Introduction

SCDI is an independent membership network that strengthens Scotland’s competitiveness by influencing Government policies to encourage sustainable economic prosperity. SCDI’s membership includes businesses, trade unions, local authorities, educational institutions, the voluntary sector and faith groups.

SCDI welcomes the opportunity to input into this vital debate on the future of education in Scotland. Skills development is a strategic priority for SCDI’s members and one of Scotland’s key economic priorities. The skills in our economy and the quality of our research are key components of our international reputation as an economy and a nation. Our universities and colleges are an international and social strength for Scotland, creating the skills required for future economic growth. Universities alone support hundreds of thousands of jobs and contribute more than £6billion to Scotland’s GVA.

SCDI believes that Scotland should be aspiring to build on its world-class performance in post-16 education, adopting international best practice in order to enable our people to develop the skills that our economy needs. As well as benchmarking our performance against our competitors, this should include creating and building upon partnerships with business. Clearly an important outcome will be maximising the benefits to the wider economy of the education sector, both through producing high quality graduates and college leavers and by commercialising the research expertise resource that is represented by our higher education institutions. The post-16 sector also has an important role to play in encouraging entrepreneurship among the student and graduate population as a whole.

Our economy relies on our universities and colleges. Delivering the right skills in the correct places at the appropriate time is essential for our businesses to compete and the research and innovation produced in our universities is of global economic significance to Scotland. The post-16 system must ensure that students gain the skills needed to make an immediate economic impact upon entering the workforce, that routes are available to enable work-based learning and up-skilling, and that research is commercialised to achieve its full economic potential. Scotland’s strong performance in education has not fed through effectively enough to productivity, a problem which should be addressed.

Education has a key role in re-skilling and up-skilling the existing workforce, which will be essential in improving skills utilisation and adapting to changing technologies for people of all ages. Part-time, flexible delivery is an effective way for people in
employment to engage with education. Both institutional funding and learner support need to be examined and adapted to ensure that they reflect the shift to increasingly flexible delivery and allow a wide uptake of part-time courses for students of all ages.

In the debate on higher education, the role of vocational education, which is critical to the provision of a highly skilled workforce in some of Scotland’s key sectors, is also of great importance. SCDI wants to see parity of esteem between vocational education and the academic route.

Another important benefit of education is a social and cultural one – a well-educated society is an inclusive one. These significant non-commercial benefits need to be considered in the discussion on post-16 learning.

**SCDI Comments on the Post-16 Bill at Stage 1**

SCDI’s comments will look first at colleges, then at universities before commenting on issues that affect both sectors.

**Colleges**

SCDI broadly welcomes moves towards the regionalisation of college provision and a needs-based funding model. We wish to ensure that all parts of Scotland, especially the most deprived areas, continue to receive a high level of college provision, matched to local employer demands.

Whilst facing budget reductions, SCDI is concerned that colleges do not have sufficient resource for the development of a regionalisation / merger agenda whilst continuing to offer high-quality education. Regionalisation can deliver long-term efficiencies, however this must not come at the expense of the quality of education delivered to learners over the short to medium term.

SCDI wish to ensure that college regions are sufficiently future-proofed, allowing provision for future college mergers to create new single college regional boards in certain areas. Likewise, mechanisms should exist for colleges to merge or form strategic partnerships with colleges in other regions where this makes sense from an economic or educational perspective.

SCDI is not clear how the mechanisms around the transferring of staff and assets between colleges in a particular college region will operate in practice. The Committee needs to give this consideration in its examination of the draft Bill.

SCDI is also concerned about the mechanisms for setting the remuneration, terms and conditions of principals as a joint arrangement between the regional board and the college. In line with common business practice, the college principal should be a full member of the board of their college in their role as chief executive of the organisation.
Maintenance of charitable status is very important for the college sector. The Committee should take steps to ensure that the provisions in the Post-16 Bill will allow for continued charitable status for colleges.

Universities

SCDI has a number of concerns about provisions in the Bill and their potential impact on the university sector, which has been successful over many years in bringing employment, funding, expertise and global standing to Scotland. In particular, SCDI is concerned that the Bill gives a future government wide powers over the governance, management and operation of universities that could be used to undermine the autonomy of Scotland’s universities.

University autonomy is an important concept which has allowed the continuing success of Scottish universities on the international stage, supported the development of strong partnerships with businesses, and been a driver for the development of the world-leading university sector Scotland can be proud of today. Over the coming years, changes in technology are likely to drive significant changes in the way university education is structured and delivered. SCDI welcomes the existing efforts by Scotland’s universities to better utilise technology and believe that governance arrangements must ensure universities can adapt quickly to develop new and leading modes of learning.

SCDI supports the development by the higher education sector of a governance code for Scottish universities and gave evidence in this respect to the Review of Higher Education Governance. Universities should be subject to a code which is amended from time to time by universities with agreement of the Scottish Funding Council. SCDI believes that the adoption of a governance code is a matter best left to the Conditions of Grant from SFC and does not require primary legislation to enact.

Any code of higher education governance must meet the needs and modes of operation of the full range of higher education institutions operating in Scotland, including small, specialist institutions and the Open University.

Scotland has a long and proud history of providing education to all who can benefit from it, irrespective of background or circumstances. Widening access should form a key part of university outcome agreements from SFC, ensuring the Funding Council takes a lead role in working with universities to develop widening access strategies. Autonomous institutions must remain able to choose the grades and other requirements of students entering courses. SCDI considers that this should not be subject to ministerial specifications on this level of detail.

SCDI has specific concerns around Section 14 of the Bill. We believe that decisions on the number of institutions, the structure of the university sector and the range of courses offered should be for autonomous universities to determine within the existing role of SFC to ensure coherent provision. Universities should continue to engage with employers to ensure provision and skills development meets employer needs.
Cross-sector issues

An issue that could impact on both sectors is that of data collection and sharing. SCDI supports the principle of data collection and sharing; across the world, public and private sector organisations are using data in more open and smarter ways to ensure effective decision-making.

SCDI understands that present arrangements for data collection in universities are deemed adequate, however the Committee should seek clarification on this.

Data collection and sharing in the college sector is currently at a less advanced stage than in universities, and the range of students and modes of study are also more complex. The full costs of developing such a system need to be considered carefully by the Committee.