



Scotland's universities and the constitution: policy issues for consideration

November 2022

Whatever Scotland's future, universities will be fundamental to Scotland's people and economy. Universities will continue to educate a significant proportion of the population, equipping them with the skills they will need for their careers and to respond to challenges like the climate emergency and the post-covid recovery. Universities' research and innovation will offer opportunities to drive Scotland's economy and enrich its culture.

The constitution has been a prominent feature of policy discussion in Scotland for some time and continues to be so. In 2012 we published¹ an analysis of the policy issues that proponents of all potential futures need to address if the success of Scotland's higher education sector is to be maintained.

Given the subsequent changes in the sector's operating context, we believe it is timely to update that document.

Whilst experts in our institutions will inform discussions on the timing or mechanisms for a decision to be made on constitutional questions by Scotland's population, Universities Scotland does not take a position on these questions.

We do, however, want to ensure that the broader, ongoing debate on the constitution includes consideration of the policy, competitive and collaborative contexts in which universities operate at Scottish, UK, European and international levels. We will continue to look to each political party engaged in that debate to set out how their policies, including their preferred constitutional future, are capable of delivering for universities in Scotland and their contribution to sustainable economic growth and social and cultural wellbeing.

This paper aims to assist the proponents of all constitutional options as they consider how the university sector can best be enabled to make that contribution. It is equally relevant to the proponents of the status quo, further devolved power, or independence.

¹ Universities Scotland (2012) [Universities in a Dynamic Constitutional Environment](#)



Policy outcomes which we would seek under any constitutional settlement include:

- sustainable and managed access to Scottish universities for students from across the British Isles, the EU and globally to sustain the pedagogic benefits and connectedness of Scotland’s universities and the recruitment of the highest quality learners from around the globe alongside those living in Scotland;
- an “academic infrastructure” and quality assurance and enhancement regime which is independent, open, transparent and draws on a wide range of external expertise in support of sustaining Scottish universities’ international reputation for excellence;
- an excellence-led research funding system based on the “dual support” concept; which enables competition and performance analysis with a large number of peer institutions;
- an environment which supports a pay and reward structure that enables Scotland to attract and retain the very best teachers and researchers within its universities;
- Scottish universities’ ability to develop and utilise research for economic, social and cultural benefit;
- taxation, inward investment and charities regimes which recognise and reward the individual and wider societal benefits provided by universities and which encourage income generation, knowledge transfer, fundraising from non-state sources and the inflow of funds from external sources;
- a regulatory regime which supports and protects the generation and dissemination of intellectual property by universities; and
- an administrative infrastructure which underpins and sustains the sector and drives efficiencies by means of economy of scale.

In some cases, elements of existing policy provide a sound basis for universities’ contribution, and are a good starting point for the evolution of policy by a Scottish Government elected under any constitutional settlement. In other cases, the development of constitutional options creates an environment where new policy approaches can be conceived which would enhance universities’ contribution to Scotland’s success. We make no judgement about whether any constitutional outcome is more likely to deliver the policy outcomes which we seek.

Universities Scotland looks forward to working with the proponents of different constitutional options to enable an informed debate about how policies adopted under the different options can best support the excellence, international competitiveness and financial sustainability of Scotland’s universities and their contribution to Scotland.



Universities in a dynamic constitutional environment: policy issues for consideration

This paper is offered as a technical information resource for the proponents of all constitutional options for Scotland. It offers no summative judgements about the case for or against any particular constitutional option, nor does it take a view on the timing or mechanisms for a decision to be made on constitutional questions.

It sets out a series of policy areas which are important to universities and to their contribution to Scotland. For each of these policy areas it identifies:

- policy principles and outcomes which we would wish to see secured, as a basis for the continuing evolution of policy under any constitutional option; and
- suggested changes to current policy which could potentially be considered by the proponents of each constitutional option.

The grid under each heading identifies the key elements of policy in each of these categories.

The accompanying text offers contextual information about each of the policy issues which have been identified in the grid, and identification of policy opportunities which could be considered by all parties to the constitutional debate.

We have assumed for planning purposes that:

- if Scotland was to leave the UK, a ‘transition period’ would apply whilst the terms of Scotland’s withdrawal and future relationship with the UK are agreed;
- Scotland would be a member of the Common Travel Area (CTA) following its departure from the UK (though this is not absolutely certain); and
- Scotland would apply to become a member of the EU and might apply to the EEA as an interim step. However there will be a period during which Scotland is neither part of the UK nor a member of the EU or EEA.



Desirable policy outcome:

Sustainable and managed access to Scottish universities for students from across the British Isles, the EU and globally to sustain the pedagogic benefits and connectedness of Scotland’s universities and the recruitment of the highest quality learners from around the globe alongside those living in Scotland.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
<p>Sustainable funding for, and access to, high-quality teaching provision for Scotland-domiciled students</p> <p>Openness of universities in Scotland to students from the rest of the UK and on a basis which:</p> <ul style="list-style-type: none"> • is financially sustainable for universities; • is fair to all students; • protects progress towards fair access; • is manageable in terms of student flows; and • provides an attractive destination for talented learners. <p>Co-ordinated and significant Government support for the projection of Scotland as a destination for international students.</p> <p>Scottish universities’ capacity to engage in UK wide funding and support for postgraduate research students.</p>	<p>Enhancement of the visa regime, to enable Scottish universities to welcome and retain talented learners from around the globe and offer related benefits which rival those of leading competitor nations.</p> <p>Relatedly, a visa regime that supports graduates to remain in Scotland after their study if they wish to (building from the existing post-study work entitlement).</p> <p>Review and enhancement of the support to enable Scottish universities to develop world leading skills provision, including short upskilling/reskilling courses and Graduate Apprenticeships, to create a highly-skilled and engaged workforce.</p>

Sustainable funding for high-quality teaching provision for Scotland-domiciled students

The current policy for financing the tuition of Scotland-domiciled students provides institutions with only a proportion of the costs of that tuition. Scottish Government and Scottish Funding Council (SFC) acknowledge² that the current policy relies on institutions’ ability to recruit international students whose fees cross-subsidise the tuition of Scotland-domiciled students.

SFC funding for tuition has seen a 17.1% real terms fall between 2014-15 and 2022-23. The Scottish Government Resource Spending Review outcome points to the likelihood of funding per student being

² See, for instance, Scottish Funding Council (2021) [Review of Coherent Provision & Sustainability](#)



frozen in cash terms until 2026-27 which would represent a further 27% real terms cut over that period.³ It is clear that current levels of funding leave institutions with a significant gap between costs and funding of thousands of pounds for each Scotland-domiciled student that they recruit.

Without a change in funding, the sustainability of our current system will therefore come under further pressure over the coming years and, as it is reliant on cross-subsidy from international fees, policy decisions on issues such as immigration will have an effect on the sector's financing.

