

## Scottish Funding Council's Strategic Plan 2015-18

### Introduction

Colleges Scotland welcomes the opportunity to comment on the Scottish Funding Council (SFC) 2015-18 Strategic Plan. Colleges Scotland is the membership body for colleges in Scotland and supports the sector by ensuring that its views are heard and interests represented.

### General Comment

Colleges Scotland supports the ambitions set out in the strategic plan. The college sector has the ability to make a key contribution to SFC targets, however it must be recognised that the college sector has undergone significant changes over the last few years through the regionalisation agenda, with mergers occurring in many colleges. The recent Audit Scotland report<sup>1</sup> recognised that colleges had coped well with the significant reforms, maintaining sound finances whilst protecting learners.

The college sector is contributing to the delivery of Scottish Government policy and colleges, delivering both further and higher education, are in a strong position to drive forward areas such as increasing social inclusion, widening access to education and developing the young workforce. Colleges are also uniquely positioned to tackle inequalities, with the range of support and mentoring services that are provided by colleges placing them as sector leaders. Scotland's colleges deliver around 25% of higher education in Scotland.

In order to continue to deliver and build upon all these benefits, it is vital that sufficient funding, both revenue and capital, is provided to the college sector in the period 2015-18. Adequate additional funding is crucial to protect the delivery of quality teaching from additional costs, often outwith the control of the college sector.

### Specific Questions

Colleges Scotland offers the following comments in relation to the questions asked in the consultation document.

<b>Question 1: Is the draft plan sufficiently ambitious for the college and university sectors over the next ten years?</b>
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The strategic plan does not provide enough information on the assumptions around funding and on the level of funding in the strategy to determine if it is sufficiently ambitious. Further details on the issues and challenges in relation to funding aspects in the plan would be useful.
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Whilst partnership and collaborative working is to be endorsed, we would caution against a single approach to addressing many of the challenges and issues. We need to be careful as a one-size approach will not fit all.
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<sup>1</sup> Audit Scotland, April 2015, *Scotland's Colleges 2015*

The targets for engaging reluctant learners should be more ambitious. The college sector welcomes the ambition to address inequalities, however adequate funding will be required for the sector to realise this aspiration.

**Question 2: What do you think are likely to be the main challenges for further and higher education over the next ten years?**

For colleges the main challenge will be funding. The general level of funding is currently not adequate to achieve the ambitions expressed in the plan and to enable colleges to provide the best possible outcome to learners.

Another key challenge is the impact of the Office for National Statistics (ONS) reclassification. The fallout from this change has resulted in increased accounting and bureaucracy, increased costs and a reduction in flexibility for the sector, such as the restriction on holding rolling reserves.

Other challenges (in no particular order) will include, but are not restricted to, the following:

- Student support funding must be increased with immediate effect to meet the current shortfall and address the changes being proposed, but not at the expense of the teaching grant.
- Additional costs that are outwith the control of the college sector e.g. the rise in employer pension contributions from September 2015 and National Insurance contributions from April 2016.
- There are increased challenges in generating commercial income.
- Gaining engagement of employers to actively participate with Developing Young Workforce programme, and adequate resourcing for developing the workforce.
- Successfully implementing national collective bargaining, whilst developing the workforce for the future, will require additional funding.
- Improving articulation from colleges to every Scottish university.
- Lack of flexibility in outcome agreements, not assisted by a single year on year funding model. Although we welcome the ambition of SFC to develop the outcome agreement approach in partnership.

**Question 3: Our Task – Do you have any comments on our priorities for the whole system of colleges and universities?**

The connected and coherent further and higher education sector that is sought in the plan will be difficult to realise while the current differentials in funding levels exist e.g. different funding levels for higher education in colleges and universities.

There are also issues around parity of esteem between colleges and universities which need to be resolved, so that parents, teachers and the students understand and value equally the different educational pathways. In addition, the reference to 'high performing' colleges and universities is confusing and complex as performance measures differ between the sectors, and there is considerable merit in a move away from this being purely in terms of qualifications obtained. The importance of recognising achievement, in contrast to just valuing attainment, needs to be recognised.

**Question 4: Do you have any comments on our priorities for high-quality teaching and learning?**

Colleges Scotland is reassured that the inequalities in participation and attainment in learning from some communities are recognised, but has concerns that the lack of funding will limit ambition. The college sector is well placed to deliver on improving social inclusion and participation of learners from a wide range of backgrounds.

The suggested set of priorities are reasonable; however the proposed use of outcome agreements to secure more equitable access to colleges and universities will need to be carefully considered to ensure a workable arrangement. The proposal for validated self-evaluation as the model for the review of quality remains untested at this time, and the inclusion of a system of learning that provides students with the skills that they need to succeed in life within vocational programmes will also need careful consideration.

**Question 5: Do you have any comments on our priorities for world-leading research?**

Please see response to Question 6 below.

**Question 6: Do you have any comments on our proposals for greater innovation in the economy?**

The role that colleges can play needs to be strengthened, including the potential to enhance the connection between colleges and universities. Colleges have a potential to reach businesses, especially small and medium enterprises (SMEs), and can therefore support the utilisation of research for innovation.

Colleges also play an important role in innovation and have strong links with industry connections relating to knowledge exchange with companies of varying sizes, and plenty examples of innovation on the learning and skills front. By not emphasising the college role in this area undermines our potential for seeking European funds.

There is also concerns over the ability to innovate being impacted by funding reductions, and following ONS reclassification it is problematic for public bodies to innovate without risking public funding. Colleges must remain eligible as providers of innovation through the Innovation Voucher Scheme. The scheme is funded by the SFC and administered by Interface, and is available to support collaborative projects between businesses and Higher Education Institutes (HEI) in Scotland to develop new products, services and processes.

**Question 7: Do you have any comments on our priorities for using our resources effectively?**

The proposition for shared services should be explored and requires further discussion through the appropriate groups.

Colleges Scotland welcomes SFC's commitment to tackling inequalities by supporting those least engaged with learning. Colleges have a significant role in delivering this commitment, subject to adequate resources.

Colleges Scotland  
29 May 2015