



## **Universities Scotland response to the Scottish Government's consultation on legislation for Post-School Education and Skills Reform.**

This document complements our responses to Scottish Government's formal consultation questions. It both highlights some of the issues raised in those responses; and reflects on statements in the consultation document that are not included in the formal questions.

### **The case for change**

The consultation rightly gives prominence to the goals of developing:

*“a world-class lifelong learning and skills system to help more people to fulfil their potential and be equipped to do the work they want to do. We want to ensure a sustainable future for colleges, universities, students and learners and we want a system that supports sustainable economic growth, the move to net zero and a more equal Scotland”.*

We share those goals.

We support any further effort to ensure that students are supported to make choices and follow pathways that are efficient both for them and for the taxpayer.

We see a current, and ever-growing, need to enable universities and others to create a greater diversity and volume of flexible offerings to learners, including: a wide range of work-based learning; short-cycle education and training; and part-time opportunities. These opportunities will complement the opportunity to study at undergraduate level, full-time on leaving school, which will remain hugely important. These are objectives that universities have been pursuing for some time, in partnership with colleges and employers. However, it will become ever more important both for the opportunity of individuals and for Scotland as it looks to keep levels of tertiary qualification within the working age population competitive with advanced economies.

There is much that can be achieved without reform of the funding bodies, for instance in enhancing the Graduate Apprenticeship offer. We ask that the Scottish Government gives regard to the necessary investment, and significant opportunity costs, of pursuing the proposed reforms. We envisage that change will be complex and note the work needed to reach a consultation stage, a year after the reports that informed the proposals. It may therefore be prudent to consider both what can be achieved, at pace, without the need for legislative change; and, if pursuing legislation, whether there is scope to make progress in stages, not least when considering whether to pursue option 2 or 3.

### **Reform and resource**

We are concerned that the consultation document might be read such that Scottish Government considers reform of the funding body landscape as the sole or major answer to the resourcing challenges facing universities and other organisations as they deliver education and training.

Enhancing efficiency and productivity is important. It is a fact of every universities' planning and operations and we have been pleased to pursue actions with Government and SFC such as enhancement of articulation and regional and sector 'pathfinder' dialogues on skills. However, we believe that to "live within our means" as the consultation notes, is incompatible with the stated goals of:

- *"a world-class lifelong learning and skills system"* – we note that Scottish Government investment in the tuition of each Scottish student has been falling for a decade; it now falls significantly far from the cost of their education; and does not stand comparison with the resources available in countries across the world for investment in their students;
- *"more people to fulfil their potential and be equipped to do the work they want to do"* – whilst Scotland has a good level of tertiary qualification levels within its working age population, it is beginning to fall behind that in comparator countries and certainly behind others' ambitions. Whilst seeking efficiency can assist in supporting better pathways and higher participation, it will not be sufficient to meet this ambition;
- *"a sustainable future for colleges, universities, students and learners"* – there are clear strategic and immediate financial challenges for the university and college sectors in Scotland which will not be answered substantially by the changes proposed, for universities the failure of a policy grounded on ever-growing cross subsidy from international fees is clear;
- *"supports sustainable economic growth, the move to net zero and a more equal Scotland"* – these outcomes will be best achieved by offering pathways to tertiary level qualifications for more of our population; drawing talent into Scotland; and ensuring that we have a strong university research and innovation base that is directly leveraging resources, creating and growing businesses, and attracting FDI; and
- *"must enable vital research, innovation and knowledge, to underpin Scotland's global competitiveness"* - we are supportive of the acknowledgement of the importance of sustaining the link between teaching and research within (a reformed) SFC. However, the consultation does not reflect on how reform will enhance university research and innovation, not least in furtherance of economic and net zero objectives and in the face of growing international competition.

Funding body reform must therefore be combined with an imaginative discussion about how resources can be increased, alongside enhancements of efficiency. In that context, we note that the Final Report of the Skills Delivery Landscape Review<sup>1</sup> notes areas for exploration of how additional resource might be identified, and how providers can be offered longer planning horizons:

*"with public funding under enormous strain and the business community facing a more volatile trading environment, now is the time to look again at how funding can be best leveraged into the system to support economic growth ambitions. In my view, we must think creatively about how we secure the sustainability of the system through increased, business investment, in particular from businesses that stand to gain most from prioritisation or direct public investment"*<sup>2</sup>;

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<sup>1</sup> [Supporting documents - Fit for the Future: developing a post-school learning system to fuel economic transformation - gov.scot \(www.gov.scot\)](#)

<sup>2</sup> Ibid Para 4.89 page 59

Whilst not a comment on the quantum of public funding, Recommendation 6 notes the need to: *“Provide for a multi-year baseline funding commitment to allow greater certainty in planning (particularly for apprenticeships where employer commitment is essential)”*; and

*“I can also see how some businesses feel that they are losing out or paying twice for the costs of training apprentices. In this respect, I would hope that that my proposal at Recommendation 6 with regard to how funding is prioritised across learning provision could deliver reassurance to businesses that the investment that they are making through the UK Levy is being reinvested here in supporting workforce and learner development that will directly benefit them”*<sup>3</sup>. In this context, we note the possibility of changes to be made to the apprenticeship levy by the UK Government.

