

Education and Skills Committee briefing: 7 September 2016

Introduction

SFC welcomes this opportunity to contribute to a discussion on future priorities and challenges.

The Scottish Funding Council (SFC) funds, supports and cares for:

- 25 colleges
- 19 universities
- 470,000 students in colleges and universities
- 49,000 college and university full-time equivalent staff
- a total budget of around £1.6 billion

Key metrics

In Annex A we have provided some key metrics on the teaching and research of Scotland's colleges and universities.

Our ambition, task and outcomes

Our ambition is that Scotland will be the best place in the world to learn, to educate, to research, and to innovate, with colleges and universities making a major contribution to Scotland's social, cultural and economic development. Our task is to care for and develop the whole system of colleges and universities and their connections and contribution to Scotland's educational, social, cultural and economic life. Our long-term aims are described in Annex B to this briefing note.

Reporting progress

We publish a range of reports during the course of each year that provide detailed information on the teaching and research activities of Scotland's colleges and universities. These are brought together in our annual 'progress and ambition' reports, which set out both what has been achieved and what the next set of outcome agreements are designed to achieve¹.

Current priorities

Our key message is that there are opportunities to link many of the shared agendas in education on widening access, improving skills and developing the young

¹ <http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreementsOverview.aspx>

workforce by building on the developments over the past few years and maximising the benefits of these changes in how colleges and universities operate. There are several key areas of ongoing development:

- The Commission on Widening Access has set out an agenda for change – and some demanding targets – for widening access to higher education.
- We are playing an important role in implementing Developing the Young Workforce, which aims to make Scotland among the best-performing countries in Europe in relation to youth employment.
- The Government is undertaking a review of enterprise and skills that covers the work of SFC, Skills Development Scotland and the enterprise agencies. The purpose is to improve the impact on Scotland's economy.

Implementing the outcome of these needs to be done against a tight public spending situation and the significant cost pressures faced by colleges and universities.

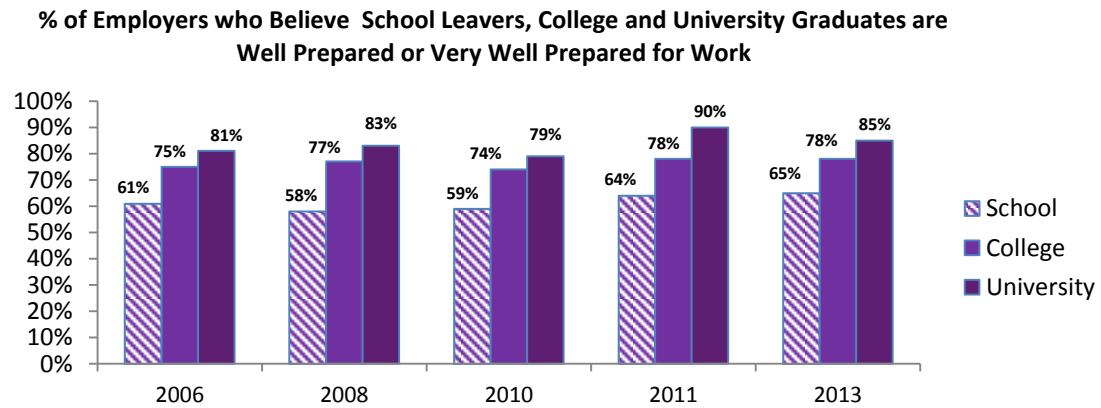
The referendum decision to leave the European Union will also have an impact. There are still many unknowns about the medium and long term impact: on access to European funds, on which students we will fund, and the impact on the labour market for which our colleges and universities are preparing people for. What we do know, however, is that the potential impact is large, both on research funding and on student recruitment.

From SFC's perspective, there are some major developments that can help deliver our aspirations. One of these is the relatively recent introduction of outcome agreements – which provide a way of encouraging and demonstrating a link between funding for colleges and universities and national priorities. Also, the Government's commitments to review the learner journey for 16-24 year olds and to review student support funding provide opportunities to make a significant difference, and we shall be pleased to play a full part in both these exercises. A reformed learner journey can address how we implement substantial parts of the widening access and skills agendas. But this needs a joined up, collaborative approach across the bodies which fund and the schools, colleges and universities that deliver. It also requires continued and clear leadership.