The current system also controls the number of places available for Scotland-domiciled applicants. In its 2016 report on the sector⁴, Audit Scotland noted that *"it has become more difficult in recent years for Scottish and EU undergraduate students to gain a place at a Scottish university"*. Recent years have seen an increasing demand from all age groups for university study and the coming years will see Scotland rising out of a demographic dip in the number of 18 year-olds in the population. Further, as Audit Scotland noted, this will have challenges to widening access as *"achieving the targets without increasing the existing number of funded places will likely mean fewer students from less deprived backgrounds being offered a university place"*.⁵ Policy decisions within a system that limits the number of places need to be attentive to demand and, as discussed below, attentive to the implications of the effect of constitutional change on the populations that can access that fixed number of places.

Openness of universities in Scotland to students from the rest of the UK and from Ireland and the rest of the EU on a basis which is:

- **financially sustainable for universities;**
- **protects progress towards fair access;**
- **fair to all students;**
- **manageable in terms of student flows; and**
- **provides an attractive and welcoming destination for high quality learners.**

Currently Scotland-domiciled applicants alone have access to undergraduates places funded by the Scottish Government and have the cost of that tuition paid by public funds. Students from the rest of the UK pay a fee for study capped at £9,250 per annum, accessing loans to meet that cost. Students from outside the UK and Ireland are charged an international fee.

If Scotland was to leave the UK, most commentators point to it having membership of the Common Travel Area (CTA) as a key element in the management of a border between Scotland and the UK. Under the CTA, *"if you are a British or Irish citizen you have the right to access all levels of education in either state on terms no less favourable than those available to the citizens of that state. Both governments have committed to taking steps to ensure that this continues"*⁶. Therefore, in these

³ Real terms calculations use RPIX drawn from the [Office for Budget Responsibility](#). Many now expect inflation to significantly exceed these forecasts

⁴ Audit Scotland (2016) [Audit of Higher Education in Scottish Universities](#)

⁵ Ibid

⁶ UK Government (updated 2021) [Common Travel Area Guidance](#)



circumstances Scotland could be obliged to offer funded undergraduate places to applicants from across the UK on the same basis as they are offered to Scotland domiciled applicants. Similarly, funded undergraduate places may need to be offered to students from Republic of Ireland on the same basis as Scots, irrespective of whether Scotland re-joins the EU. The proponents of constitutional change need to offer reasoned clarity about the fees status of students from the CTA in the event of Scottish independence.

In this scenario, it would be relevant to students from the rest-of-UK (and Channel islands/Isle of Man) as well as from the Republic of Ireland. In 2020/21 there were 23,400 students from England, Wales and Northern Ireland studying for an undergraduate degree in Scotland. If CTA membership means that these students have the same fees status as Scottish-domiciled students, and Scotland-domiciled students are not to be disadvantaged in accessing university, then at least this number of places would need to be provided additionally to the current total at a cost of >£160m per annum. However, it would seem prudent to assume that the opportunity to access such a funded place would be a significant draw to applicants from England, Wales and Northern Ireland and therefore further additional places would be required. The introduction of a cap on places in England (as referenced in the May 2022 [DfE Higher education policy statement & reform consultation](#)) could also introduce increased demand for study in Scotland.

In 2020/21 there were 1,620 students from Ireland studying for an undergraduate degree at a university in Scotland. Again, If CTA membership (and/or EU membership) means that these students have the same fees status as Scottish-domiciled students, this number of places would need to be provided in addition to the current total if the opportunity for Scotland domiciled students is not to be constrained. The current cost for this would be >£11m per annum.

We also need reasoned clarity from the proponents of constitutional change about the fees status of EEA and EU students in the event of independence. Should Scotland re-join the EU then, as was the case when the UK was an EU member state, we anticipate that students from across the EU and EEA would have the right to apply to study at institutions in Scotland on the same terms as Scotland-domiciled students, i.e. to apply for a funded undergraduate place at no cost to the student. Again, under this scenario, in order to ensure that Scotland-domiciled students' access to study is not disadvantaged, there would be a need to provide additional places to meet the likely strong demand. Prior to the reclassification of EU student fees to international student fees (from 2021/22), due to Brexit, in 2020/21 there were 11,000 students from EU26⁷ countries studying for an undergraduate degree at an institution in Scotland. Providing places for this many students would require additional funding of >£75m per annum.

Whilst pressure on funded places would bring concerns about cost, it is equally important to ensure that students from outwith Scotland continue to be welcomed and attracted to higher education in Scotland. They bring a significant academic, cultural and social benefit to our campuses and their attraction and retention in Scotland following graduation would be a significant contribution to meeting Scotland's skills and demographic challenges.

⁷ Excluding Ireland which would be subject to the CTA as described.



Strategic Government support for the projection of Scotland as a destination for students from outwith Scotland

International students enhance the global perspective of our campuses and add to the international perspective of all of our graduates, thereby equipping them for success in the contemporary economy. Universities and students value the diversity and academic enrichment that these highly qualified learners bring and global demand for study in Scotland supports the sustainability of a range of disciplines across the sector, enabling institutions to compete on the world stage, both in terms of research and staff recruitment. Students from outwith Scotland are also welcomed into highly skilled vocational degree programmes such as medicine, nursing and the allied health professions with graduates continuing to work in Scotland post-graduation. This should be encouraged and enhanced through measures such as visa reform. The attraction and retention of students from outside Scotland should also be a significant element of Scotland's strategic response to its demographic and skills challenges more broadly.

Scotland's international links are also strengthened by international students as they pursue their careers across the globe on conclusion of their studies. As noted above, fee income from international students is also now crucial in cross-subsiding the costs of tuition for Scotland-domiciled students and to the financial sustainability of institutions overall. Income to Scottish universities in 2020-21 from fee-paying non-EU students was £867m. It is estimated that the benefits to the wider Scottish economy were a further £690m.

In its *Programme for Government for 2021-22*⁸, published in September 2021, the Scottish Government committed to *"a new strategy for international education, to promote Scotland's education offer globally, increase the number of international students and maintain our links with the EU. We will also develop a Scottish Education Exchange Programme to support the international mobility of staff and learners, and work to re-secure Scotland's access to the Erasmus + Programme"*.

The sector continues to stand ready to engage with Scottish Government on the actions and associated investment that should be included in a strategy and on the design and scale of a new exchange programme. Should Scotland leave the UK and re-join the E, then we would anticipate that it would re-join the Erasmus+ Programme.

More broadly, the Scottish Government could usefully take action under its commitment in the March 2021 document *A Scotland for the future: the opportunities and challenges of Scotland's changing population*⁹ to undertake work with the university sector to *"look at students who go on to leave Scotland for work and other reasons and explore opportunities to encourage them to stay or return and consider the issues behind student retention in Scotland"*.

