90% of the academics surveyed reported that they took part in some research activity, and over 85% took part in some teaching activity. Therefore a combination of teaching and research is the predominant mode of academic activity."[13] HESA data for the Scottish sector from 2008-09 shows that of the academic staff engaged in teaching, over 80 per cent of them are engaged in both teaching and research.[14]

A key and distinguishing feature of university education in Scotland is that teaching is informed by research. Indeed, final year research projects are strongly encouraged or indeed mandatory in many institutions. The Subject Benchmark Statements published by the Quality Assurance Agency (QAA) setting out the expectations for Honours Degrees generally show a requirement for either a dissertation or at least some engagement with research.[15]

Scottish institutions devote considerable resources to linking research and teaching, not least through the Enhancement Theme on Research-Teaching Linkages[16] Research feeds into teaching in many ways from students learning about cutting edge research in their discipline to students engaging in research projects to using a research approach to help students develop key skills. The following examples (drawn from the Theme publications[17]) illustrate the diversity of approaches:

- problem-based learning lab sessions for science students where students are given a scenario to investigate;

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[13] Abreu, Grinevich, Hughes and Kitson (2009) Knowledge Exchange Between Academics and the Business, Public and Third Sectors. UK Innovation Research Centre

[14] HESA 2008-09 data on academic staff by academic employment function

[15] http://www.heacademy.ac.uk/assets/York/documents/resources/publications/DevelopingUndergraduate_Final.pdf (page 19)

[16] http://www.enhancementthemes.ac.uk/themes/ResearchTeaching/default.asp

[17] http://www.enhancementthemes.ac.uk/themes/ResearchTeaching/outcomes.asp

- modules on research methods in Health Sciences to prepare students to undertake research as part of the programme, but also to understand and use research to inform evidence-based practice once qualified;
- computing science modules on security featuring lectures on cutting edge research and student-led presentations on the latest journal articles;
- civil engineering project simulation that introduces students not only to what a civil engineer does on a project, but also research activities and how these feed into a civil engineer's job; and
- history modules that expose first year students to primary sources and the variety of opinions in the literature.

This approach enables graduates to acquire skills, knowledge and abilities, critical to the workplace. These are skills which extend beyond disciplinary knowledge and are applicable to a range of contexts and which enable graduates to function in the fast-changing modern workplace. Such skills are increasingly described as graduate attributes and the Scottish Higher Education Enhancement Committee (which includes representatives from the Scottish Funding Council, Universities Scotland, QAA Scotland, the Higher Education Academy and NUS Scotland) identified research-related attributes such as;

- Critical understanding.
- An awareness of the provisional nature of knowledge, how knowledge is created, advanced and renewed, and the excitement of changing knowledge.
- An ability to identify and analyse problems and issues.
- An ability to formulate, evaluate and apply evidence-based solutions and arguments
- Originality and creativity in formulating, evaluating and applying evidence-based solutions and arguments.

Such attributes, which derive from well-structured research-teaching linkages, align well with employer demands and are critical for economic growth. In a knowledge society, every graduate will be required to draw upon skills which have been developed by means of the interaction of research and teaching. They will engage in the production and integration of knowledge, in the derivation of meaning from complexity, and will be prepared through their approaches to learning to adapt to the complexities and uncertainties of the future.

Through having all universities engaged in both teaching and research Scotland provides learners with the best possible context in which to develop learning outcomes which will stand them in good stead throughout their careers and to ensure that employers can draw upon a skilled, flexible and resilient workforce informed by "well-structured research-teaching linkages". Universities Scotland therefore fully subscribes to the Scottish Government's opposition to "teaching-only" universities. To do otherwise would represent a radical departure from the approach in *New Horizons* and from Scottish Government policy. It would also remove one of the features which make Scottish HEIs distinct from their English counterparts and damage the international reputation of Scottish higher education. Whatever it represented, it would not be part of a 'sustainable Scottish solution' consistent with out shared values.

3.2. Concentrate funding on research excellence

Our 'Scottish Solutions' paper set out Universities Scotland's position on this as follows:

Universities Scotland believes that research and knowledge exchange funding should continue to be based on policies which support:

- All universities continuing to be research-active
- Research funding being weighted strongly towards supporting excellence wherever it occurs;
- Support for collaborative research between Scottish universities, in the interests of research quality and impact
- Incentivising knowledge exchange, to ensure that university research and expertise is able to benefit industry and the wider society; and
- Maintaining the physical and human research infrastructure of Scottish universities which underpins Scotland's world-class research base

Following the 2001 Research Assessment Exercise, the Scottish Higher Education funding Council (SHEFC, now SFC) was supported by Universities Scotland, in its decision not to concentrate core research funding on excellence to the same degree as HEFCE. The reasoning was that this might lead to only three or four Scottish HEIs undertaking a significant volume of research; even at that time in advance of research pooling, our members were already so inter-dependent that this was felt not to benefit the research. SHEFC undertook to fund "research excellence wherever it may be found", and furthermore to support strategic collaborations between excellent research groups in different HEIs, a strategy which has become known as "research pooling. Rather than limiting research funding to groups with "critical mass", research pooling has enabled smaller groups to achieve critical mass through collaboration.

This approach has been vindicated by the maintenance of the Scottish research base, which has seen far fewer closures of courses or departments than in England, and by the results of the 2008 RAE. In light of policy to date, the SFC's indicative grant proposals include a significant further research concentration, and that any further such moves are likely to undermine the fundamental value that all universities are significantly research active. On the specific proposal that 'critical mass or minimum size of research unit be considered when allocating research funding', it should be noted that this is already accounted for in the 'research environment' element of Research Excellence Grant distribution formulae, but that its relevance varies greatly between disciplines.

3.3. Concentrate research funding on Scottish Government priorities

The SFC's Research Excellence Grant (REG) is essential in maintaining the research infrastructure in universities, and allows researchers and research groups, individually or collectively, to seek additional research funding for research projects, programmes or even institutes (via the "dual support" system). The largest providers (38%) of the latter type of funding are the seven UK-wide Research Councils.

SFC funding already funds a range of research activities which closely support the Scottish Government's economic strategy and the seven key sectors of the economy identified to support this. For instance, Scottish success in renewable energy, life sciences or the creative industries is unthinkable without the contribution of universities and the investment of the Scottish Government and its agencies in

supporting universities' research and knowledge exchange capacity.   However, to concentrate SFC's infrastructural (REG) funding rigidly on Scottish Government priorities would compromise this capacity to bring additional income into Scotland, especially for basic or inter-disciplinary research, and would be likely to reduce the total capacity for research by reducing funding for important activity which may not be a priority for this or future Scottish Governments. Once capacity was lost, it would be difficult to recover and the ability of government to predict increased demand for research in specific areas (for example in Arabic and Islamic studies following 9/11) is inevitably limited.

For these reasons research infrastructure funding should be shaped to protect, sustain and, where possible, enhance universities' research base across a broad range of areas. This involves ensuring the capacity to compete successfully for project funding in UK, European and global arenas and to retain the capacity to engage in 'blue skies' research whose economic impact is entirely speculative and unpredictable.

There are existing mechanisms for Scottish Government to fund research which addresses Scottish Government priorities, for instance via:

- the Chief Scientist's Office of the Health Directorate
- Main Research Providers supported by the Rural and Environment Research and Analysis Directorate
- SFC's Horizon Fund
- Scottish Enterprise support for initiatives such as the Edinburgh Bioquarter or the Translational Medicine Research Centre in Dundee

Universities welcome greater access to these funds, greater collaboration with such bodies, and the greater use of such funds to leverage support from other sources. Used wisely, such funding can assist in securing additional funds from other sources; research pools, for instance, typically receive about one third of their funding from each of the SFC, the participating universities and from third party sources such as the UK-wide Research Councils

3.4. Promote international collaboration as an integral part of research pooling

Any support from the Scottish Government or its agencies in assisting international research collaboration with Scottish HEIs or researchers is most welcome. For instance, Scotland House in Brussels is a very useful and high value venue for meetings and seminars, Scotland Europa provides invaluable advice on European Union policy and funding, GlobalScots and Scottish Development International can be instrumental in forming international links. Research pools already collaborate internationally where appropriate, and are very keen to do so; for instance the Scottish Informatics and Computer Sciences Alliance was short-listed in a Europe-wide bid to put together a KIC in December 2009. However, it is important to note that Research Pools are not separate legal entities and that pools and their constituent universities are themselves best placed to judge the most effective partners for research and these will not necessarily always be international. As such pools should not be obliged to include an international collaborator as a condition of their establishment or funding. Any greater role in participation in delivering internationalisation will require increased investment.