Annex A: Other key metrics

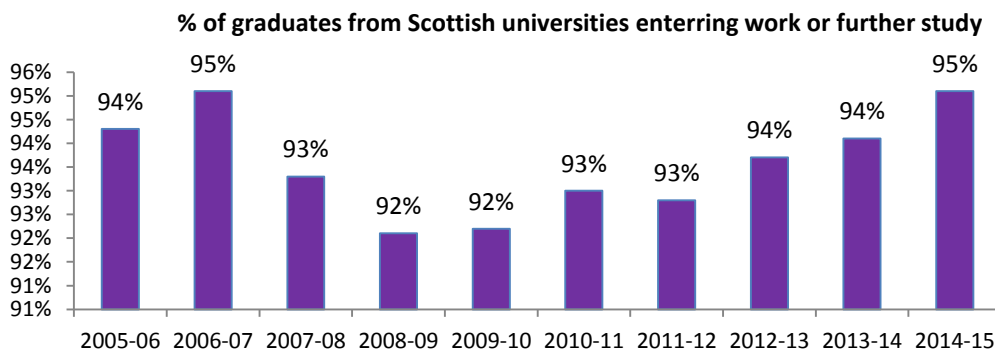
Teaching and learning

Employers believe that our colleges and universities enhance significantly the employability of students:



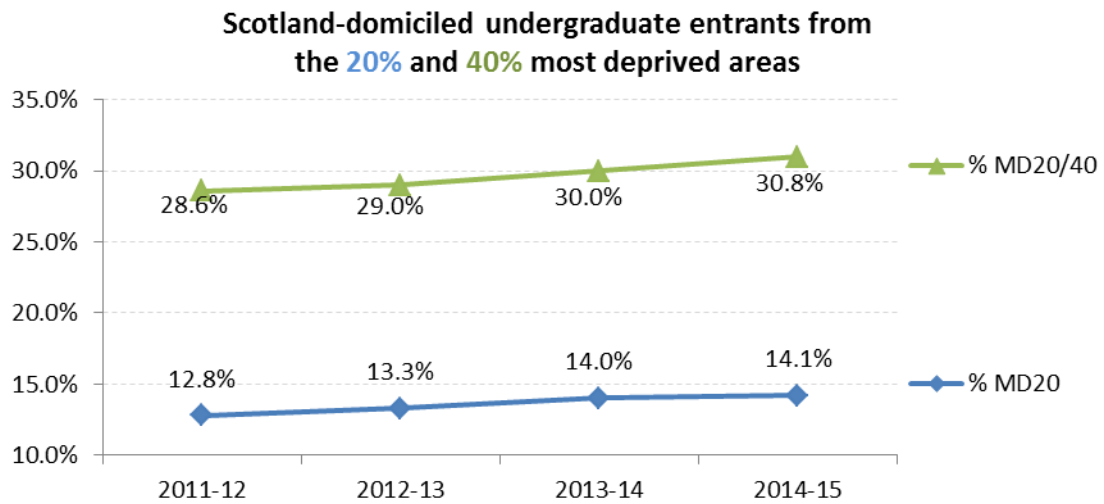
Source: Employer Skills Survey Scotland 2013

And our university students are increasingly successful in progressing into employment or further study:

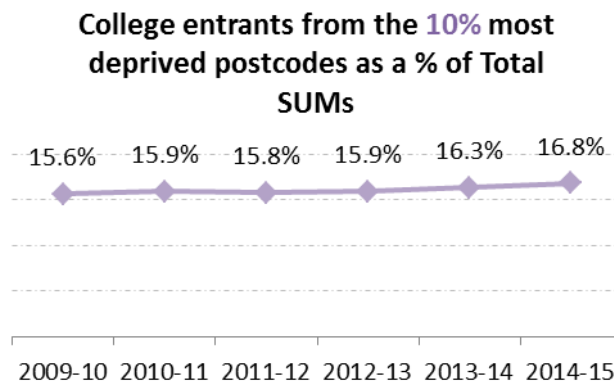


Source: Higher Education Statistics Agency Performance Indicators

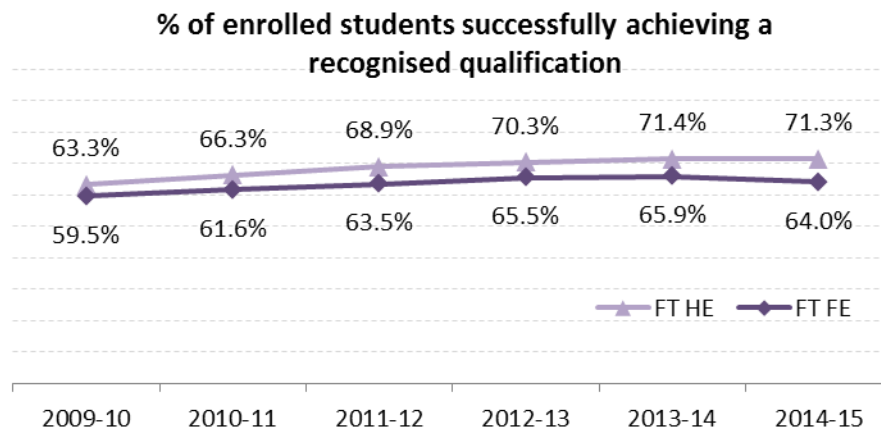
SFC is improving access to learning to both colleges and universities for students from a wide range of backgrounds. The proportion of Scottish-domiciled undergraduate entrants to universities from the 20% and 40% most deprived areas is rising:



Colleges also continue to devote a significant and increasing amount of resource to meeting the needs of learners from the most deprived areas:

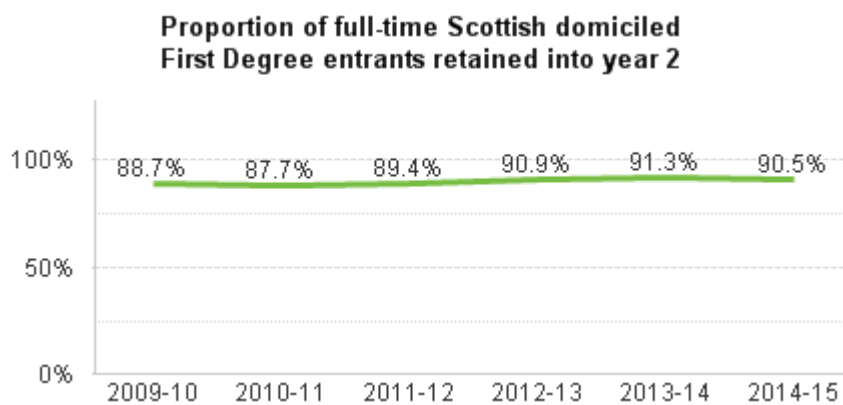


The college sector has delivered steady improvement on learner success. However, in 2014-15 there was a 1.9 percentage point drop in performance for students enrolled in full-time FE and a 0.1 percentage point drop in full-time HE:



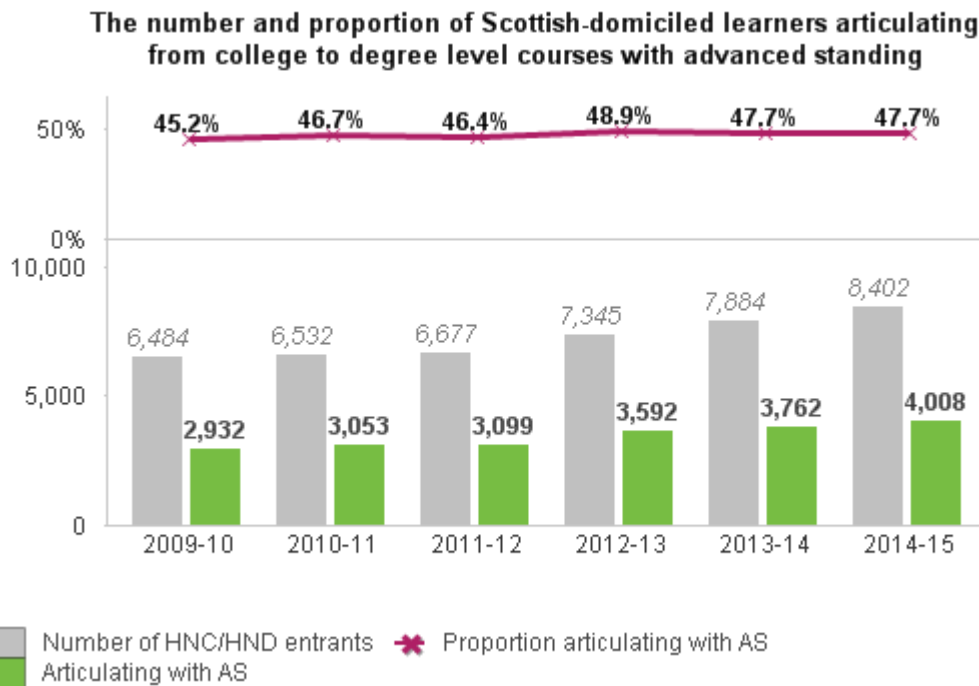
SFC has targeted colleges as a whole to increase the FE success rate to 69% and the HE success rate to 72% by 2016-17 as part of our outcome agreement negotiations.

Overall retention rates at university have been increasing. In 2014-15 retention rates for full-time first degree Scotland-domiciled undergraduate entrants to Scottish universities increased to 90.5% from 88.7% in 2009-10, close to SFC's national ambition of at retaining at least 91% by 2016-17:



There has also been a broad upward trend across most protected characteristic groups during that period. For example, retention rates for the 20% most deprived areas increased to 87.5% in 2014-15, continuing the upward trend for this group from 83.9% in 2009-10.

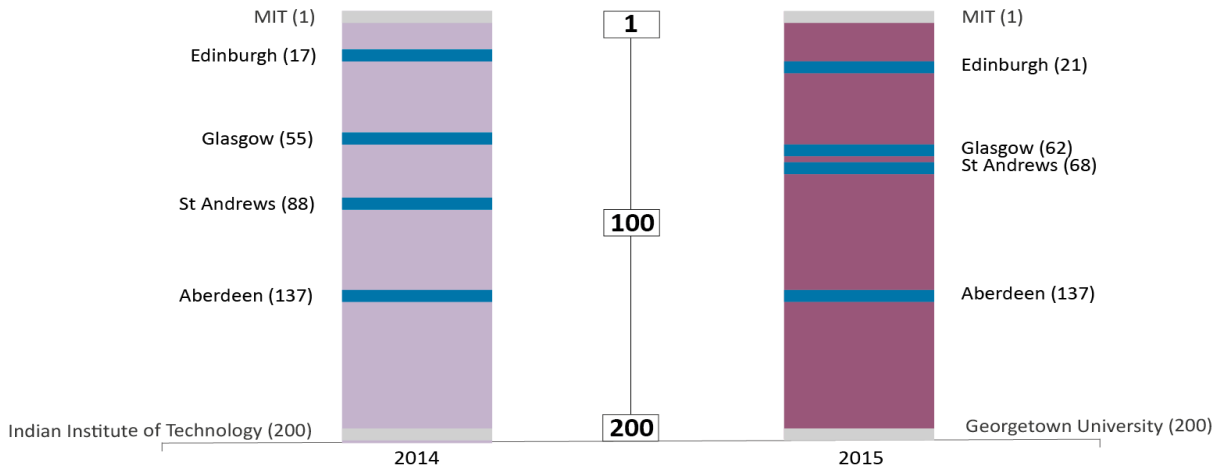
The numbers articulating from college to university with advanced standing is increasing and is on the way to securing the national ambition of 4,100 students articulating with advanced standing by 2016-17:



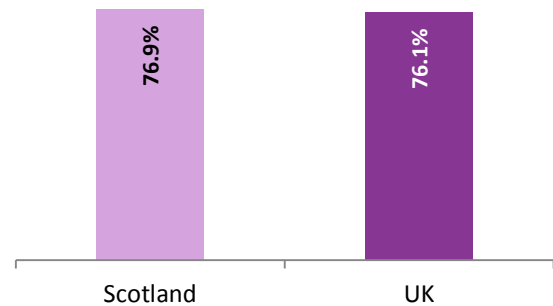
The results of the 2016 National Student Survey (NSS) provides evidence that the quality of the learner experience at Scottish universities has been maintained at a high standard. In 2016, 86% of students at Scottish institutions were satisfied with the overall quality of their programme of study, (86% in 2015, 87% in 2014, 86% in 2013), the same level as the averages for the UK and Wales (England 85%, Northern Ireland 89%).