⁸ Scottish Government () [A Fairer, Greener Scotland](#) page 46

⁹ [Scottish Government \(2021\) A Scotland for the Future : Opportunities & Challenges from Scotland's Changing population.](#)



A visa regime that enables Scottish universities to welcome high quality learners from around the globe

International students' choices are made in a global context, comparing opportunities for study between institutions across the world. Visa regimes are an important element in these choices, not only the regulation of visas for study but also the opportunities for work whilst studying and on graduating. Changes to visa regimes, and the wider regulatory and administrative processes behind them, can therefore result in significant shifts in application patterns.

The UK Government's creation of a new UK Post Study Work visa, under reserved powers, has been welcomed by the sector. However, there are still other opportunities that could be taken to support higher education and deliver economic growth to Scotland. We look to the UK Government to use its consideration of immigration processes¹⁰ to remain open to talent and to consider how these policies and processes might be designed to better support the student pathway and reduce the burden on universities. Consideration should also be given to benchmarking international student visa fees to those seen in other countries.

If Scotland were outwith the UK, either within or outside the EU, we look to a Scottish Government to put in place a visa and immigration system that is fully supportive of the recruitment of international staff and students and that supports international students' ability to work in Scotland both during and after their studies for any length of duration. Further, under any system, any period of holding a Post Study Work visa should count towards any thresholds for other visa and immigration status, e.g. leave to remain.

Scottish universities' capacity to engage in UK-wide funding and support for postgraduate research students

Over 13,000 postgraduate research (PGR) students choose to study at Scottish HEIs. These students are attracted to Scotland from across the UK and the rest of the world. Part of this attractiveness is that Scotland is part of an international, interconnected research and innovation system with the flexibility to support, finance, and provide PGR training and development for a range of careers. This interconnection allows for flows of students to collaborate and engage with other research organisations as well as providing opportunities for students to be involved in real-world experience and problems – i.e. the permeability of PGR students to gain experience through placements across UK HEIs, industry and the charity sector.

Scotland's ambition would be to keep attracting diverse cohorts of students enabled to produce a breadth of outcomes. Therefore it is crucial that Scotland retains access to UK and international (UKRI, charities and industrial sponsorship) initiatives which fund and support PGR students whilst making Scotland an attractive and competitive place to carry out their PGR programmes. See the section on research from page 15 for further information specific to research ecosystems under different constitutional futures.

¹⁰ UK Government (2022) [New Plan for Immigration](#)



Desirable policy outcome:

An “academic infrastructure” and quality assurance and enhancement regime which is independent, open, transparent and draws on a wide range of external expertise in support of sustaining Scottish universities’ international reputation for excellence.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
<p>A regime which provides for robust international confidence in the quality of Scottish academic awards.</p> <p>Robust and transparent arrangements for the award of university title.</p> <p>Engagement of experts from across the British Isles and beyond in quality assurance (e.g. as external examiners).</p> <p>Widespread regional and international recognition of Scottish academic awards for credit transfer (i.e. European HE area) and professional purposes, including related employment opportunities for graduates of relevant programmes (i.e. continued accreditation by professional bodies).</p> <p>International recognition of qualifications and standards, in particular for health workforce professionals.</p>	<p>Amendments to data collection and presentation arrangements which principally reflect the England context (Unistats data and Discover Uni, HESA data, UCAS data et al).</p> <p>Better data and measures to support further progress on widening access.</p> <p>An immigration system that provides for ease of travel for external examiners and review team members.</p>

A regime which provides for robust international confidence in the quality of Scottish academic awards.

Scotland’s universities operate in a global context. The quality of teaching in every institution is assured through a framework that draws on expertise from across the world and qualifications from institutions in Scotland are recognised and valued internationally. This is supported by an “academic infrastructure”, (the processes and policies to support quality), and a vibrant enhancement culture that draws on expertise from across the UK and beyond.



Scotland has set out a distinct and successful approach to quality assurance and enhancement. The Quality Enhancement Framework has five main elements:

- a comprehensive programme of institution-led reviews, carried out by higher education institutions with guidance from the SFC;
- enhancement-led institutional review: external reviews run by QAA Scotland that involve all Scottish higher education institutions over a four-year cycle;
- improved forms of public information about quality, based on addressing the different needs of a range of stakeholders including students and employers;
- strong student participation in institutional and sector quality systems, supported by a national development service, sparqs¹¹; and
- a national programme of Enhancement Themes, which encourage academic staff, support staff and students to share current good practice and collectively generate ideas and models for innovation in learning and teaching.

The SFC is currently reviewing the quality arrangements for universities and colleges and intends to introduce a ‘tertiary quality framework’. We anticipate that the new framework will draw on the strengths of the Quality Enhancement Framework. SFC has committed to keeping the quality arrangements enhancement-led and maintaining student participation. US is pleased to be working with SFC and other partners as this new framework develops.

Any new arrangements would need to maintain a strong relationship to reference points beyond Scotland such as the [European Standards and Guidelines on quality](#) (see below for more detail) and the [UK HE Quality Code](#). This enables recognition of qualifications and is important to enable partnerships with institutions outside Scotland including transnational education (TNE) programmes and to enabling and encouraging student flows across borders.

The above approach should be sustained under any constitutional future, alongside robust arrangements to protect academic standards, e.g. the banning of essay mills to help safeguard students from predatory tactics.

Whether Scotland remains in the UK or not, there is scope to look at the UK quality code, given changes to regulation in England, to ensure it delivers value for Scotland – and for Wales, Northern Ireland and England.

Robust and transparent arrangements for the award of university title

Scotland’s higher education institutions are all recognised or listed bodies for the award of degrees. Recognised bodies have degree awarding powers. In Scotland, degree awarding powers and/or university title are currently granted, following a rigorous QAA process, via Royal Charter, Act of

¹¹ [Student Partnerships in Quality in Scotland](#)



Widespread regional and international recognition of Scottish academic awards for credit transfer

Scotland engaged fully in the development of the European Higher Education Area (the ‘Bologna Process’)¹⁴. By certifying the quality and comparability of degree programmes to agreed European norms, this process ensures that the university sector in Scotland is open to students from across Europe, as well as widening opportunities for students of universities in Scotland to incorporate study abroad into their degree programmes. It also facilitates new collaborations and sharing of best practice in learning and teaching internationally. This includes mapping of the [Scottish Credit and Qualification Framework](#) to the EHEA qualifications framework, full adoption of the ECTS compatible system of transferable credits and full certification of quality assurance mechanisms to the European standards and Guidelines for Quality Assurance. Scotland continues to take an active role in the EHEA. We wish to see continued or enhanced recognition of Scottish university qualifications in the EHEA and other international frameworks.

Amendments to data collection and presentation

Information on the sector is mainly collected and published at the UK level:

- the Higher Education Statistics Agency (HESA)¹⁵ is the official UK agency for the collection, analysis and dissemination of quantitative information about higher education. HESA collects and publishes data across all aspects of institutions’ activities.
- the [HESA Unistats](#) data set provides UK data to support students when making their choice on where to study and is the source for the Discover Uni website¹⁶, but is also used by other information providers including UCAS.
- the National Student Survey (NSS)¹⁷ is commissioned by regulator/funding bodies across the UK and asks final year undergraduates at all publicly funded higher education institutions in the UK to provide feedback on their courses.
- UCAS publishes statistical data releases on UG applications and end of cycle data in addition to insight reports and additional data services.