3.5. Promote a collaborative approach to training researchers

This is an area where there is already considerable Scottish activity, well in advance of other parts of the UK. Developments in this area have in part been driven "Roberts funding" for training researchers in transferable skills (now no longer available) and the adoption of RCUK's Research Concordat (itself aligned with a European Charter for Researchers and a Code of Conduct for the Recruitment of Researchers). Universities Scotland 's Committee for Research Training, has representation from all members, and acts as a network for sharing best practice and spare capacity on relevant courses. In 2009/10 the Committee ran the "KE Step Change Programme" to deliver training for researchers in all aspects of Knowledge Exchange, which received a Times Higher Education Supplement award in November 2010.

The RCUK Concordat is critical here, Universities which have implemented the Concordat are eligible for a European HR Excellence Award; so far 6 Scottish universities have achieved status and a further 4 Scottish HEIs are in the process of applying for the award (which has so far only been granted to a total 23 UK universities). The UK has far more holders of this award than any other European member state, and we hope that, through the collaboration between our members, Scotland can become recognised as one of the best locations in Europe for Early Career Researchers.[18]

3.6. Increase support for research where impact is greatest

This section poses two questions:

- Is it appropriate for Scotland to adopt a radically different approach in applying the REF to funding?
- Could the impact aspect of the REF be used as an alternative mechanism for distributing funding for knowledge transfer?

There is no evidence or argumentation presented as to why impact should be weighted substantially differently in Scotland as compared to England. To do so would have potentially adverse effects on the balance between fundamental and applied research north and south of the border, to the potential detriment of Scotland's overall research competitiveness and its current disproportionate success in securing UK Research Council funding. This would indeed risk duplicating, and should not replace, existing mechanisms for formulaic funding of knowledge exchange activity in Scottish universities, which are already in the process of being discussed and reformed by SFC and Universities Scotland.

3.7. Improved collaboration between Scottish businesses and university researchers

Universities Scotland wholeheartedly supports this aim and the rationale given for it, but the Green Paper fails to adequately acknowledge significant existing activity in response to the low levels of R&D demand from Scottish companies when compared to elsewhere in the UK. The Green Paper rightly draws attention to the success of Interface and this now also offers access to business advice through the Venture Navigator scheme, the agency for administering SFC's Innovation Vouchers. The

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[18] Early Career Researchers I becoming increasingly common as a term to cover doctoral (mostly PhD) students and post-doctoral researchers

last initiative has been enthusiastically taken up by SMES and we would welcome its expansion. All Universities Scotland's members fully support Interface, and are content that SFC money which might otherwise be spent in our institutions is top-sliced to fund this service. In November 2010 Ekos produced an extremely positive Evaluation report on Interface[19] we fully concur that Interface's funding and scope should be maintained and enhanced.

Under the headings in this section we would respond:

Developing networks and linkages

We understand that one or more bids to SFC's Horizon Fund propose a network covering the food and drink sector, and we would fully support this. However, care should be taken not to duplicate or damage existing UK-wide Knowledge Transfer Networks supported by the Department for Business Innovation and Science.

While the technical skills taught in colleges would undoubtedly benefit many businesses which engage in knowledge exchange in universities, the two activities are distinct, though complementary.

Making universities more attractive and accommodating places

Universities Scotland finds it perplexing that the Green Paper implies that there is a deficiency in this regard. Universities are deeply embedded in their communities and offer 'knowledge exchange' for instance by welcoming people to their adult learning classes, their museums and art galleries, and their recreational facilities. At a statistical level, in 2007-08 over 450,000 people visited Scottish universities museums and exhibitions or attended their lectures or concerts.[20]

More specifically in relation to universities being a welcoming environment for businesses, the professionalisation of knowledge exchange within our member institutions has been a major benefit of the SFC's Knowledge Transfer Grant since it was introduced in 2001. This underpins the development of the "rich and varied ways in which academics engage with wider society (Hughes and Kitson, 2011)[21], and has enabled a rise in HEI income from £223M in 2003 to £315M in 2008 (figures from SFC Knowledge Transfer Metrics returns). It is important that we set realistic and achievable goals in this area. With over 117,500 SMEs in Scotland alone and the existing demands on relevant academic's time significantly increased interaction will require substantial investment.

To cite cultural barriers to increased knowledge exchange or to suggest universities are not accommodating is to ignore the findings of recent research commissioned by the Scottish Funding Council. In the most comprehensive survey of academics and business Hughes and Kitson identify the major barriers to knowledge exchange as a lack of academics' time and a lack of information from business, rather than the popularly cited misconception of a "clash of cultures" or difficulty in agreeing terms on intellectual property. [22] [23]

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[19] http://www.interface-online.org.uk/3994
[20] HE-BCI 2008/09 table 5
[21] Hughes, A. and Kitson, M. (2011) Connecting with the Ivory Tower: The Business Perspective on Knowledge Exchange in the UK, Centre for Business Research, University of Cambridge
[22] ibid
[23] Abreu, Grinevich, Hughes and Kitson (2009) Knowledge Exchange Between Academics and the Business, Public and Third Sectors. UK Innovation Research Centre

Universities and their formula funded knowledge exchange staff work extremely hard and take innovative approaches to engage and interact with business. There is already some co-location of company employees and academics, for instance in business parks and Universities would support increased levels of such collocation, for example the Scotland-wide roll out of the successful EPIS initiative which (prior to the withdrawal of Scottish Enterprise funding) paired fledgling companies with academic expertise at the University of Edinburgh.

Transforming the focus of universities

Universities Scotland is fundamentally opposed to this idea. Universities may choose to focus more on applied research (and some do), but it is universities themselves who are best placed to decide on such an approach. Our members do, however, work closely with the applied research institutes the government already funds for this purpose, such as the Scottish Government's Main Research Providers; this collaboration has become closer in recent years and we would thoroughly support the continuation of this trend.

Incentivising collaboration

As detailed above, we would welcome the further development of SFC's Innovation Voucher scheme, and additional incentives from Scottish Enterprise to encourage business to work with universities, providing these do not duplicate or damage other schemes, and providing universities are appropriately consulted in their development.

Finally under this section we would like to reiterate a point we have made many times in discussions with SFC, Scottish Enterprise, and the Scottish Government. While greater engagement with Scottish SMEs is to be welcomed and encouraged, this should not exclude engagement with larger companies, nor with companies of any size throughout the UK or internationally. Universities can play a key role in economic growth by attracting the R&D functions of major international corporations, with recent examples including Wyeth, Xilinx and Amazon and it is vital that they can continue to do so.

3.8. Maximise funding from Europe

Universities Scotland welcomes any support to access international funding or to facilitate links with international partners, such as our recent involvement in developing a Scottish position on the forthcoming 8th Framework Programme for Research and Development. Our members already perform well in accessing such funds, but these are complementary to other funding sources, especially the UK Research Councils, and should never be regarded as a substitute. Scottish universities also enjoy access to EU Structural and Regional funds, administered separately and available in different programmes to the rest of the UK. Additional help and advice from Scottish Government and Scotland Europa on these areas is particularly helpful.

The proposal that Scottish Government research funding should be linked to past performance in securing European funding is odd. This is not supported by Universities Scotland, not least because such performance is already assessed by the RAE/REF and is one element of the "research volume" measures which influence distribution of the Research Excellence Grant.

4. International Contribution

The Green Paper made proposals under the following headings:

- Promote Scottish universities overseas under a single Scottish banner
- Increase universities" income from overseas activities
- Encourage more Scottish students to study, and more academics to teach, abroad
- Promote the quality of the international student experience and graduate outcomes
- Develop Scottish University Alumni Networks for China, India and the North America
- Removing limits on international students studying medicine and dentistry

4.1. Promote Scottish universities overseas under a single Scottish banner

Universities Scotland is already actively engaged in this work. In a highly competitive marketplace, it is vital that Scotland's Universities speak with a voice that is loud, clear, distinctive and competitive. Universities Scotland's International Committee has been working to develop international branding messages for Scottish Higher Education that are closely aligned with the Scottish Government's own branding strategy. Finalised in July 2010, three branding workshops in August, September and October were used to disseminate and promote effective use of the new message guidelines. This initiative is supported by universities at both senior management level and the international officer levels and institutions will work to collectively and individually promote the Scottish Higher Education brand overseas.

Scottish universities continue to take forward related joint work in this area. The International Committee is currently focusing on organising events to share best practice in internationalisation and the Scottish Government set up a Scottish exhibit in the Education Exhibition in October 2010 in China with the aim of collectively promoting Scottish Higher Education. Significant numbers of the highly-mobile international student market will make their choice based on a university's international reputation. For many students this involves looking primarily at reputation and only then considering an institution's actual location. This means that whilst such joint promotional work is important, there will always remain the need for individual institutions to promote their own distinctive offerings to global markets (the growing interest in oil and gas related courses from African nations being just one such example).

