14 October 2011

Dear Jonas

Draft Budget 2012-13 and Spending Review 2011 Scrutiny

Education and Culture Committee meeting: 27 September 2011

Thank you for your email of 3 October in which you asked me to clarify a number of points which had arisen during the Committee meeting and to respond to some questions that were not covered during the meeting.

Taking in order, first, the questions requiring further clarification:

Jenny Marra MSP’s question on shared services

First of all, I should apologise, for not having at the time, understood properly Ms Marra’s question. She asked about a reference in a letter from the Cabinet Secretary, Michael Russell, to Shona Robison MSP and Joe FitzPatrick MSP, in which the Cabinet Secretary expressed the hope that “articulation from colleges as well as the development of shared services featured strongly in their (Abertay’s) suggested plans”. Ms Marra asked why, if the proposal for a merger between the University of Dundee and the University of Abertay Dundee came from the Scottish Funding Council and not from the Scottish Government, did the Cabinet Secretary’s letter bring the potential of shared services with Dundee College into the mix. My response to this is that, following the Funding Council’s letters to the University of Abertay Dundee and to the University of Dundee, the Cabinet Secretary was,
in his letter, referring to the Funding Council’s suggestion to Abertay that it undertake a review of post-16 provision across Tayside; and he was further suggesting that such a review should include looking at the potential for the sharing of services between institutions in Tayside.

**Claire Baker MSP’s question on student places and bursary support**

Claire Baker asked me to give the Committee more details about how the Funding Council plans to measure the number of places provided by colleges in 2012-13 and what indicators will be used. As I described to the Committee, the Funding Council is not at the moment in a position to be able to answer this request as we are currently working up all aspects of the settlement for academic year 2012-13, including the distribution of available resources and the outcomes we will be looking to be delivered on a regional basis. These outcomes will include levels of activity (i.e. the amount of teaching that is to be undertaken). But as I indicated, we will be pleased to keep the Committee informed as we make progress towards the final decisions on provision and financial resources for academic year 2012-13 next spring.

**Clare Adamson MSP’s question on cost and capacity implications of Scottish Government 16-19 year old education/training policy**

Similar considerations apply in relation to this question as applied to the questions asked by Claire Baker. As I said in my response, we are fully aware of the need to ensure delivery of the Government’s commitments in relation to modern apprenticeships and 16-19 year olds. We will therefore be working closely with the college sector to ensure that it plays its full part in meeting those commitments.

**Questions not covered by the Committee but described in your email**

In relation to the first of these questions, the Cabinet Secretary has made plain his wish for a transparent and consultative approach to the new funding arrangements he commissioned in his letter to the Funding Council of 19 September. To that end, we will be working with the Government and the college sector on how we should allocate resources to the sector on a regional basis. That will include consultation on simplification. We will also be engaging with colleges who wish, within the context of the regional approach, to merge or enter some other form of collaborative arrangement. Part of that process will be the examination of whether or not any additional up-front investment may be required in order to deliver longer term and sustainable savings.
In terms of the linkage between the regionalisation of colleges and changes at HE level, the Funding Council has, for some time, been pursuing a policy of developing greater regional coherence of provision. We anticipate that a greater emphasis on a regional approach in the college sector will assist the development of a coherent system of post-16 provision – a clearer learner journey.

In relation to the second question, the Funding Council is clear that the aspects of post-16 reform for which it has responsibility – provision within colleges and universities – can lead to more efficient delivery of provision and therefore savings. Savings will be necessary, anyway, within the college sector in order to reflect the reduced budgets over the coming period. The aim of the Funding Council, therefore, is to ensure the most effective and efficient delivery of provision within the financial envelopes that have been set by the spending review. And – again working with the sector – we shall want to examine what support colleges in particular might need to adjust to the new arrangements.

Finally, you ask if it would be possible for the Committee to see copies of any relevant correspondence. I believe that the key documents which I am able to provide are my letter of 5 September to the Chair of Court at the University of Abertay Dundee and my letters of 22 September to the Chairs of Court at the University of Abertay Dundee and the University of Dundee, and the reply from the Chair of Court of the University of Abertay Dundee to me dated 23 September – which has been press-released and which, therefore, I believe I am at liberty to show to the Committee. I therefore attach copies of these letters.

Yours sincerely,

MTS Batho
Chief Executive