Data collections at the Scottish level also inform policy and funding, for example the Scottish Index of Multiple Deprivation¹⁸ (SIMD) or the Scottish Funding Council Knowledge Exchange Metrics¹⁹.

There are benefits in maintaining systems which enable institutions to do some level of benchmarking across the nations of the (current) UK. Whilst there are (increasing) policy and structural differences, because of historical and current shared requirements and understanding, there is more commonality amongst institutions in the UK than is always the case internationally. Moreover, one of the strengths of the Scottish sector is its diversity in terms of types of institution and this can mean that the most

¹⁴ [European Higher Education and Bologna Process](#)

¹⁵ [Higher Education Statistics Agency](#)

¹⁶ [Discover Uni](#)

¹⁷ [National Student Survey \(NSS\)](#)

¹⁸ Scottish Government (2020) [Scottish Index of Multiple Deprivation](#)

¹⁹ Scottish Funding Council *Knowledge Exchange Metrics*.



insightful comparisons come from outwith Scotland. However, there is scope for improvement to current arrangements, particularly to ensure that UK-wide data collection systems, which are geared primarily to meeting the needs of the system in England, are properly adapted to the distinctive information needs of a Scottish system which operates within a different policy environment.

On data collections within Scotland, there has been agreement since early 2019 that a individual-level data metric for socioeconomic disadvantage should be available to institutions to identify disadvantaged applicants as part of achieving our access ambitions. This would complement the Scottish Index of Multiple Deprivation (SIMD), which focuses on areas rather than individuals and as such cannot identify all disadvantaged individuals, particularly in more rural areas and in the North East of Scotland. There is scope to address this and to further look at income-based measures, particularly with a view to identifying disadvantaged mature students.

International recognition of qualifications and standards, in particular for health workforce professionals.

Scotland has devolved responsibility for managing the NHS yet much of the structure remains common across the UK. If Scotland were to become an independent country then a number of health professionals would no longer be part of UK wide professional regulatory bodies, for examples doctors might not fall under the jurisdiction of the General Medical Council (GMC). Desirable outcomes would be for health professional programmes at Scottish HEIs to retain international recognition for training, recruitment and regulation. Therefore supporting co-operation on health education and training continuing on the same four-country basis as it currently does now.



Desirable policy outcome:

An excellence-led research funding system based on the “dual support” concept; which enables competition and performance analysis with a large number of peer institutions; and which secures:

- the international competitiveness and quality of university research in Scotland;
- funding and support on a scale which enables the very best researchers in all disciplines (especially capital intensive areas), to compete on the world stage; and
- funded collaboration between Scottish, UK, EU and other international universities to address interdisciplinary research challenges on a global scale, including full participation in both UK Research Council and Horizon Europe programmes.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
<p>Sustainable quality-driven funding for the research infrastructure of Scottish universities (including REG and UIF).</p> <p>Scottish universities’ capacity to access research funding at least matching the levels of resource secured currently from the UK Research Councils; Horizon Europe; from UK, EU and international charitable foundations; and from UK, EU and international business.</p> <p>Scottish universities’ capacity to engage in collaborative research projects with non-Scottish universities funded from Scottish, UK (eg. UKRI), EU or international sources.</p> <p>Internationally-recognised arrangements for the assessment of research quality, research ethics and the support of research culture.</p> <p>Scottish universities’ capacity to engage in UK wide funding and support for PGR students.</p>	<p>A fully-funded association to the Horizon Europe programme.</p> <p>Enhancement of visa regimes to support the recruitment and retention of international research talent.</p> <p>Improved capital funding for research infrastructure.</p>

Participation in a wide research ecosystem

Scottish universities operate in a complex research ecosystem with research funding from a range of Scottish, UK, and international sources. Arrangements for Scottish institutions to engage with this



collaborative ecosystem must be present under all constitutional circumstances. While the ways in which research is supported may change over time, under any constitutional arrangements, it is important that policies in support of Scottish universities secure or improve universities' research excellence and capacity.

The UK's departure from the EU provides a recent precedent for the concept of a continuing a cross-border research ecosystem even where constitutional arrangements have changed. Although the UK's long-term post-Brexit relationship with Horizon Europe is still to be finalised, UK universities have remained part of the Horizon Europe "ecosystem" in the form of research partnerships and funding (underwritten by the UK Government) in the period 2021-22, after the UK has formally left the EU – and we remain committed to a long-term cross-border research collaboration with our EU partners. The research and innovation ecosystem that works across the internal borders of the UK is even more important to Scottish universities' contribution, and must be supported under any constitutional settlement.

To illustrate the current environment, in the last year for which data is available (2021-22) Scottish universities secured the following research funding:

- Scottish Government funding for research infrastructure through the SFC Research Excellence Grant (£240m in AY2021-22).
- £175m research contracts from governmental sources (including UK, local authorities and NHS) (2020-21).
- £297m from UK Research Councils (2020-21).
- £195m from charitable and industrial funders across Scotland, England, Wales and Northern Ireland (2020-21).
- £77m from EU research contracts (2020-21).
- £35m from the SFC Research Postgraduate Grant (AY2021-22).
- £64m from international funders (non-EU charities, industry and other) (2020-21).

Sustainable and competitive levels of quality-driven funding for the research infrastructure of Scottish universities (including REG and SRIF or its Scottish successor)

Scotland's world class research activity is supported through the 'dual support system' funding provided by the SFC and UK Research Councils. These resources are focused on research of the highest quality as measured by the Research Excellence Framework and as judged through competitive 'calls' for proposals.

Scottish Government funding to support this excellent research through the SFC's Research Excellence Grant (REG) has seen a 30% reduction in real terms²⁰ between 2014-15 and 2022-23. The Scottish Government Capital Spending review²¹ sets out the profile of SFC HE capital investment (from which

²⁰ This is a real terms calculation using figures from the [Office for Budget Responsibility](#)

²¹ Scottish Government (2022) [The Outcome of the Targeted Review of the Capital Spending Review](#)



the SFC's Research Excellence Grant is drawn) to 2025-26. That profile points to funding falling by another 12% in real terms between 2022-23 and 2025-26.²²

Scottish universities' capacity to access research funding should at least match the levels of resource secured currently from Research Councils at UK & EU levels; from UK, EU and international charitable foundations; and from UK, EU and international business

Alongside funding to support Scottish universities' research capacity, significant funding for specific projects comes from the UKRI, major charities, e.g. the Wellcome Trust, and from industry. To maintain international competitiveness Scottish institutions would need to have access to at least the same level of resources under any constitutional settlement and there should be an aim to grow our high-quality research from current baselines.