4.2. Increase universities' income from overseas activities

Scottish Universities have significantly increased income from this source with fee income of £78m in 2001-02 rising to £224m in 2008-09 and continue to perform well in a competitive market. Universities continue to collaboration to maximise the reach and profile of Scotland's universities and their recruitment in priority markets. In many cases links in research have very often led to partnerships in other areas and increases in recruitment. Universities have been active participants in international delegations to India and China organised by the British Council, made good use of opportunities arising from the First Minister's visit to China and to India, of the Cabinet Secretary for Education and Lifelong Learning's visit to China, the SDI sponsored FICCI Summit in India and the SCDI sponsored visit to India. These visits have led to many fruitful collaborations and partnerships. During the First Minister's

visit in October, two MOUs were signed and one partnership was announced between Scottish universities and their Indian partners:

- University of Abertay Dundee and Indian Institute of Technology (IIIT) Allahabad, India
- Glasgow Caledonian University and Sitaram Bhartia Institute of Science and Research
- University of Edinburgh and Delhi University

Universities Scotland will continue to liaise with the Scottish Government and others in order to ensure universities are appraised of the Scottish Government's international priorities and that Government is aware of universities' own priorities in this area.

International students contribute to the financial sustainability of Scottish universities and make a major contribution to the wider economy. A 2009 study by the University of Strathclyde estimated that, as well as the direct economic advantage to universities, international students drove a further £231m of off-campus expenditure.

Scottish universities' success in generating income from overseas, be it through the recruitment of international students coming to study in Scotland or through the delivery of education in country, has been based on universities' own understandings of the markets with which they work on a daily basis. Their success compared to universities in other nations has been founded on their own judgement of appropriate offerings, partners and approaches. For example Heriot-Watt University's campus in Dubai as part of the Dubai International Academic City takes an institutional approach. By contrast, the University of Edinburgh partners with institutions from elsewhere in the UK to deliver the British University in Dubai. Whilst incentives and high-level diplomatic assistance can be critical, universities are best placed to identify appropriate market opportunities in this area.

The recent UK Borders Agency/Home Office consultation on reform to the student visa route represents a significant threat in this area. Estimates from Universities UK suggest that the proposals could affect as much as 60 per cent of all international students at universities in the UK. This would mean a loss of more than £134m per annum for Scotland's universities, based on 2008-09 figures. In addition to the financial loss, this will damage Scotland's ambition to be a welcoming society which can benefit from the contribution of international talent. International students are an intellectual, social and cultural asset to their universities and to Scotland as a whole.

If implemented in their current form, the UKBA's proposals may lead to more Scottish universities exploring the possibility of setting up and expanding overseas operations, this is likely to require significant investment when compared to the marginal costs of teaching students in existing facilities in Scotland and the success and long term viability of an overseas campus can be subject to changes in policy regarding foreign higher education providers and the development of indigenous higher education provision.

4.3. Encourage more Scottish students to study, and more academics to teach, abroad

Universities Scotland fully supports encouraging more students to study abroad. Indeed, universities have been working with NUS Scotland and others as part of their

Students Without Borders project, part of which seeks to increase engagement with Europe[24]. We were one of the partners in the student-led conference on mobility held in March 2010 and Universities Scotland is one of the partners in the proposed "Year of Mobility" project.

Unfortunately, there is no measure of how many students study abroad or undertake a work placement as part of their degree, nor is there any measure of how many Scottish domiciled students undertake a whole degree abroad. The only figures available are for Erasmus placements, which only include study abroad in Europe and therefore greatly underestimate overall outward mobility.

There are perceived and actual barriers to studying abroad, for example, level of language ability (although English language provision is being offered by universities in non-Anglophone countries), finance (portability of student support is an important factor, as is the Erasmus fee waiver), reluctance to leave home (e.g. for cultural reasons, practical reasons (i.e. student parents, part time employment)). These factors are not necessarily within universities' control – for example, language ability would need to be addressed in the first instance in schools.

In addition, in order to ensure a high quality experience, institutions often work with partner institutions abroad. It takes time and financial resource to develop such partnerships and there is a limit to how many exchange students each partner institution can accommodate. However, working with partner institutions is one means of ensuring full credit recognition.

There are relatively low levels of participation in Erasmus by students across the UK and Scotland does relatively better (based on student population share) than the rest of the UK. Scotland has much more study mobility than work placement mobility as the tables below show.[25] Erasmus mobility is dominated by language students.

2007-08 Outgoing statistics (students)	England	**Scotland**	Wales	N Ireland	Total
Study mobility	5,787	**1,121**	458	159	7,525
	77%	**15%**	6%	2%	100%
Work placement mobility	2,320	**233**	41	132	2,726
	85%	**9%**	2%	5%	100%
Total	81%	**12%**	5%	3%	100%
Share of student population	83%	**9%**	6%	2%	100%

2008-09 Outgoing statistics (students)	England	**Scotland**	Wales	N Ireland	Total
Study	5,859	**981**	430	167	7,437

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[24] http://www.nus.org.uk/Campaigns/Campaigns-in-Scotland/learning-and-teaching-campaigns/Students-Without-Borders-European-Engagement/
[25] Data source: http://www.britishcouncil.org/erasmus-facts-and-figures.htm

2008-09 Outgoing statistics (students)	England	**Scotland**	Wales	N Ireland	Total
mobility	79%	**13%**	6%	2%	100%
Work placement mobility	2,801	**293**	122	190	3,406
	82%	**9%**	4%	8%	100%
Total	80%	**12%**	5%	3%	100%

Universities have taken steps to encourage increased mobility and have seen significant increases in applications as a result. In some cases, this has included raising awareness of opportunities (for example the Robert Gordon University increased participation by 40 per cent); in others it has been about creating more flexible opportunities (for example, the School of Nursing and Midwifery at Edinburgh Napier University).

It should also be noted that institutions are already aware of and apply to European funding programmes, so we are not convinced that the benefits of increased mobility would necessarily lead to increased funding from the EU.

Universities are keen to see increased numbers of staff exchanges. Again, the only available figures are for Erasmus staff exchanges indicated in the table below[26]. Many academics work abroad for part of their career and, as well as temporary or permanent teaching and research opportunities overseas, staff are often in demand because of the high level of interest in Scottish higher education and our systems. This may result in requests to deliver workshops on developing learning outcomes or on working with credit and qualification frameworks, for instance.

2008-09 Outgoing statistics (staff)	England	**Scotland**	Wales	N Ireland	Total
Teaching mobility	1,222	**187**	81	28	1,518
	81%	**12%**	5%	2%	100%
Training mobility	178	**21**	12	6	217
	82%	**10%**	6%	3%	100%
Total	81%	**12%**	5%	2%	100%

4.4. Promote the quality of the international student experience and graduate outcomes

As noted earlier, Scotland's universities have a global reputation for high quality provision, as evidenced by their strong performance in recruitment of international students. Since there is a competitive market for international students, institutions are keenly focussed on offering the best possible international student experience as reputation in this area can be critical to recruitment. Scottish universities are committed to the Quality Enhancement Framework and continuous enhancement of the quality of provision for all our students, including international students. Many

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[26]Data source: http://www.britishcouncil.org/erasmus-facts-and-figures.htm

institutions participate in the International Student Barometer survey, which allows participating institutions to benchmark feedback from their international students against other institutions. It is also possible for institutions to identify data for international students in the National Student Survey (NSS) and this data can also be used for enhancement. Universities' international strategies reflect this focus and explicitly address the needs and expectations of international students.

In addition, many Universities Scotland members have engaged with the Higher Education Academy and UK Council for International Student Affairs (UKCISA) *Teaching International Students* project[27], which focuses on enhancing learning and teaching for international students. Members are also engaging with the NUS Scotland/SPARQs *Students Without Borders* project[28], one element of which is encouraging students and institutions to work together to encourage international students to participate in discussions on learning and teaching as part of the quality enhancement process. This project is also offering assistance to Students' Associations to undertake an internationalisation audit.

Universities provide a range of information on their courses, including information on destinations of leavers. This is also available for the sector as a whole on the Unistats website. The surveys from which this information is drawn are only based on students domiciled in the EU (including the UK) prior to the start of their studies. Universities generally provide assistance in important areas such as visa application and career services. The Association of Graduate Careers Advisory Services in Scotland, a representative organisation for all university careers services in Scotland, has obtained funding from the Scottish Government and delivered a series of 4 virtual international careers in Asia fairs by 2011. These events allowed students and graduates from all universities in Scotland to engage with graduate recruiters from across Asia. These events have been positively received by both graduates and employers.

