Mr James Dornan MSP  
Convener, Education and Skills Committee  
Scottish Parliament  
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Via email to: es.submitions@parliament.scot

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Dear Mr Dornan

Pre-budget scrutiny - SfC

Thank you for your invitation to contribute to your Committee’s review of the performance of SFC, in the context of the wider review of the skills and enterprise agencies. Please accept my apologies for the delay in sending this letter and for missing your deadline of 28 October. I hope the views contained below are still of use.

I respond from the perspective of Heriot-Watt University, which is in many ways a specialised university, providing high level education and skills with a particular focus on STEM subjects, and undertaking leading edge research with a particular emphasis on its application to innovation in the economy and society. Heriot-Watt is also recognised as a pioneer for Scotland in the internationalisation of higher education, with substantial campuses in Dubai and Malaysia, and at home in Scotland as a leader among the selecting universities in widening access to higher education.

I also bring my own experience and perspective, having taken on the role of Principal of Heriot-Watt just over a year ago from Vice-Principal at a large Russell Group university in England, and as an academic entrepreneur with experience on both sides of the business and academe space. I have founded and operated five SMEs in my academic and business life, including two public companies. I have worked in USA, Singapore, Middle East and China innovation systems and was founding director of the Manufacturing Technology Centre, part of the UK High Manufacturing Catapult, and Apprentice Academies in Coventry.

Firstly, I situate my comments on SFC in the context of our input to the wider review of the skills and enterprise bodies:

- A key outcome of the review would be a clear vision, with clear goals and measures, and shared ownership across key stakeholders including SFC, SDS, SE, HIE and the universities;
• Increased partnership working among the agencies and with the universities (and colleges) to explore and develop effective means of significantly increasing the opportunities for Scottish businesses to access talent in universities, including graduates, researchers and upskilling of staff;
• Better coordination and investment to open up a broader range of innovation services to many more businesses;
• Placing the strengths of Scottish universities central to winning major capital and inward investment;
• Some “de-cluttering” of the agency landscape while recognising the strong need for a non-departmental public body responsible for higher education funding.

On this last point, I emphasise the strong and continuing need for a university funding body. Its key features should include:

• Non-departmental public body status with HEI representation and a duty to consult the sector on strategy and policy;
• Responsibilities including regulatory duties, a strategic role in policy-setting based in undertaking and publishing authoritative analyses of the sector, and advice to Ministers;
• Coherent policy consideration of funding both for teaching and for research, and the links between them and with other streams of funding for skills and innovation;
• Proper involvement in consideration of areas policy for higher education reserved to UK level;
• Enable consideration of cross-sectoral (e.g. college-university) issues, while maintaining the separate detailed expertise required to engage with each sector.

SFC’s currently fulfils these vital roles. Among its notable successes in recent years, the development of Outcome Agreements between SFC and each individual institution has enhanced the engagement of universities with the skills and innovation agenda of Scottish Government, by achieving and supporting a better understanding of the distinctive contributions of each university. It is important that this approach to high level alignment is maintained and is not allowed to descend into attempted micro-management by SFC of the many specific targets associated with Outcome Agreements.

The Auditor General’s July 2016 report on higher education identifies a number of issues for SFC with which we would concur. In general these relate to clarity of strategy, performance measures and alignment of funding decisions, and in particular to next steps in an agreed approach to achieving the national targets (of the Commission for Widening Access) for widening to higher education in Scotland. I believe the Council and refreshed executive leadership of SFC should be capable of addressing these issues.

I hope this information is of use. Please let me know if any additional information would be helpful.

Yours sincerely