To illustrate, over the last five years for which there is data available, on average universities in Scotland secured £280m pa from UKRI or 13.7% of the UK total. As Scotland has a 8% share of UK GDP, one may hypothecate that it contributes around £165m of UKRI's resources each year. The UKRI budget is set to increase by 12% in cash terms over the period 2022-23 to 2024-25²³ whilst the Scottish Government Capital Spending review points to a lower rate of increase in research funding via the SFC²⁴. Therefore, if Scotland was to leave the UK, the resource required beyond SFC funding to ensure that universities in Scotland can continue to play a full part in UKRI research programmes will be circa £300m per annum. Under the above hypothecation of Scotland's contribution to UKRI funding, to meet this figure additional funding in excess of £130m would have to found.

The UK-EU Trade and Cooperation Agreement, agreed late in 2020, included a joint commitment that the UK would become an associated country in the Horizon Europe programme, alongside Copernicus, Euratom Research and Training and Fusion for Energy. Association remains the preferred outcome for the university sector in Scotland.

The UK and EU programmes supporting research and development have provided Scotland with a platform for collaboration across multiple geographic and disciplinary boundaries with minimal friction and have served Scotland well in our drive to attract talented researchers. It would be impossible to fully replicate the advantages of Horizon Europe and UKRI. It would therefore be the aim of the sector to have full access to programmes like UKRI and Horizon Europe (and/or UK alternatives). Should Scotland leave the UK, it would also be important during any transition period that we maintain strategic space to pivot towards fully-funded association with both UK and EU research programmes.

²² This is a real terms calculation using figures from the [Office for Budget Responsibility](#)

²³ UKRI (2022) [UKRI Budget Confirmed](#)

²⁴ Scottish Government (2022) [The Outcome of the Targeted Review of the Capital Spending Review](#)



Scottish universities' capacity to engage in collaborative research projects with non-Scottish universities funded from Scottish, UK (i.e. RCUK, TSB), EU or international sources

Scottish universities both host collaborative projects and benefit from involvement in the research infrastructure across the world.

Examples of infrastructure hosted in Scotland are the Medical Research Council Centre for Regenerative Medicine²⁵, the ARCHER2 UK National Supercomputing Service²⁶ and the Offshore Renewable Energy 'Catapult' Hub.²⁷

Examples of infrastructure outwith Scotland that is accessed by researchers at Scottish universities include the Diamond Light Source at Harwell, the Boulby Underground Laboratory and ISIS at the Rutherford Appleton Laboratory.

Such collaborative infrastructure is an essential element of internationally competitive research and Scottish institutions would wish to both host and use such resources through policies implemented under any constitutional settlement.

Internationally-recognised arrangements for the assessment of research quality

The Research Excellence Framework (REF) is the system for assessing the quality of research in UK higher education institutions (HEIs). It is a process of expert review carried out by the four UK funding bodies (the SFC in Scotland).

All of the UK Research Councils operate competitive processes for the allocation of public funding.

Whatever Scotland's constitutional future, Scottish institutions' continued involvement in robust research quality assessment is vital to ensure that research in Scotland is rigorously benchmarked and recognized as being internationally competitive.

Scotland, as part of the UK, has been making progress in creating a better ecosystem for research by: supporting research culture, standards of research integrity, research ethics, and overall support for good practice in research. REF has been a driver for a number of these initiatives but there are also UK-wide systems which have been integral for pushing forward these activities, for example the development and use of Concordats. Being part of these UK-wide systems allows for the good practice in research to be internationally recognised as well as the value in a consistent approach to research standards. Such partnership should be sustained under any constitutional future.

²⁵ [University of Edinburgh Centre for Regenerative Medicine](#)

²⁶ [Archer 2](#)

²⁷ [Offshore Renewable Energy Catapult](#)



Relaxation of visa and eligibility restrictions as part of the current or of a Scottish immigration system, which might hinder the attraction and retention of international research talent

Visa and funding arrangements must support the attraction of the best talent. Scotland's research capability is internationally competitive and delivers impact. The attraction of research talent is central to achieving these aims. It helps to build research strengths and demonstrates the national and international standing of the research base in Scotland. The number and proportion of international academic staff in Scottish HEIs have been increasing gradually over the past five years. In 2020-21, 20% of academic staff were of EU nationality and a further 17% were of non-UK and non-EU nationalities.

Following the UK's decision to leave the EU, both EU and non-EU nationals are subject to a new points-based immigration system meaning international staff and researchers coming to Scotland must apply for a visa. There is a wide range of factors that an individual will consider when choosing a destination country and institution, and what an individual prioritises will depend on their circumstances which are likely to change as they progress throughout their career. That being said, universities regularly cite concerns over the overall cost and bureaucracy associated with the visa immigration system, which is more expensive than many of our competitors. With universities recruiting globally for talent, this is a significant issue.

UKRI studentships are available to international students. UKRI funded PhDs were traditionally only available to UK and EU students, however from 2021 UKRI policy is that ²⁸:

- up to 30% of UKRI-funded places will be available to international students;
- those students will be eligible to receive a full studentship, covering fees (at the UK rate) and living costs; and
- EU students will be included in this cap, with fee and funding guarantees no longer applying after the 2020-21 academic year.

There is an opportunity to enhance this policy, in particular by revisiting the cap.

Policies adopted under any constitutional option need to ensure the openness of Scottish universities to international flows of talent and ideas.

Improved capital funding for research infrastructure

In the last 10 years the higher education sector has made significant strides in developing its estate. Drawing on investment from within and outwith Scotland, the sector has been able to develop new, fit for purpose research infrastructure such as the Centre for Regenerative Medicine within Edinburgh's Bioquarter or the Technology Innovation Centre at the University of Strathclyde. Additionally, 2022 has seen the opening of the National Robatorium building at Heriot Watt University

²⁸ UKRI [Funding for Postgraduate training and Development](#)



which builds upon the University of Edinburgh’s Centre for Robotics.²⁹ The new (2020) Hydrogen Accelerator facility, based at St Andrews University provides expert advice and support the development and deployment of hydrogen-related transport project, was funded by Transport Scotland and is in partnership with the University of Strathclyde.³⁰

Such strategic developments require significant capital funding and draw support from public funding from across Scottish and UK sources. Looking ahead, Scottish institutions will need to continue to have access to capital funding of this scale if they are to remain internationally competitive. The current profile of Scottish Government HE capital investment through the SFC shows a >12% real terms cut between 2022-23 and 2025-26.

Scottish universities’ capacity to engage in UK wide funding and support for PGR students.

As noted in previous sections, it is vital that Scotland remains an attractive and competitive location for PGR students. Currently this attractiveness comes, primarily, from being part of a UK and international wide system of funding and support. This UK wide system is delivered through UKRI, charities, industrial partnerships and HEIs. HEIs would therefore seek to remain a part of these UK and international systems to attract a diverse cohort of PGR students to Scotland who are enabled to produce a breadth of outcomes.