Scotland's higher education qualifications are recognised across Europe and the wider European Higher Education Area (representing 47 countries) via qualification framework referencing. Additionally, Universities Scotland has been working with the Association of Indian Universities to promote mutual recognition of qualifications.

Of course, it is essential that international students are aware of what that fee covers (for example, teaching, supervision, examination entry and access to student support services (such as careers advice, visa and immigration advice, sports facilities, students' association, study support). It is also important that international students have a clear indication of the likely level of living costs required and Universities provide this information currently. However, it is Scottish Government policy that universities should charge a market fee to international students. This means that the fee levels are informed by market considerations as well as cost considerations and therefore it is not possible to break it down by component. Universities Scotland is not aware of any country where international student fees are presented in this manner.

In 2004 the Scottish Government established the Fresh Talent Initiative, a policy response to Scotland's outstanding and pressing need to address its long-term demographic projections. It proved very successful for Scotland resulting in increased applications year on year, with nearly double the number of successful

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[27] http://www.heacademy.ac.uk/ourwork/teachingandlearning/internationalisation/internationalstudents
[28] http://www.nus.org.uk/Campaigns/Campaigns-in-Scotland/learning-and-teaching-campaigns/Beyond-Borders/

applicants by the end of the three-year period. Despite Fresh Talent initiative being replaced by a UK wide Post Study Work (PSW) scheme, it continued to make an important contribution to addressing Scotland's distinct demographic and population issues.

Table--Successful applicants to FT: WISS and Post-Study routes from July 2005 – June 2009[29]

Scheme	Year	Total number of successful applicants
FT:WiSS	05/06	1904
FT:WiSS	06/07	2785
FT:WiSS	07/08	3786
Post Study Work	08/09	2737

PSW provides a wider opportunity to international students to develop their skills after graduation, and crucially increasing the attractiveness of Scotland to the international student market. This appears likely to be jeopardised by the recent UKBA proposals.

4.5. Develop Scottish university alumni networks for China, India and North America

Alumni represent a critical resource which institutions already draw on extensively in developing international partnerships and building networks overseas. Given students' affinity and identification with their "alma mater" and the colleagues with whom they studied this tends to be most successfully pursued by an individual institution or in relation to a subject area within the institution.

Nevertheless, universities are active in participating in appropriate events such as those the British Council has organised around the world on a regular basis. Similarly, universities would be keen to work with Scottish Government in considering whether the government may be able to enhance universities' own work with existing alumni networks in order to promote higher education in Scotland in key markets such as China, India and North America. A joint approach will be necessary in light of the restrictions of data protection legislation which would not permit institutions to simply provide alumni data to the Scottish Government.

4.6. Removing Limits on International Students Studying Medicine and Dentistry

In the course of considering this issue, Universities Scotland has consulted with the Board for Academic Medicine (which represents Scotland's 5 medical schools) and supports their view that the cap on the number of international students entering Scottish medical schools could be lifted. A modest increase in the number of international students is probably achievable within the current levels of ACT funding provided to NHS Boards. This is based on the assumption that Universities will continue to set their own tuition fees for such students. Any moves to charge international students an additional 'ACT fee' would raise serious concerns about the competitiveness of Scottish medical schools in the international market.

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[29] These figures were Home Office figures supplied by Scottish Government

It is essential that international student numbers are reviewed annually by the BfAM in partnership with SFC, NHS Education Scotland, SG EELD and SGHD in order to ensure continued excellence in training and the optimal and equitable use of university/NHS teaching funding.

In considering a rise in such numbers, it is anticipated that the Scottish Government will want to give consideration to the UK context in which this cap operates, the potential for reciprocal arrangement with other countries and the need for informed workforce planning.

5: Student Support

The Green Paper made proposals under the following headings:

- A simpler system
- Minimum income guarantee
- Supporting lifelong learning
- Part-time
- Advanced entry to the four year honours degree
- Student loan interest rates
- Student loan thresholds
- Centrally subsidised travel for eligible students
- Disabled students
- Childcare
- Private financing of student support delivery

5.1. Student support

Universities Scotland does not wish to comment in detail on this chapter. Some points of principle are, however, clear.

A 'Scottish solution' to sustaining successful universities in the new financial environment must have close regard to the student support regime. This is important because wide and fair access to universities depends on students having the financial resources required to support their studies.

Scottish students, regardless of their chosen mode of study, should have access to fair and targeted support, through loans and grants, to support the maintenance costs of study. Universities Scotland supports work to improve the student support system to achieve this.

Cumulatively, any change in the way in which students and graduates contribute to the overall costs of a university education needs to amount to a package which offers value for money for the taxpayer, financial support for students on the basis of need, and sustainable funding to enable universities to maintain international competitiveness and wide access.

Income thresholds, interest rates for student support and the concept of "slicing" need to be considered as part of expert work to build a sustainable graduate contribution model.

6: Funding

The Green Paper made proposals under the following headings:

Funding Options
- State retains the prime responsibility
- State retains the prime responsibility but requires some form of graduate contribution
- Increasing income from cross border flows of students
- Increasing donations and philanthropic giving
- Increasing support from business
- Increasing efficiency

Wider Issues
- Private financing of contributions
- Creating more equal treatment of other UK and EU students
- Learner-driven funding

Funding Model
- Increasing flexibility within our funding model
- Scottish Government acting as the largest purchaser

6.1 Funding options

The Funding Options are addressed in the summary at the beginning of this paper, and we do not wish to make further significant comment in advance of the report of the technical expert group, but only to stress the fact that the funding settlement in 2010/11 represents an *absolute bare minimum* baseline for the resources needed to sustain an internationally competitive sector. This is not to say that the level of funding in 2010/11 was sufficient. The level of public funding received by higher education in Scotland's main competitor nations, as a proportion of GDP, is significantly higher than that received by the sector in Scotland. This is a fact recognised by the Scottish Government and reflected in the Green Paper.[30]

6.2 Wider Issues

Private Financing of contributions
It may well be appropriate for the government to explore the potential for such an approach to defray the cost to government of financing loans relating to a graduate contribution scheme. It appears unlikely that anything other than a collective approach led by government would provide a viable model.

Creating more equal treatment of other UK and EU students
We note and support the Scottish Government's examination of how to ensure that students domiciled in the rest of the EU make a fair contribution to the costs of their Scottish university education. As things currently stand this would most clearly be delivered by making them subject to the same graduate contribution regime as Scottish-domiciled students. As discussed in the summary which precedes this more detailed paper, there are a range of additional considerations which must be borne in mind in relation to RUK students in anticipation of a "marketised" system in England.

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[30] Building a Smarter Future: Towards a Sustainable Scottish Solution for the Future of Higher Education, p.34

<u>Learner driven funding</u>
At present, SFC funds institutions to provide courses to students. Under a learner-driven model, learners would have an entitlement which could be "cashed in" at an institution. This would be less stable for institutions and difficult to manage. It could also be more expensive for SFC to administer. At present, targets are set for student numbers and institutions manage the number of students they recruit (and face penalties for under or over recruitment). In this system, Government/SFC might need to decide which students it was prepared to fund (in order to control both the teaching funding budget and the student support budget). Moreover, currently SFC pays a different price depending on subject. Unless students were required to apply for funding for a particular subject, this could become difficult. Yet, if a flat rate were paid it would be a disincentive for offering more expensive provision such as science, engineering and medicine.

The paper mentions the problems of subject with intermittent/limited demand. We believe there could be problems with subjects with buoyant demand. How would Government control, for example, medicine and teacher education numbers?

The consolidation cap is not the only limit on how many students universities recruit. For example, although universities can sometimes accommodate additional students on courses, there comes a point when more students means that lectures must run twice, which would be a considerable additional expenditure, particularly where expensive laboratory space is necessary to the delivery of effective learning or universities are dependent on capacity in partner organisations (initial teacher education, medicine, nursing, allied health professions, sandwich degrees). Other factors include: entrance qualifications, availability of accommodation, capacity of support services, available work placements (where relevant).

We do not believe such a system would necessarily benefit students. Whilst it appears that students have more choice, in reality there are other constraints on the number of students an institution admits. Furthermore, the students might face more uncertainty: whether they would be eligible for funding and whether an institution would accept them. Such a system would inevitably lead to a more "marketised" approach to higher education (even if students were not contributing), which is not necessarily beneficial.

However, we would welcome some more flexibility in how student numbers are controlled within the current system.

