

Universities Scotland briefing for 5th December, Ministerial Statement: Post-school Education and Skills Reform

Key messages:

1. Universities have welcomed many of the bold ideas in the Withers report on skills and its learner-centred focus.
2. **Universities are core to skills delivery.** Universities work closely with employers and are central to delivering Scotland's high-level skills. 76% of senior business leaders in Scotland say that university gives graduates good foundational knowledge of their industry or sector. It was helpful that the Withers Review challenged preconceptions about "vocational" and "academic" education.
3. **Take action now to deliver for learners.** There are new learner and employer-focused skills initiatives that the Scottish Government and universities can act on now to deliver on Withers' aspirations for learners, without the need for major structural reform of the agencies, which will take years.
4. **NDPB status is vital to universities in any new single funding body.** It is not obvious that organisational restructuring is the best to achieve Withers' aspirations for learners. Any new single funding body for universities must have NDPB status to avoid jeopardising ONS reclassification and university autonomy. Universities want to see funding for teaching and research stay together in the same funding body for coherence and to support the sustainability and competitiveness of university funding.
5. **Withers is one of five major reports published in June/July with major implications for universities; implementation must be joined up.**
6. **Sustainable funding is needed more than a single funding model.** The need for adequate funding applies to both to student finance and support that works for diverse learner needs, as well as the quantum of funding made available to institutions to deliver education and support our communities.
7. **Transparency and co-creation.** We urge the Scottish Government to ensure the closest possible co-creation of policy and legislation with the sector.

You can find a fuller elaboration of our position on the Withers report in Professor Steve Oliver's open letter from 19 July, available [here](#).

Withers is a bold report which universities have broadly welcomed. Aspects of the Withers Review of which we are strongly supportive include:

- The learner centred approach.
- The emphasis on parity of esteem and recognition of the false dichotomy between 'academic' and 'vocational' education.



- The recognition of the breadth of universities' role across the economy including skills development, business innovation, company creation and leverage of investment.
- The support for lifelong learning and part-time learners.
- The call for a more flexible graduate apprenticeship model.

Universities are core to skills delivery.

- We were pleased to see recognition of the important role of universities in regional economies.
- Long-term skills planning is very complex and challenging and Withers recognises the skills needs of the future economy are not predictable in any detail.
- Many highly-skilled learners are mobile across Scotland, the UK and the world to seek the right course; and that many graduates are also mobile to seek the right professional opportunity. Intra-Scottish and intra-regional skill planning are therefore only a part of a much wider and more complex picture.

Take action now to deliver for learners.

- We would favour a more agile approach to the post-school skills landscape, without direct legislative change in the first instance, that could bring earlier benefit for learners and employers, and be less resource-intensive.
- There are opportunities to develop more agile models for funding work-based learning/ upskilling/ reskilling, provide more flexibility in the approach to graduate apprenticeships and to improve the support available to part-time and postgraduate learners, all delivered by Universities without legislative change.
- James Withers indicated his support for non-legislative measures to deliver on his recommendations, whilst giving evidence at the Education, Children and Young People Committee in November 2023.

NDPB status is vital to universities in any new, single funding body.

- Universities strongly value having a public body, at arm's length from government, able to support the breadth of universities' contribution.
- Any new body must be an NDPB. There must be no risk of an ONS classification change for universities, which would be hugely problematic for universities and for government. If the ONS was to classify universities as public bodies it would devastate their economic contribution and prevent universities from borrowing to invest in facilities for students and research. Any changes that increase government influence / direction over university provision will tend to increase the risk of reclassification of universities to the public sector.
- During his appearance at Education, Children and Young People Committee, James Withers stated he, *"would not want [a single funding body] to be set up in any way that jeopardises the status of universities or their relationship with the ONS."*
- Universities want one funding body to deliver funding for teaching and research, as the SFC does now. Research, teaching and innovation are deeply integrated activities at university, with many staff having commitments to all these areas of activity. Research-informed teaching offers for developing the broad 'meta-skills' needed for success in a fast-changing economy. It is also key for the overall coherence and sustainability of university funding. The Withers Review makes no

mention of research and innovation, despite the important connections between skills and innovation, and between teaching and research.

Universities need skills and other reform agendas to be joined-up.

- The Withers Review appears well joined up to aspects other school reform agenda, including the Hayward review and the Careers Review. However, there are other strands of reform which are core to university activity, such as the Tuffey review of entrepreneurial education and the hugely ambitious Innovation Strategy, which we want to see considered as part of a holistic approach to implementation.
- The interfaces, interdependencies, and connections between all of these agendas need to be identified to avoid potential duplication and to avoid disconnecting aspects of university delivery, such as teaching and research, which are already performing at world-class levels.

Sustainable funding is needed more than a single funding model.

- The need for sustainable levels of funding applies to both to **student finance** and the quantum of funding made available to institutions.
- **For students** – the cost-of-living crisis means more needs to be done to ensure that the level of maintenance support prevents students being priced out of university due to living costs. Scotland also needs to offer better support for learners who study part-time. Universities must be adequately funded to deliver teaching and research, and support knowledge exchange activities.
- **For institutions** - The core problem faced by institutions isn't the funding methodology, it's the chronic under-funding of each Scottish-domiciled student and the over-reliance on cross-subsidy from international fees (as Audit Scotland has previously warned) which is now baked-in to the Scottish Government's funding model for home students. The priority needs to be investment at sustainable and competitive levels. We have seen an in-year budget cut to SFC funding of £102 million for 2023/24 ([set out in this letter to the Finance Committee](#)). We cannot support simplicity in a single funding model at the expense of supporting excellent higher education provision in a way that reflects its cost.
- Universities Scotland welcomes Withers's call at Education, Children and Young People Committee to allow universities more flexibility in how they distribute funding, and we see opportunities to evolve how university upskilling and reskilling courses are funded as well as how graduate apprenticeships and wider forms of work-based learning are funded to offer more flexibility and responsiveness.

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