²⁹ [Heriot-Watt University The National Robotarium](#)

³⁰ [Scotland’s Hydrogen Accelerator](#)



Desirable policy outcome:

An environment which supports a pay and reward structure that enables Scotland to attract and retain the very best teachers and researchers within its universities.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
An ability for Scottish universities to set reward levels fairly and at a level which enables international competitiveness and financial sustainability. Freedom of universities to negotiate individual remuneration packages with key staff. Sustainable funding of pension schemes and sharing of risk across a sufficiently wide pool.	Enhanced visa arrangements to support the recruitment and retention of international staff.

Ability for Scottish universities to set reward levels fairly and at a level which enables international competitiveness and financial sustainability

Universities in Scotland are party to national, UK bargaining on pay through the UK Joint Negotiating Committee for Higher Education Staff. Annual pay awards are reflected in the national pay spine for academic and HE support staff. Professorial and senior pay is determined at the institutional level. The ability of the sector to negotiate pay on a fair and sector-led basis should be maintained.

Freedom of universities to negotiate individual remuneration packages with key staff

The current national bargaining structure provides institutions with a level of certainty for financial planning purposes but still allows sufficient flexibility in attracting and retaining key staff. If constitutional change required change in these arrangements, it would be in the interests of the Scottish HE sector to be able to retain these features, whilst ensuring a continued level of competitiveness in the level of financial reward offered to academic staff in comparison to the rest of the UK and international competitors.

Sustainable funding of pension schemes and sharing of risk across a sufficiently wide pool.

Academic and senior administrative staff in 'pre-92' higher education institutions are members of the Universities Superannuation Scheme (USS), the second largest pension scheme in the UK by fund size. Academic staff in 'post-92' institutions are members of the Scottish Teachers' Superannuation Scheme



(STSS). The allocation of liabilities to members in different parts of the (current) UK, and a resultant assessment of affordability, in any changed constitutional arrangements may need to be calculated. This would be driven by the need for, and operation of, separate pension regulation structures.

A relaxation of visa restrictions which hinder the attraction and retention of international talent

The policy environment for visas and the attraction and retention of staff is considered under a number of other sections of this document.



Desirable policy outcome:

Scottish universities' ability to develop and utilise research for economic, social and cultural benefit.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Suggested changes to current policy which could potentially be implemented under any constitutional option
Universities are recognised and supported by Government and its agencies as key drivers of inward investment.	Better incentives, including tax incentives, to encourage a higher volume of Scottish and global businesses to build research collaborations with universities.
Structures and incentives which encourage knowledge transfer contributions at the local, regional, national, and international levels.	Public funding to support business growth and Foreign Direct Investment (through tax incentives, grants and capital funding).
Support and incentives for universities to undertake knowledge transfer in support of social, cultural and economic enhancement.	

Universities are recognised as key inward investment partners for Government and its agencies

Of Scottish Development International's six reasons to invest in Scotland³¹, universities play a central role in the first two:

- talented workforce, "a well-educated, highly-skilled and adaptable workforce will ensure you get the talent your business needs. World-renowned universities ensure a steady stream of high-quality local graduates"; and
- innovation powerhouse, "collaboration between our universities, innovation centres and businesses will help commercialise your research. Our universities produce more spin-outs than anywhere else in the UK, proving that Scotland's researchers are top of the class".

Universities play a central role in the Scottish Government's Inward Investment Plan Which includes a specific intention to "support stronger ties between academia and industry in Scotland, by working with Universities to agree a collective approach to stimulating inward investment and innovation."³²

The strength of the university sector in terms of its graduates and its research strengths has been cited by major companies who see Scotland as a leading territory in developing new technologies. For example, Scotland's strengths in the digital and data driven economy has seen the establishment of FinTech Scotland which includes global companies such as Avaloq who directly cite their university

³¹ Scottish Development International [Why Invest in Scotland?](#)

³² Scottish Government (2020) [Scotland's Inward Investment Plan](#)

partners as reasons for investing in Scotland.³³ Additionally, the Glasgow Innovation District is being led by the University of Strathclyde to accelerate growth, improve productivity, and allow access to world-class research and technology from the University. Launched in 2019, this multimillion initiative is already home to the UK's only Fraunhofer Institute (Europe's largest application-oriented research organization), three UK Catapults and three Scottish Innovation Centres.³⁴

Another example, LifeScan, based in Inverness with headquarters in the US, has grown to become the largest private sector employer in the Highlands and Islands employing over 1,000 people in the design and manufacture of diabetes and glucose testing kits. Coupled with engagement with the local community, the firm has worked closely with the University of the Highlands and Islands to establish the Highlands Diabetes Institute.

The UK Government's decision to locate an Innovation Accelerator in Glasgow was announced as part of their Levelling Up initiative and decisions on locations were made based on the capacity for a city-region to combine excellent research with cutting-edge industry, inspired by the Stanford-Silicon Valley and MIT-Greater Boston models.

Under any constitutional option, it will be of advantage to Scotland to use all policy and funding levers to build on universities' capacity to act as a magnet for inward investment.

Structures and incentives which encourage knowledge transfer contributions at the local, regional, national, EU and international levels

Knowledge transfer is supported with funding at the local, Scottish, UK and international levels. Significant funders of knowledge exchange in Scotland's universities are Scotland's enterprise bodies, the SFC, and the UK Research Councils and Innovate UK. Access to knowledge exchange funding of this scale is essential for the sector to continue to have a significant economic impact. According to the latest knowledge exchange metrics collected by the SFC (2020-21), Scottish universities secured £642m of knowledge exchange income from UK and international sources.³⁵ Previous studies of the economic impact (GVA) of such activity shows a multiplier of > 3:1. However, annual data collections³⁶ show consistently that, overall, universities' work with industry yields income significantly below the costs of that work. There is, therefore, a clear rationale for public investment.

Support and incentives for universities to undertake knowledge transfer in support of social, cultural and economic enhancement

The overall capacity of support and incentives for Scottish universities' knowledge exchange activities is a mosaic of funding primarily from Scottish and UK sources alongside direct industry support. There

³³ [FinTech Scotland](#)

³⁴ [Glasgow City Innovation District](#)

³⁵ Scottish Funding Council [University Innovation Fund](#)

³⁶ Scottish Funding Council [Transparent Approach to Costing](#) (TRAC)



is a potential to better co-ordinate these streams of support, and this was considered in the context of the SFC's Review of Coherent Provision and Sustainability, which recommended the establishment of a new overarching Knowledge Exchange Advisory Board. Whatever Scotland's constitutional future, Scottish institutions will need to continue to have access to at least the same overall volume of support for knowledge exchange.