6.3 Funding models

Many (if not all) of the proposed benefits from the changes to the funding model are likely to be achievable with the current funding model *were appropriate guidance to be issued*. However, universities would welcome increased flexibility in the funding model which would enable them to innovate in line with their diverse missions and enable them to provide distinct individual offerings which, taken together, make the most effective collective response to the increasingly diverse range of student needs. Some of the proposed changes to the funding model would necessarily affect student support funding as well as teaching funding.

Any changes to the funding model will result in changes to institutional allocations, which can be difficult to manage and may make planning difficult – especially in the current financial and funding climate. Whilst this is not a reason not to implement change, it does mean that the benefits of any change need to be clear.

<u>Sector-driven change in provision</u>
We would welcome an SFC statement providing clear support for sector-led transfer of provision between institutions and continue to discuss this area with the Funding Council. This could be done within the existing funding model. This type of change does need to be led by the institutions concerned, because it requires full institutional commitment to manage this process.

<u>Credit-based funding</u>
Although the current funding model is not based on credits, some within the sector have argued that there is some element of credit based funding within the system. The current model is uses full-time equivalent students and is therefore based on the amount of study the student undertakes. Further work would be required to consider the implications and data requirements needed to adapt the current funding model into one that was fully based on credits.

Funding of credits, however, must not be conflated with funding by level. There is no evidence to suggest a correlation between SCQF level and the cost of provision. HEFCE commissioned a study[1] more than ten years ago into funding by level. This concluded that "there is no difference in cost either between years or between levels of provision that would be material and systematic enough to justify any impact on funding policy". This research found examples where there was no variation in cost by level, where cost increased in later years (due to more specialisation and therefore small class sizes and also support for dissertations) and where cost was higher in earlier years (because the particular demographic of student required help with study skills at the start of the course).

In addition, funding by level would result in a more complicated funding model and could result in institutions considering their provision in fragments rather than over the student life-cycle of a degree as at present, to the detriment of the student experience. It is also essential that any changes take into account the differential costs of various subjects. Not to do so would force institutions to offer provision in lower cost areas and would be detrimental to science, engineering and clinical provision and the breadth of options currently available to students in the first two years of undergraduate study.

As stated elsewhere, we believe that colleges and universities offer different provision and therefore should have different funding models appropriate to their different missions and roles. We do not believe that having two separate funding models has led to any difficulties, nor have we been presented with any evidence to this effect.

It might be helpful for student support to be accessible for different "chunks" of learning in order to facilitate study breaks, changes in intensity of study or accelerated courses. However, any changes in this direction might also have implications for support for part-time students.

<u>Outcome-based funding</u>
It should be noted that Scotland and the UK as a whole compares very favourably to European and international comparators in terms of retention. Outcome based funding for teaching may appear to offer a tool for further improvement, but could instead create perverse incentives. For example, it might encourage institutions not

to take risks when recruiting students and therefore reduce the numbers of students admitted from deprived areas. This may increase retention, but to the exclusion of wider societal interest in enabling wide participation in higher education. Institutions are undertaking a range of measures to improve retention, including a Universities Scotland project looking at the ways in which institutions monitor retention. It is a complicated issue and there are no quick fixes. Even if institutions did not change their recruitment patterns, outcome-based funding is likely to have the effect of reducing the amount of dedicated resource available for these vulnerable students and would necessarily reward past performance/student mix and not account for the make-up of students on course.

As the paper notes, if funding is based on successful completion (as opposed to just completion of the course), it could create perverse incentives to lower academic standards. Such an outcome would not be in anyone's best interests.

Specialist hubs
All Scottish universities set their own curriculum for their degrees. This is one of the strengths of our higher education system and is underpinned by the commitment to academic freedom enshrined in the 2005 Act. This diversity of approach means that topics covered in particular courses may vary significantly across institutions with the collective or sector-level benefit of supporting a wide range of specialism and diversity which reflects the diversity of needs across society and industry as a whole.

SFC already funds the Higher Education Academy which works with disciplines. Historically, it has engaged with disciplines through 24 UK-wide subject centres, which provided discipline specific support, which might include teaching resource, networks on particular topic (e.g. internationalisation, assessment in specific disciplines), and research in learning and teaching methods for specific disciplines. The Higher Education Academy is restructuring and its future structure for supporting disciplines will be announced in due course. Universities are also engaged with the Enhancement Themes, some of which have produced discipline specific outputs (particularly the research-teaching linkages theme).

Some subjects are not offered by many institutions and therefore it may be difficult to establish a hub.

Research pools have been developed by the sector in collaboration with the SFC. The fact that Pools were not *imposed* on the sector is a significant factor in their success. Moreover, they are genuinely collaborative rather than based around one institution acting as the "hub".

In England, the Higher Education Funding Council for England (HEFCE) funded Centres of Excellences in Teaching and Learning (CETLs). Host institutions received funding with an expectation that resources would be promoted across the English sector. However, a report commissioned mid-way through the cycle of funding concluded that "at this stage, many CETLs have had little or no effect on institutional practice outside the immediate CETL beneficiaries". The same report also found that "there was a great deal of agreement that the achievements of the CETL programme as a whole are insufficiently well known". This suggests that there difficulties engaging both with the wider sector and within the host institution. It is likely that these same issues would be apparent in a scheme to set up "hubs".

Incentives

We would welcome changes that allow more flexibility around the length of a learner's journey whilst retaining the internationally recognised four-year degree. In order to appropriately reflect the increasingly diverse student population and the numbers of mature students at our universities ***this will necessarily need to consider demand for longer as well as shorter learner journeys*** (for example to enable the student to undertake periods of work in between study as is more common in the USA and/or to vary the intensity of study in line with work pressures and family demands).

Enabling accelerated provision would require generic guidance from SFC to allow returns of more than 1 FTE per student (subject to appropriate conditions to ensure this was an accelerated course) rather than approach the issue only by special arrangement, Such change may also necessitate changes to student support as the students would no longer have the opportunity to take a summer job. To allow a longer learner journey could require changes to the student support system. Both would require some adjustments at institutional level.

Universities are working collaboratively on, for example, the Enhancement Themes. These collaborations tend to work when allowed to develop naturally rather than being imposed (see English experience of CETLs).

See also our comments on teaching excellence.

> **7: Shape and Structure**
>
> The Green Paper made proposals under the following headings:
>
> - Sector-led institutional change
> - Centrally planned change
> - Number of Institutions
> - Map of provision
> - Role of colleges
> - Student numbers
> - New institutional models
> - Ideas on improving information, advice and guidance
> - Ideas on quality and standards
> - Further de-regulation of higher education governance
> - Recognising and supporting the role of the governing body
> - The Tripartite Relationship

7.1. Sector-led institutional change

Scotland currently has fifteen universities and a further five higher education institutions (including the Open University in Scotland). The current shape and diversity of the sector has come about as a result of nine mergers of Scottish higher education institutions since 1990 – an average of one merger roughly every two years. In the last two years two additional mergers have seen universities in Scotland come together with research institutes.[31] The Cabinet Secretary's recent approval of the merger proposal from the Edinburgh College of Art and the University of Edinburgh will, subject to parliamentary approval, see this pattern continue.

In every case these mergers have been initiated, led and managed by the institutions themselves. In each case the decision to merge has been based on a desire to pursue long-term tangible benefits which outweigh the significant short term costs of merger. Despite the responsive and evolving nature of the sector over the last 20 years, a strand of negative popular commentary persists in relation to the number of Scottish universities and the number of graduates Scotland produces. Such commentary ignores international comparators and *the limited proportion of GDP Scotland invests in higher education compared to leading economies which the Green Paper highlights.* In addition, when measured against workforce and total population respectively, university provision and Scotland's production of graduates lags behind many key competitor economies.

7.2. Centrally planned change

Universities Scotland supports the continued pattern of sector-led change described above and believes this to be in the best interest of students and the Scottish economy. In the current financial circumstances it is important that this be appropriately supported by funding and other arrangements. Universities Scotland does not expect that institutional mergers will form a major element of the 'Scottish solution'. However, we welcome the creation of a policy environment which supports the possibility of merger where it appears to governing bodies to be the best way

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[31] University of Edinburgh/Roslin Institute & University of Aberdeen/Rowett Institute of Nutrition and Health

forward, and we will continue to work with the Scottish Funding Council in looking at the:

- Availability of 'spend-to-save' up-front investment through the Horizon Fund for Universities to enable mergers to happen when governing bodies wish to pursue this option; and
- Development of models for the potential transfer of provision between institutions which minimise the transfer of liabilities.