Research

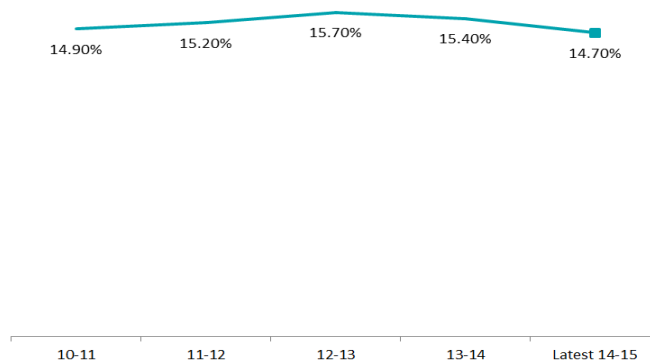
In 2015, Scotland had more universities ranked in the top 200 in the world per head of population than any other country except Luxembourg.²



And Scotland's research competitiveness continues to be higher than the UK average, as measured by the percentage of submissions assessed as 3* and 4* in the Research Excellence Framework 2014:



Scotland also secures a higher share of UK Research Council income than what would normally be expected (around 15% compared to between 10% and 12%), although there has been a slight decrease over the past two years:



² Times Higher Education World University Rankings 2015-16, Times Higher Education, 2015

Annex B: The Scottish Funding Council's strategic outcomes

Our 2015-18 strategic plan³ sets out our ambition for Scottish further and higher education under three outcomes, described in terms of knowing if we have been successful such that, by 2025:

Outcome 1: High-quality learning and teaching

- **Access to learning:** We will have contributed to a more equal society because learning is accessible and diverse; attracting, and providing more equal opportunities for people of all ages, and from all communities and backgrounds in Scotland
- **Success in learning:** We will have an outstanding system of learning where all students are progressing successfully and benefiting from a world-class learning experience, in the hands of expert teachers and lecturers, delivered in modern facilities
- **Progression from learning:** We will have a more successful economy and society, with well-prepared and skilled students progressing into jobs with the ability, ideas, and ambition to make a difference.

Outcome 2: World-leading research

- **Research competitiveness:** Scotland will be a country of discovery where talented researchers from across the world come together to explore, challenge, and address some of the most fundamental questions facing our society. And our universities will have a world-leading reputation for the impact of their research; from addressing our future energy needs to revolutionising medicine and our healthcare
- **Research training:** Scotland will be nurturing, developing and training the international research leaders and Nobel Laureates of tomorrow
- **International connections:** Our universities will continue to have world-class facilities, a global reputation and standing, and international connections and collaborations

Outcome 3: Greater innovation in the economy

- **National strategy and practice:** We will have a successful national strategy for innovation which attracts interest and admiration from across the world. We will have a stronger, more productive and resilient economy with economic growth supported by innovation from our colleges and universities

³ <http://www.sfc.ac.uk/aboutus/StrategicPlan/StrategicPlan.aspx>

- **Strategic investment:** Our strategic investment will have helped to develop a nation with a deep culture of collaboration between colleges, universities, business and venture capital, and improved commercialisation of research. More businesses in Scotland will use innovation to improve their competitiveness, productivity and growth. Improvements in our culture, health, well-being and public services will be supported by a two way flow of new ideas and innovation between colleges, universities and public services
- **Enterprise and creativity:** Scotland's entrepreneurial students and research leaders will be generating some of the most innovative new businesses in the world
- **International:** The excellence of the university research base will be attracting investment and job creation from many of the world's most dynamic, growing international businesses.