An example of current support is the SFC's University Innovation Fund (soon to be renamed the Knowledge Exchange Innovation Fund).³⁷ It is an essential element in ensuring that all of Scotland's higher education institutions can have an impact. Whilst allocated competitively by metrics of success in knowledge exchange, its flexibility allows all institutions to support knowledge exchange activities and enable industrial partnerships, licensing, spin-out support, R&D contracts etc. The UIF is both an individual institutional and collaborative grant with agreed outcomes worked on by the 19 universities individually and in partnership. From this foundation institutions can pursue successful projects with support from programmes such as Interface's Innovation Voucher Funding.³⁸ Between AY 2016-17 and 2019-20 universities have used UIF to enable 57 spin-out companies, 869 start-ups and 73 social enterprises and are now helping Scottish Development International to strengthen Scotland's international offer.³⁹

Institutions also compete successfully in a UK and international context for investments across the full breadth of knowledge exchange from the arts and humanities (e.g. InGame the Arts and Humanities Research Council Hub for the Creative Economy at Dundee) to science and engineering.

Institutions are central to City and Region Deals across Scotland, funded by the UK and Scottish Governments. Ensuring that these initiatives are sustained over their programmed activities is important to drive economic renewal and growth.

Better incentives to encourage business to build research collaborations with universities

The Scottish Higher Education sector's ability to take collaborative action has meant that the sector has been a leader in research pooling and in the development of innovative knowledge exchange mechanisms, these pools have recently been reviewed and a next phase of collaborative research activities will be supported by SFC. Sector-wide approaches to the development of 'easy access IP' and of standardized contracts have positioned Scotland well. Interface and Innovation Vouchers⁴⁰ are examples of how, working with funders, the sector has enhanced incentive mechanisms for all businesses in Scotland. For example, Innovation Centres offer an opportunity to build partnerships with business and between support agencies and funders. One of the recommendations from the SFC Review of Coherent Sustainability was to "reposition Innovation Centres and Interface as stable long term infrastructure investments, helping to maximise their contribution to the economy and the relationship between the sectors and society" therefore embedding Interface and Innovation Centres

³⁷ Scottish Funding Council [University Innovation Fund](#)

³⁸ [Interface Innovation vouchers](#)

³⁹ Scottish Government (2020) [Scotland's Inward Investment Plan](#) section on priorities.

⁴⁰ [Interface Innovation vouchers](#)



to create a more stable investment relationship for Scotland.⁴¹ Scotland's universities would be pleased to explore how further incentives might be developed. There are also opportunities to build the capacity of existing successes such as Knowledge Transfer Partnerships (KTPs) which are now governed by the UK-wide agency Innovate UK.

This is an area where the potential for policies adopted under different constitutional options to enable a further step-change should be explored. In particular, competitor nations have a range of successful models for encouraging R&D and research-led inward investment which enable universities to drive further economic growth, for instance by using innovative taxation models. Tax concessions for R&D activities are extensively used as a policy tool designed to stimulate business R&D indirectly. Such measures have become increasingly popular across OECD nations. In the UK R&D tax credits for Corporation Tax (CT) were introduced for SMEs in 2000 and extended to large companies from 2002. Currently, the UK has two R&D tax relief schemes which are intended to boost productivity and economic growth, one focused on SMEs, and the second R&D Expenditure Credit (RDEC) for larger companies.⁴² These schemes have been the subject of recent review with changes taking effect from April 2023.

As of 2021, 34 of the 38 OECD countries, 22 of 27 EU countries and a number of partner economies (Argentina, Brazil, the People's Republic of China, the Russian Federation, South Africa and Thailand) offer tax relief for R&D expenditure at central or subnational government level.⁴³ Most nations provide a reduction in corporation tax based on R&D expenditure as a method of support but some innovative approaches have allowed companies to reduce the amount of income tax and social security contributions they pay on behalf of employees engaging in R&D, (e.g. In the Netherlands and in the Republic of Ireland). The capacity of Scotland to innovate further on this front should be investigated.

⁴¹ Scottish Funding Council (2021) [Review of Coherent Provision & Sustainability](#)

⁴² UK Government (2007) [research and development tax credits](#).

⁴³ Organisation for Economic Cooperation and Development (2021) [R&D Tax Incentives Database](#)



Desirable policy outcome:

Taxation, inward investment and charities regimes which recognise and reward the individual and wider societal benefits provided by universities and which encourage income generation, knowledge transfer, fundraising from non-state sources and the inflow of funds from external sources.

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
Charitable status for universities and related VAT benefits.	Improvements to tax relief for/incentivisation of philanthropic support.
Current tax incentives for individuals to provide philanthropic support to universities (i.e. Gift Aid, tax relief on larger donations).	A tax regime which supports shared/collaborative services.

Charitable status for universities and related VAT benefits

Scotland's higher education institutions hold charitable status and are eligible bodies for VAT purposes. This needs to be preserved in any constitutional settlement.

Tax incentives for individuals to provide philanthropic support to universities

As registered charities, Scotland's higher education institutions fundraise to support their educational missions. Continuation of charitable status, and the associated tax regime, is an important element as institutions develop their fundraising income. It is of note that even in the most successful fundraising universities around the world, (with the most high profile examples being in North America), the most successful philanthropic programmes and campaigns contribute to the development, growth and success of institutions rather than simply replacing other sources of income. As a result, philanthropy is often referred to as the 'margin of excellence'. Further incentivisation of philanthropic support would be of benefit to the sector. For example, the Caledonian Group (of Scottish Development Directors) has set out a proposal for a matched giving scheme intended to provide Scottish universities with a capacity building opportunity. A similar scheme offered to institutions in England led to £580m of matched gifts over a three-year period and a one third increase in the total number of donors making gifts.



A tax regime which supports shared/ collaborative services

Shared services have always been an important part of the Scottish Government's Efficient Government agenda. The Cost Sharing Exemption removes some forms of shared services from VAT.⁴⁴ The exemption has the potential to support efficiencies in the sector by exempting institutions that decide to share services from the VAT liability on those services, but involves a continuing level of bureaucracy by requiring the establishment of 'cost sharing vehicles'. The proponents of constitutional options should explore what further potential there may be for their preferred options to support taxation regimes which incentivise shared services.

⁴⁴ UK Government (2016) [VAT Cost Sharing Exemption manual](#)



Desirable policy outcome:

A regulatory regime which supports and protects the generation and dissemination of intellectual property by universities

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
Maintenance of arrangements which enable research and teaching excellence while protecting public confidence in: <ul style="list-style-type: none">• research ethics and integrity;• arrangements for regulation of medicines and clinical trials;• arrangements for regulation of the health professions;• arrangements for the regulation of other professions; and• arrangements for regulation of intellectual property, company formation and patents.	Amendment of any of these regulatory regimes where it would enhance Scottish universities' competitiveness and capacity to generate world-class/ life-enhancing research.