Merger of institutions is in any case not a straightforward proposition for achieving early savings. The costs of integration can in the first instance be quite high as, for instance, staff terms and conditions are harmonised and as systems are integrated. There can, however, be relatively early realisation of savings from more efficient use of facilities and slimmed-down staffing structures especially at senior management level. The merger of Edinburgh College of Art and the University of Edinburgh will see £13.8m of government investment and that which created the University of the West of Scotland saw initial public investment of £21m. Whilst this latter example realised annual savings of around £5m, it was dependent on the availability of the initial investment and it is not clear such funds will be readily available based on projected flat cash budgets.

7.3. Number of institutions and student numbers

The latest available figures indicate that, the period from 2000 to 2008, the UK as a whole has slipped from third place to sixteenth amongst the OECD nations when ranked by the percentage of working age population who are first time graduates from university.[32]

The latest comparable data available for the proportion of the Scottish working age population that had attained higher education showed that Scotland was slightly lagging behind the UK as a whole.

Percentage of the population (age 25-64) which has attained Higher Education, 2007 (twenty highest performing nations)	
Country	**%**
Norway	31.9
United States	30.9
Netherlands	29.1
Iceland	26.1
Denmark	25.5
New Zealand	25.3
Canada	24.6
Korea	24.4
Australia	24.1
Japan	23.1
United Kingdom	22.7
Sweden	22.6
Switzerland	21.3
Scotland	**21.2**
Finland	20.9

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[32] OECD, Education at a Glance, 2010

Ireland	20.6
Spain	20
Poland	18.7
Luxembourg	17.7
Hungary	17.4
Source: Education at a Glance 2009	
Note: Estimate for Scotland sourced from Labour Force Survey Apr-Jun 2007	

There is no substance in assertions that Scotland has 'too many' universities. Scotland is close to the average when compared to similar nations, with a mean student population per university of 14,040. In a UK-wide comparison, Scottish universities are just slightly larger than average and account for 12% of UK institutions, closely correlating with the 10% of the UK student population that studies in Scotland. A key factor in the pattern of provision within Scotland is the geography and population spread. Scotland's geographical area accounts for 32% of the UK total as compared to just 1% for London which is home to 24% of all UK institutions. The 24% of UK institutions in the capital are attended by just 18% of the overall UK student population.[33]

Country	**Av no students per <u>university</u>[34]**
New Zealand	22,432
Netherlands	15,642
Sweden	14,257
Scotland	14,040
R.o. Ireland	13,857
United Kingdom	13,733
Norway	11,930
Finland	8,425
Average for all countries (mean)	14,261

To withdraw funding from universities and to reduce the graduate population at a time when other nations are investing in graduates in order to support economic growth would put Scotland in a minority. ***Universities Scotland has seen no evidence which supports disinvestment from higher education as a means of securing increased economic growth***. Such a move would also fly in the face of advice from employers who are seeking greater numbers of more highly-skilled workers. In 2010 the CBI skills survey found that employment growth will continue to be concentrated at graduate level and stated:

> Looking to the future, employers expect a continued shift towards higher skilled jobs. Business demand for lower level skills is expected to decline (-13%), with employers predicting increased demand for higher skills (+55%) and leadership and management skills (+69%). However despite this increased need, over

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[33] Patterns of higher education institutions in the UK: Tenth Report, UUK, 2010 p.65-6

[34] Total number of students at institutions in receipt of public funding/Total number of institutions. Scotland and UK figures have been adjusted to exclude the four specialist institutions in Scotland (Edinburgh College of Art, Glasgow School of Art, the Scottish Agricultural College, Royal Scottish Academy of Music and Drama) as these have relatively small student bodies and represent only 2.2% of the total Scottish student population.

half of employers (51%) are not confident that they will find enough people to fill high skilled jobs in future.[35]

The Scottish Government's Skills for Scotland strategy echoes these findings by recognising that Scotland cannot hope to be an internationally competitive economy unless it remains competitive with the skill levels attained in other countries:

> Our economic competitiveness will largely depend on the capacity to succeed at the high value-added end of the economy, based on innovative and high skill industries.[36]

In addition to employer demand, an increasingly wide-cross section of the population aspires to realise the wide range of benefits which higher education can provide. This changing pattern of demand is just as important in considering student numbers as the needs employers articulate, or the significantly higher proportions of young people our competitor nations are teaching to graduate level.

Whilst projections indicate that secondary school populations in Scotland will decline over coming years, such a decline will be offset by the increasing proportions of appropriately qualified school leavers choosing to pursue higher education (or further education *then followed by higher education*) Scottish Government Statistics indicate that 2008/09 and 2009/10 saw the two smallest school leaver populations in any year since 1996-97. Despite this the 18,700 and 19,500 students who entered higher education in each of these years were the two biggest such populations (see Table 2)

Table 2: Trends in School leavers entering higher education (Source: Scottish Govt.)

Year	Number of Leavers	% entering HE	Number entering HE
1997/98	58,462	30	17,539
1998/99	57,198	31	17,731
1999/00	55,569	32	17,782
2000/01	57,067	32	18,261
2001/02	56,513	32	18,084
2002/03	57,266	31	17,752
2003/04	56,537	30	16,961
2004/05	55,952	31	17,345
2005/06	56,619	31	17,552
2006/07	57,364	30	17,209
2007/08	58,844	31	18,242
2008/09	53,532	35	18,736
2009/10	54,097	36	19,475

Coupled to this demand, there has been a similar growth in the proportion of school-leavers entering further education with an increase of almost 2,500 entrants since 1997. By means of articulation from Higher Nationals or through acquiring other further education qualifications this increase in the further education population has led to a further source of increased demand for entry to degree level study at Scotland's universities; a demand to which universities have responded by almost

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[35] http://www.cbi.org.uk/pdf/2010-cbi-edi-ready-to-grow-business-priorities-for%20education-and-skills.pdf
[36] http://www.scotland.gov.uk/Resource/Doc/326739/0105315.pdf p.28

doubling the number of students articulating in a period of just four years and two in ten entrants now enter degree study in Scotland at year two or three.

Scottish Government data indicating year-on-year improvement in the tariff scores achieved by S4 pupils and improvements in grades achieved in S5 and S6 all indicate that there will continue to be a growing proportion of school leavers appropriately-qualified and wanting to study higher education. Add to this the growing demand from mature Scottish applicants (a 66% increase in the last five years) and the fact that 14,099 Scottish based UCAS applicants were unable to secure a place for 2010-11 and all signals would appear to indicate a growing demand for degree-level study and not a decline.

7.4. Mapping provision

The suggestion that there is 'unnecessary duplication' of provision amongst Scottish higher education institutions is one which is not clearly evidenced and is not supported by the evidence of competitor economies' investment in educating a significantly higher proportion of young people to graduate level. The future focus should be on meeting growing student and employer demand rather than on narrowing institutional focus, potentially reducing the sector's capacity to meet the requirements of students and contribute to the Scottish economy as a whole.

Consideration should be given to student mobility and the effect that consolidation of provision in one institution or local area could have on the level of opportunity and choice available to mature students and students from lower socio-economic backgrounds. Such students are much less likely to be able to travel far from home in pursuit of higher education, often due to family and work commitments.

Diversity of choice and opportunity is one of the strengths of the Scottish higher education sector and it is vital to acknowledge that degree courses of the same name taught in different institutions within the same geographical region can have very different curricula and produce graduates with different skill sets valued differently by employers.

Student demand:

Demand for higher education has never been greater in Scotland and the last five years have seen a 10% increase in Scottish-domiciled applicants alone.[37] At a time when the total number of rejected Scottish applicants to higher education has been rising[38] and demand from mature learners returning to education is increasing, it would be highly detrimental to Scotland to seek a reduction or consolidation of provision and restrict the level of choice and opportunity to those Scots seeking to enter higher education.

As well as satisfying the level of demand from Scottish-domiciled students, the sector, as a net-importer of students, needs to maintain the necessary capacity to accommodate rising numbers of overseas students. International student fees are a major source of income for Scottish institutions, accounting for 8% of total sector income in 2008/09.[39] In addition, these students generate around £0.5bn for the Scottish economy through their expenditure on tuition fees and the purchase of

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[37] UCAS, Applicants data 2005-2010
[38] UCAS data shows that over 5,500 Scottish applicants were rejected in 2008/09
[39] HESA Finance 2008/09

goods and services in the wider economy.[40] Reducing provision could impact on a revenue stream that is already severely threatened by UK-wide changes to student immigration routes. Student mobility:

Distance travelled each day from home to university has also been shown to be a risk factor in the attainment and drop-out rates of traditionally underrepresented students when compared to students that live in closer proximity to an institution.[41] Students from poorer and less-privileged backgrounds are far more likely to live at home during their studies in order to reduce costs. If a student's choices are restricted locally by consolidation of provision away from a local institution this will have a detrimental impact on the efforts to widen access to higher education in Scotland.

