Scottish Parliament Education and Culture Committee Consultation

Scottish Funding Council - Spending decisions and outcomes

The extent to which Outcome Agreements with universities are improving the way SFC allocates funding and secures high quality learning provision

SFC is, rightly, continuing to allocate the majority of its funding on a formulaic basis to allow for stability of planning and continuity of funding. At their core, Outcome Agreements allow universities to set out how those funds will be used. As the nature of Outcome Agreements evolves from a set of targets to a more discursive document, this has allowed Universities to highlight areas of work that support the Government’s priorities. Their development and publication has also raised further the profile of some of the measures that universities have already been using to gauge performance.

It is important that Universities and SFC maintain a maturity in the relationship between Outcome Agreement targets and funding. The Outcome Agreement process should encourage ambition. The application of financial penalties where targets may not be met risks conservative target setting and stifling progress. It is also important that SFC continues to work with institutions to develop processes which will allow it to take into account the “bigger picture” when assessing the success or otherwise of funded initiatives, for example where initiatives to encourage widening participation in higher education work out differently from what was originally envisaged, but where the overall impact does result in widening of participation in HE across the sector and/or improved employability of young people.

Although the majority of SFC’s funding continues to be allocated formulaically there is a significant level of strategic funds available, allocated on the basis of proposals from Universities in response to calls from the SFC. Often, in a dynamic and challenging financial environment, funding can become available at short notice. It is vitally important that SFC works with the sector to ensure that clear criteria for these funds and realistic timetables for consideration of proposals are communicated.

The effectiveness of the SFC in securing an internationally competitive research base, and building collaborations between university and industry

The funding provided for research by SFC contributes to universities’ ability to secure an internationally competitive research base. The increase in funding from SFC associated with our significantly improved REF results will help with international competitiveness and also in maintaining the diversity of internationally excellent research activities across the HE sector. The improved results will also assist with bids for research funding from other bodies and attracting more internationally excellent researchers.

We are also aware of the research pooling initiative which recognises synergies across the sector. We would welcome further development and roll-out of Innovation Centres in Scottish Government priority areas such as food & drink, as we believe that this could facilitate significant development of further collaboration between universities and industry in this area.

How successful the SFC is in helping universities to—

- widen access without displacing prospective students with sufficient qualifications
- produce skilled graduates who are capable of sustaining a career or creating new jobs
Again, SFC’s role in this area is primarily focused on providing funding. The above functions are core to our University and are therefore supported by SFC’s general funds. In addition SFC provides funding to target particular areas of activity. Examples from QMU are:

**Regional coherence funding:** This fund is provided as part of the overall general package of funding from SFC, but with the specific intention that it is used to support access and employability across the region. QMU uses the funding to support a range of targeted initiatives and interventions to widen access and to increase the attainment, retention and employability of students identified as being from particular SIMD backgrounds. Such initiatives are developed and delivered largely through the University’s Outreach, Community Engagement and Employability teams. One such initiative is the Queen Margaret Children’s University (QMCU), which works in partnership with schools in East and Midlothian. The QMCU aims to promote social mobility by providing high quality, exciting and innovative learning activities and experiences outside normal school hours to children aged 7-14 and to engage the wider community as learning partners in the realisation of this. We recognise that this is part of a longer-term strategy to raise aspirations and attainment. In the case of the QMCU, this can involve providing support to a young person from age 7 through to graduation from university at age 22, a period of 15 years. Therefore, in order for such developments to be successful, it is necessary for there to be a reasonable expectation of continuation of funding, in order to ensure that members of staff can be retained and that the full benefits can be realised. Where such initiatives are funded through non-permanent strategic funding rather than core grants, the ability to deliver long-term positive results can be curtailed.

**Academies programme:** SFC has provided strategic funding to allow us to develop an academies programme in partnership with schools, colleges, local authorities and employers. The programme covers four areas (Hospitality and Tourism; Creative Industries; Food Science and Nutrition; and Health and Social Care). It provides young people aged 15-18 years with the building blocks and work experience needed to prepare them for a range of opportunities in these areas, be that in employment or further study.

**Joint BA (Hons) Acting for Stage and Screen:** This is a programme run jointly with Edinburgh Napier University. It focuses on recruiting students who have gained relevant HN level qualifications and provides a route for them to pursue a higher level acting qualification. It is unlikely that such students would have been able to pursue a conservatoire route to their qualification.

The capacity the SFC has to provide leadership and added value to universities, for example:-

- specific initiatives it supports that the sector would otherwise be unable or less likely to provide
- how it helps Scottish universities to monitor and respond to challenges from international competitors

See above for the specific initiatives that SFC has helped support. All of these represent activities which the University would have wished to engage in anyway, but the allocation of specific funding has facilitated this. However, the fact that specific funding is often time-limited introduces a degree of uncertainty around the future sustainability of these activities.
How the SFC balances its roles in—

- supporting the sector and providing a challenge function to Scottish Ministers
- helping to deliver Scottish Government priorities.

Over the last few years it appears that SFC’s role in delivering a challenge function to Scottish Ministers has been diminished. It appears to have a reduced focus on acting as a link between institutions and the Scottish Government, and has instead focussed more on interpreting and implementing Government priorities through the conduit of Outcome Agreements. In previous years there was greater scope for strategic dialogue to take place between Government and institutions, facilitated and moderated through the SFC.

It is right that the Government and Scottish Ministers take an active role in the function of SFC but we believe that consideration should be given to moving the balance more towards an arms length relationship in the future. This would allow SFC to add greater value and to fulfil its role properly as a “buffer” body between Universities and Government.