Maintenance of regulatory arrangements which enable research and teaching excellence, while protecting public confidence

Many aspects of universities' research and commercial activities are the subject of regulation determined at the UK and / or international level. For example, researchers in Scotland using human tissue have to comply with the Human Tissue Act (Scotland) where the regulatory body at the UK level is the Human Tissue Authority. Similarly, regulations for human clinical trials are set at a UK level.

Universities are also observant of important, non-statutory frameworks. For instance, the Declaration of Helsinki was developed by the World Medical Association (WMA) as 'a statement of ethical principles for medical research involving human subjects'.⁴⁵ With origins from 1964, the WMA community developed this cornerstone of research ethics which is adopted in clinical trials in the UK. Whilst not being a legally binding instrument under the international law, it draws its authority from the degree to which it has been codified in, or influential on, national or regional legislation and regulations.

Information in research projects undertaken at universities in Scotland must be processed in accordance with the requirements of the UK's The Data Protection Act 2018 which is the UK's implementation of the General Data Protection Regulation (GDPR). The GDPR is an EU Regulation that

⁴⁵ World Medical Association (2022) [Ethical Principles for Medical Research](#)



applied directly to the UK while it was a member of the EU. The UK government incorporated the requirements of the GDPR into UK law after the UK left the EU and so, currently, data arrangements have 'adequacy' against EU regulations. The UK Government has indicated that it will review GDPR regulations. The maintenance of 'adequacy' will be important as this provides for the movement of data across borders, an often important factor in key research in areas such as public health.

Under any constitutional option, arrangements need to be made for the continuity of existing regulatory arrangements, at least until there has been time for the development of distinctive Scottish approaches which are recognised nationally and internationally as safeguarding the integrity of research, intellectual property and qualification for the professions. The maintenance of regulation that supports access to new medicines, technologies and constructive collaborations is vital.

The proponents of constitutional options might also explore whether, whilst many regulatory regimes are already, or are being, harmonized across the UK, there is scope for determining a distinct Scottish approach that might offer Scotland and Scottish universities a competitive advantage.



Desirable policy outcome:

An administrative infrastructure which underpins and sustains the sector and drives efficiencies by means of economy of scale

Policy principles and outcomes which we would wish to see retained under any constitutional option	Changes to current policy which could potentially be implemented under any constitutional option
<p>An efficient applications and admissions management system for undergraduate study.</p> <p>An approach to ICT infrastructure that derives efficiencies through scale and can support the high bandwidth and data storage requirements of modern research.</p> <p>A student loans and support system which is centrally administered by government and where individuals' repayments are collected at source alongside taxation.</p>	<p>Increased and sustained resource in expertise and funding for a collaborative approach to marketing Scottish universities' distinct offer overseas including that of UK and Scottish national campaigns.</p>

An efficient applications and admissions management system for undergraduate study

The Universities and Colleges Admissions Service (UCAS) is responsible for managing prospective student applications to higher education courses in all universities in the UK. Its Board draws its membership from across the UK. In 2021 the organisation processed 2.95 million applications from 749,570 UK, EU, and international students. As a key organisation within the application process, it also assists students to find the right course and provides online tools to support students and higher education institutions (HEIs) to manage applications and offers. UCAS's income is derived from student applicant fees, fees collected from institutions and from marketing related media income.

UCAS also maintains ABL arrangements with exam boards across the UK to allow the efficient and confidential sharing of exam results which enables institutions to confidently plan for intake numbers, including international students.

A common system that promotes fairness and transparency in admissions practice and reduces burden on applicants is important to enable continued cross-border student flow and promote recruitment of international students to Scotland. There is benefit in retaining a shared arrangement across the UK or its successors for some, or all, of its services, as long as robust Scottish input can be assured so that the system meets the needs of Scottish institutions.



An approach to ICT infrastructure that derives efficiencies through scale and can support the high bandwidth and data storage requirements of modern research

Jisc is the UK higher, further education and skills sectors' not-for-profit organisation for digital services and solutions. It is funded by grants, trading activities and subscriptions and has a mission to power and empower its members with the technology and data they need to succeed. In 2020-21 it had expenditure of £197m, over £80m of which was on digital infrastructure. At the heart of Jisc's work is the JANET network with over 18m users. The maintenance of such shared infrastructure to support the sector and its learners and researchers should be secured under any constitutional position.

A student loans and support system which is centrally administered by government and where individuals' repayments are collected at source alongside taxation

The Student Loan Company (SLC) is a UK public sector organisation providing loans and grants to approximately two million new and returning students annually in colleges and universities across England, Northern Ireland, Scotland and Wales. Established in 1989, it employs over 3,300 people across four UK sites (see <http://www.slc.co.uk/about-us/locations.aspx>). Scottish students' applications for a student loan are made to SLC via the Student Awards Agency for Scotland (SAAS) alongside applications to SAAS for fees or bursaries. HM Revenue and Customs is responsible for collecting repayments of Student Loans where the borrower is within the UK tax system and is no longer in higher education. In most cases, the employer of the borrower collects the Student Loan repayments through the Pay As You Earn (PAYE) scheme. Whatever future arrangement is made for this function, the operation of a student loans repayment system through the taxation regime, and its capacity to deal with cross-border flows of students and of graduate re-payers, needs to be retained.

Increased resource for a collaborative approach to marketing Scottish Universities' distinct offer overseas

Scottish universities have a strong presence overseas. Links to other education systems, institutions, research institutes, foreign companies, transnational education partners and students are strong and are supported by in-country offices, marketing and through campuses.⁴⁶ Whilst institutions are operating in a competitive market, the sector often comes together to enhance its relationship with other nations. This is often done by hosting inward delegations, having a collective presence at key education focused conferences, or through outward delegations. This activity enables the sector to position itself as a partner of choice for attracting talent, investment and research links supported by messaging, promotional materials and broad online visibility as part of UK and Scottish national campaigns. It is done in partnership with stakeholders as part of the [Connected Scotland](#) initiative including Scottish Development International (SDI), British Council (Scotland) and Scottish Government (at home or through their offices located overseas). Such collaborations, supported with policy frameworks like an International Education Strategy for Scotland, together with operational

⁴⁶ [Heriot Watt University Malaysian campus](#)



interventions such as Saltire Scholarships and a Mobility Exchange Scheme, have the potential to enhance institutions' international links. This is of great importance in a post-Brexit world and likely to be more important if Scotland were to be outside of the UK. The proponents of constitutional options should consider what scope they present for Scotland's universities to contribute to, and benefit from, the nation's 'brand proposition'.



Conclusion

Whatever Scotland's future, universities will be fundamental to Scotland's people and economy. Universities will continue to educate a significant proportion of the population, equipping them with the skills they will need for their careers and to respond to challenges like the climate emergency. Universities' research and innovation will offer opportunities to drive Scotland's economy.

The constitution has been a prominent feature of policy discussion in Scotland for some time and continues to be so. This document offers all participants in that discussion a summary of the key issues that need to be considered to ensure the continuing success of universities in Scotland.

ENDS