A diversity of student opportunity and choice amongst different institutions and geographical locations is also important in relation to widening participation and social mobility. Evidence compiled by Universities UK demonstrates that, of the 95% of Scottish domiciled students who chose to study at a Scottish institution in 2008/09, almost 40% of full time undergraduates were studying at a local institution (within 12 miles of their home address).[42] This proportion is likely to be even higher for part-time students, due to the need to combine work and family commitments with study. The distance to travel to university is a recognised factor in the decisions of underrepresented students to go to university[43] and a recent study suggests that location of campus and the inability to travel far due to personal circumstances is a major factor for HN students when deciding whether to accept or refuse an offer to articulate to university.[44]

Employer demand:

It is important to note the continuing demand from industry for university graduates. According to the CBI[45] and Bank of England[46], most growth in employment over the past 15 years has been at graduate level, and universities currently contribute around 30,000 new graduates a year to the economy plus an additional 20,000 people with postgraduate qualifications.[47] Demand for graduate-level skills has remained strong throughout the recession: the CBI's 2010 report on education and skills *'Ready to Grow'* reported that the majority of employers were concerned about the ability to fill high-skill posts, and projected a 55% decline in demand for lower-level skills over the next 3-5 years balanced by increased demand for high-level skills.[48] Any attempts to artificially restructure HE provision around 'areas of excellence' in individual institutions are likely to threaten the number, quality and skill-diversity of future graduates available to Scottish employers.

Any undertaking to artificially restructure university provision according to 'areas of excellence' would also require significant levels of public investment and resource at a time when finances are thinly stretched. The savings which might be expected by some quarters to accrue from such ventures are by no means guaranteed or even likely. Most institutions would simply not have the necessary infrastructural capacity

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[40] Making an Impact: Higher Education and the Economy, University of Strathclyde, 2009
[41] Browitt, A. & Walker, L., (2007), Sutton Trust.
[42] Patterns of Higher Education Institutions in the UK: Tenth Report, UUK, 2010
[43] Sutton Trust, 2004
[44] South West Articulation Hub, Annual Report 2009/10, Aug 2010, p.2
[45] Stronger Together: Businesses and Universities in Turbulent Times, CBI, 2009
[46] Labour market flows: facts from the UK, Bank of England, 2009
[47] HESA
[48] Ready to grow: business priorities for education and skills, CBI, 2010

to accommodate the enlarged departments that would be necessary to maintain an equivalent level of provision and student numbers.

7.5. Role of Colleges

Please refer to **2: Alternative Routes** text above in response to the issues raised in Chapter 2 of the Green Paper.

7.6. Ideas on improving information, advice and guidance

The provision of relevant, accurate and helpful public information, particularly to prospective and current students and their advisors is very important. This is why it is a key element in the Quality Enhancement Framework (QEF). However, there is a danger that students may experience information overload. Indeed, during the HEFCE-led review of public information in England and Northern Ireland, NUS commented that students did not want too much data and that help with interpreting the really important data was more important to them. We are not convinced that the proposed changes in England will improve the situation. Our experience is that students find open days and other opportunities to talk to staff much more useful. However, there is a large amount of public information already available. HEFCE commissioned a research report on information needs of users of public information (focussing on students) to inform its review.[49] This shows that prospective students find most of the information that they look for.

Providing course level data can be problematic. Information on, for example, teaching methods may vary substantially between different years or modules on the course. There may be (and probably will be) many different pathways to the same degree (particularly in highly modularised courses or where faculty-based entry exists). In addition, course level data may not be available where there are few students (because of data protection) or, where it is available, may be misleading due to small sample sizes.

It is possible that people will incorrectly assume contact hours equate with quality (which may lead to distortions in the number of contact hours with no or limited pedagogic benefit). This is not the case. The number of hours and type of contact will vary with aims and subject of the course. In Scotland, our qualification framework is based on learning outcomes, rather than contact hours because it is the outcome that is important. It is more relevant to explain to students why certain modes of delivery and/or levels of contact are appropriate for a particular course since this will give the prospective student more insight into the course.

Data on staff delivering courses may vary between depending on which seminar groups a student is assigned to. Accommodation costs are already available. Overall, we believe that the update of QEF should consider some improvements to the provision of public information. These should not be overly complicated, and should take account of the cost implications (which may vary across institutions). Contextual information will be just as important (if not more so) that the bald data. The focus should be in helping students understand what the university experience will be like and enabling them to make informed decisions. Broad comparability with the rest of the UK is also important. We would agree that institutional literature and websites are the best location for this information.

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[49] http://www.hefce.ac.uk/pubs/rdreports/2010/rd12_10/

We would note that QAA Scotland does publish ELIR summary reports, which are aimed at a more general audience. Whilst we welcome this, it is also important to recognise that not all students will wish to access this level of detail and we should not expect them to.

7.7. Ideas on quality and standards

The paper recognises that the Quality Enhancement Framework (QEF) has received international interest and recognition. There is evidence from an independent evaluation commissioned by SFC that the QEF is resulting in a culture of enhancement in our universities.[50] Indeed, the SFC's Quality, Equalities and General Purpose Committee considers that the QEF is working well and therefore only an update of the QEF is required rather than the scheduled review. One of the strengths and distinctive features of the QEF is the partnership approach. At core, the University Quality Working Group is a partnership of universities, NUS Scotland, SFC, QAA Scotland, HE Academy, SFC and sparqs. The Enhancement Themes are decided by the Scottish HE Enhancement Committee (SHEEC), which is again a partnership. This approach is more likely to be successful than a model where one partner sets the agenda or where an agenda is imposed. A major change to the QEF at this time would also involve significant staff time from institution, which would be unhelpful in the current funding situation. Further development should build on what we already have and should be led by the partners in QEF. As noted elsewhere, provision of public information could be enhanced.

The Enhancement Themes are an important part of the QEF and enable the sharing of much good practice across the sector[51]. The Enhancement Themes offer considerable value for money since institutions contribute staff time. Continued support for this is very valuable. Since student involvement in learning and teaching is core to the QEF and another Scottish feature of the system, continued support for sparqs, which supports student engagement, is important.

Discussions about the next Enhancement Theme are underway but an outline is due to be announced at the Themes conference on 2-3 March. It will look at the nature of the higher education curriculum for the 21st Century and will of course be located in discussions about efficiency and effectiveness in light of declining resources but also the increasing diversity of students and student needs.

The paper asks if there is scope for a more Scottish specific approach. The QEF is already a distinctive Scottish model – different to both the rest of the UK and Europe. This is one reason for the level of interest in our QEF. In particular, the degree of student engagement is unusual (and, we would argue, very beneficial). At the same time, we do use UK-wide reference points (the QAA Academic Infrastructure[52,53] which includes the framework for HE qualifications[54]), subject benchmark

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[50] The most recent report can be found at:
http://www.sfc.ac.uk/web/FILES/Our_Priorities_Effective_Institutions/Second_annual_evaluation_of_the
_SFC_quality_enhancement_strategy_in_the_university_sector_-
_Extended_summary_%7B226876345%7D.pdf The final report of the evaluation of the first cycle of QEF concluded that the QEF was robust.
[51] ELIR reports also highlight areas of good practice.
[52] http://www.qaa.ac.uk/academicinfrastructure/default.asp
[53] Note that QAA is currently consulting on the future shape of the Academic Infrastructure
(http://www.qaa.ac.uk/news/consultation/AI/default.asp).
[54] For Scotland, this is embedded in the Scottish Credit and Qualification Framework (SCAQF). Note that Scotland has a different Framework for HE qualifications to the rest of the UK>

statements, the code of practice and programme specifications. Courses in many subjects are also subject to Professional, Regulatory and Statutory Bodies' (PSRBs') requirements. We also refer to European reference points (mostly via the Academic Infrastructure) such as the Bologna Framework for HE qualifications, the European Standards and Guidelines. We believe that reference points across the UK (and Europe) are helpful in ensuring recognition for our qualifications.

As stated above, the QEF is well embedded in universities and as such universities are ensuring quality and standards for all the qualifications that they deliver by whatever mode. The experience will vary depending on mode of study (the experience of a part-time off-campus learner will necessarily be different to that of a full-time on campus learner), but all will be of a high quality. Of course, for students entering with advanced standing (with qualifications from school or college or where prior learning has been recognised), universities can only control the part of the student experience undertaken with the university (except where particular agreements are in place). See also comments on chapter 2.