The above is not to prescribe a specific way forward. These are ideas that should be explored, alongside others.

### **Learners and their choices at the centre**

We support learners and their choices, informed by an understanding of opportunities and pathways, being at the centre.

The consultation highlights the Scottish Government’s policy intention for skills planning and for qualifications, whilst noting that these are not the subject of consultation at this time.

As noted above, we welcome dialogues on skills strategy for sectors and regions. The strongest delivery is supported by having agile, autonomous universities that are part of that dialogue. In our response to the consultation questions we have therefore noted some aspects of the SFC’s statutory role that will need to be sustained, including the conditions that can, and cannot, be attached to funding.

We also note that SFC has an important role for funding policy that supports widening access and participation; part-time and flexible provision; mature learners; and learners with disabilities. This is substantively important and is an example of the Council’s roles that should be sustained, alongside any statutory footing that define and enable them.

Similarly, the duties on SFC for securing quality in both college and university sectors should remain. It is critical for students that we continue to have internationally recognised quality arrangements, and this is also important for our reputation, which affects our ability to work with universities overseas and recruit international students.

It will also be important that the Scottish Government continues the work of the Careers Review to improve the information, advice and guidance available to young people in schools and colleges to inform their choices. We are part of the Careers Collaborative and are committed to working with these stakeholders to enhance our own careers education provision as well as improve provision in schools and colleges. We note that older learners also need and deserve high quality information, advice and guidance, and this may become even more important in light of both demographic trends and the increasing prevalence of career changes rather than single career pathways. Whilst SDS’s current responsibilities for both careers advice and for some apprenticeships may come to an end, it will be important than any careers advice

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<sup>3</sup> Ibid Para 4.86 page 58

includes the promotion of all pathways through tertiary-level study, including graduate apprenticeships.

### **Employers and skills needs**

There is rightly a focus on apprenticeships in the consultation. We note that, to enable SFC to fund the full range of current apprenticeship providers, legislation will be required. We welcome the Withers report recommendation for consideration of a college and university first approach to funding, whilst also recognising that some specialist areas do not currently have college or university providers.

However, meeting employer needs goes well beyond apprenticeships. There should be a full understanding of current engagement with employers on curricula and enhancement across universities. This includes many different opportunities for work-based learning, work-related learning (eg. simulated work scenarios), placements, careers events, input into curriculum, participation in teaching and more. That engagement is often alongside research and innovation links. Meeting employer needs therefore needs to be seen more broadly than apprenticeships alone.

Linked to our comments above about the centrality of the learner and their choice, 'skills planning' and / or a dialogue with employers at a Scotland / sector level should aim to enable this direct dialogue and choices at the institutional and course level rather than seek to prescribe it. We anticipate that those choices will also be informed by regional and sector actors.

### **Supporting the breadth of the university contribution**

The consultation focuses on the important issue of skills and teaching. As we have reflected above, we feel that it acknowledges but does not sufficiently address how the contribution of university research and innovation can be enabled. Within our answers to the consultation questions we have therefore suggested some measures to be taken, within a process of reform.

Similarly, we feel that the proposals do not sufficiently consider the significant and diverse impacts of universities, for example on the places and communities of which they are a part, or on national capacity and specialisms.

These are issues of policy interest, not least in securing economic growth; a response to the climate emergency; and the eradication of child poverty.

The SFC, and any reformed funding body, has a role in understanding and advising on the maximisation of these impacts, even if not through a direct funding relationship. Our responses to the formal consultation questions seek an outcome of reform that fosters this role alongside that on education and skills specifically.

We would like to emphasise the importance of the continuation of a Scottish Funding Council with an NDPB status and of the diversity of roles that it has. We are pleased that the Scottish Government has indicated that it would wish to see any reformed funding body responsible for funding universities to have a NDPB status.

In the context of NDPB status, in our response to the consultation questions we note aspects of the Council's duties that should be retained and where we believe that there is scope for a novel approach. Echoing the concerns above about the opportunity cost of change, we also note the

risk of unintended consequences of change on the current important and complex role of the Council.

Finally, we note that sustaining the autonomy of universities, and relatedly their current ONS classification, is an essential foundation to the securing the best outcomes for Scotland. It is welcome that Scottish Government has acknowledged this issue and we ask that is kept to the fore in consideration of reform to the funding bodies and more widely.

**Universities Scotland**

**20 September 2024**