7.8. Further de-regulation of higher education governance

Higher education institutions in Scotland, as legally independent and autonomous bodies, have responsibility for their own governance arrangements and therefore the content of their Charters, Statutes, Ordinances and Statutory Instruments and for proposing changes to them. At present many such amendments, in view of the public interest in the governance arrangements of HEIs, require the consent of the Privy Council.

Universities Scotland would welcome the opportunity to engage in further discussions about removing or further limiting certain Privy Council controls in the hope of reducing the bureaucratic burden on institutions.

At present, universities in Scotland are subject to a wide range of oversight and reporting requirements led by a number of statutory bodies including

- The Scottish Funding Council
- The Scottish Public Service Ombudsman
- The Office of the Scottish Charity Regulator
- The Scottish Freedom of Information Commissioner
- The UK Borders Agency
- Audit Scotland; and
- The Higher Education Statistical Agency

Universities Scotland takes the view that, taken together, the monitoring and assessment of these bodies provide a more than sufficiently robust public interest test and that there is presently no requirement or desire for additional such mechanisms.

7.9. Recognising and supporting the role of the governing body

The institutions that comprise the higher education sector in Scotland have diverse backgrounds, traditions and missions that are reflected in their constitutional arrangements and the structure and powers of their governing bodies. The older institutions or 'Ancients' have a statutory base, the pre-1992 universities were

established by charter in the 1960s and the newer institutions which were established after 1992 are designated as universities under the Further and Higher Education (Scotland) Act 1992. The Scottish sector also includes a number of other higher educations institutions, including the Small Specialist Institutions (SSIs). The constitutional arrangements of these and the post-1992 institutions variously draw on a mixture of the 1992 Act, the Companies Act and other legislation.

Although Scottish institutions are diverse in origin, size and organisation, they share the following characteristics:

- legally independent corporate institutions;
- bodies with charitable status; and
- accountable through a governing body which carries ultimate responsibility for all aspects of the institution.

On a UK wide basis, the higher education sector has actively enhanced its governance in the past decade, and is generally recognised to be well governed.[55] Initiatives to support enhanced governance have included a number of activities of the Committee of University Chairs (CUC)[56], the establishment of the Leadership Foundation and its subsequent work on governance, and the general encouragement of the UK funding bodies, including the Scottish Funding Council, to enhance governance and accountability.

Existing support and resources available to members of governing bodies:

Substantial information and resources are available to the members of governing bodies through the Leadership for Higher Education's governance website.[57] This website exists to support governors and others involved in the governance of higher education institutions in the UK. It is particularly helpful to those new to higher education, especially new members of governing bodies, and makes particular reference to the devolved nations where necessary. In addition to the substantial online resources available, the LFHE's Governor Development Programme, in collaboration with the CUC, has provided governor training and development since 2004. The drivers behind this programme include:

- the enhanced prominence given to governance in an increasingly complex environment;
- the need to ensure that all governors have the necessary knowledge and skills to fulfil their role; and
- ensuring that governors are able to meet the requirements of the funding bodies in relation to institutional accountability

In 2009/10, the programme provided 20 events covering a range of diverse governance issues whose content was informed by experience and by feedback from governors (court and board members), clerks and secretaries. During this period 16 Scottish HEIs sent 67 delegates to attend programme events.[58]

The resources and support available on a UK-wide basis is clearly of a very high standard and the Development Programme is highly valued by members of

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[55] Schofield A, (2009), What is an Effective and High Performing Governing Body in UK Higher Education? http://www.lfhe.ac.uk/governance/reviewinggovernance/schofield-effgb.pdf
[56] http://www2.bcu.ac.uk/cuc
[57] http://www.lfhe.ac.uk/governance/
[58] LFHE Governor Development Programme: Annual Report 2009/10

governing bodies with 82% of attendees in 2009/10 rating the content and presentation of sessions as 'Excellent' or 'Very Good'.[59]

In addition to this work, the LFHE and CUC are undertaking a project with the governing bodies of 16 institutions to pilot a new approach to reviewing governing body effectiveness. A final report and dissemination conference is due in early 2011.[60]

We find that, even in an increasingly complex and demanding environment, there is no indication of a need for advice for governors or members of court to come from an additional central source. It should be noted that, due to significant funding support, the LFHE already has a specific accountability to the four higher education funding bodies of the UK, including the SFC.

Effectiveness of governing bodies in the UK higher education sector:

A 2009 report by the LFHE on governing body effectiveness and performance in the UK higher education sector confirmed the belief within the sector that it is generally well governed and found that there had been a general sector-wide implementation of the CUC 2004 Code of Governance.[61] Although voluntary, the adoption of good practice in the form of this Code is on the same 'Comply or Explain' approach used across many other sectors. Institutions choosing not to adopt elements of the Code must explain why not and what alternative approaches are used. In relation to the oversight role of the Funding Bodies, the report found that:

> *"All expect HEIs within their jurisdictions to meet defined standards in relation to governance, audit, risk, and associated issues, and although the results of the various review processes are not made public, there is enough confidence in current governance arrangements for all the funding bodies to be taking steps to reduce the accountability burden on institutions."*

This confidence is expressed in Scotland through the Financial Memorandum which exists between the SFC and Scottish higher education institutions. Dating from 2006, this details what SFC expects from institutions as a condition of funding.

> *"As a recipient of public funds, the governing body of the institution will strive to achieve at all times good practice in the governance, management and conduct of the institution… The governing body will ensure that it has in place and effectively implemented the proper arrangements for governance, leadership and management of the institution as required by statute, its instrument and articles of governance."[62]*

Under the terms of this understanding, the governing bodies of Scottish universities are required to ensure that funds from the SFC are used only for the purposes for which they have been given and in accordance with the Financial Memorandum. Institutions are also subject to annual external and internal financial audits. In addition to this robust level of financial oversight, HESA publishes annual Key Financial Indicators detailing the financial health of institutions. These important

[59] Ibid
[60] http://www.lfhe.ac.uk/governance/reviewinggovernance/pilotprojectdetails.html
[61] Guide for Members of Higher Education Governing Bodies in the UK, 2004
http://www2.bcu.ac.uk/docs/cuc/pubs/CUC-Summary-Guide-HEFCEFinal.pdf
[62] http://www.sfc.ac.uk/effective_institutions/financialmemorandum/financial_memorandum_jan_06.aspx

indicators allow members of governing bodies to benchmark their own universities against competitor institutions

The recommendation of the CUC Code of Practice is that governing bodies conduct reviews of their effectiveness not less than every five years. This is now common practice in the sector. One Scottish HEI's review of its governing body in 2009/10 recommended the implementation of an induction and mentoring service for new members of the court/board. Such innovations are evidence of a sector which is aware of the need to achieve good practice in institutional governance.

In addition to using data from CUC, the outcomes of the Lambert Review and the work of the four funding bodies, the LFHE commissioned a 2009 collection of data by The Office of Public Management (OPM).[63] A survey of the governors of a representative example of UK HEIs, all differing in size, mission and geographical location, found that:

- Overwhelmingly, governors and board members reported being clear about their roles and responsibilities (and members of the senior management team concurred), including those for approving strategy. OPM conclude that this clarity reflects well on the higher education sector when compared with data from local authorities;
- The percentage of governors and senior managers who said that they were confident that their institution was achieving agreed strategic outcomes does not differ significantly from OPM data for local authorities and health services.
- Robust and timely information is a prerequisite for effective governance, and overall survey responses rated the provision of board information favourably.
- Working relationships between governors and senior managers in the survey were overwhelmingly characterised as being constructive.
- Governors and senior managers also expressed confidence in the effectiveness of audit processes, with almost all reporting that 'there are effective arrangements, including audit, to oversee financial processes' and to challenge key issues.
- The survey also sought information on consultation arrangements with staff and students. Three quarters of governors and senior managers reported that arrangements made to consult with staff were effective.

There is no meaningful evidence to suggest that the undue influence of senior management teams have had a bearing on the nature of governance of higher education institutions in Scotland. Universities Scotland sees no need to seek changes to the existing mechanisms of university governance which, by all available indicators, are contributing to the effective and well performing governance arrangements of the Scottish HE sector.

7.10. The Tripartite Relationship

Universities Scotland remains committed to tripartite engagement with the SFC and Government to take constructive and active approach to future funding which will retain capacity and position the sector to continue to deliver the research output, the

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[63] Schofield A, (2009) What is an Effective and High Performing Governing Body in UK Higher Education? p.13 http://www.lfhe.ac.uk/governance/reviewinggovernance/schofield-effgb.pdf

graduates and the knowledge exchange activity which will be central to Scotland's economic future.

Universities Scotland
February 2011