

# **ENTERPRISE AND LIFELONG LEARNING COMMITTEE**

Wednesday 21 March 2001  
*(Morning)*

© Parliamentary copyright. Scottish Parliamentary Corporate Body 2001.

Applications for reproduction should be made in writing to the Copyright Unit,  
Her Majesty's Stationery Office, St Clements House, 2-16 Colegate, Norwich NR3 1BQ  
Fax 01603 723000, which is administering the copyright on behalf of the Scottish Parliamentary Corporate  
Body.

Produced and published in Scotland on behalf of the Scottish Parliamentary Corporate Body by The  
Stationery Office Ltd.

Her Majesty's Stationery Office is independent of and separate from the company now  
trading as The Stationery Office Ltd, which is responsible for printing and publishing  
Scottish Parliamentary Corporate Body publications.

---

# CONTENTS

Wednesday 21 March 2001

Col.

<b>SUBORDINATE LEGISLATION.....</b>	<b>1654</b>
<b>TEACHING AND RESEARCH FUNDING (SCOTTISH HIGHER EDUCATION FUNDING COUNCIL REVIEW) .....</b>	<b>1661</b>
<b>TOURISM INDUSTRY .....</b>	<b>1693</b>

---

## ENTERPRISE AND LIFELONG LEARNING COMMITTEE

### 9<sup>th</sup> Meeting 2001, Session 1

#### CONVENER

Alex Neil (Central Scotland) (SNP)

#### DEPUTY CONVENER

\*Miss Annabel Goldie (West of Scotland) (Con)

#### COMMITTEE MEMBERS

\*Bill Butler (Glasgow Anniesland) (Lab)  
\*Mr Duncan Hamilton (Highlands and Islands) (SNP)  
Nick Johnston (Mid Scotland and Fife) (Con)  
\*Marilyn Livingstone (Kirkcaldy) (Lab)  
\*George Lyon (Argyll and Bute) (LD)  
Mr Kenny MacAskill (Lothians) (SNP)  
\*Mr Kenneth Macintosh (Eastwood) (Lab)  
Des McNulty (Clydebank and Milngavie) (Lab)  
\*Elaine Thomson (Aberdeen North) (Lab)

\*attended

#### WITNESSES

Dr Tony Axon (Association of University Teachers (Scotland))  
David Caldwell (Universities Scotland)  
Dr Alex Fotheringham (Educational Institute of Scotland)  
Marian Healy (Educational Institute of Scotland)  
Mr Iain McDonald (Educational Institute of Scotland)  
Professor Andrew Miller (Universities Scotland)  
Colin Reeves (Scottish Executive Enterprise and Lifelong Learning Department)  
Ann Scott (Scottish Executive Enterprise and Lifelong Learning Department)  
Dr Bill Stewart (Association of University Teachers (Scotland))  
Mr Howard Wollman (Educational Institute of Scotland)

#### CLERK TO THE COMMITTEE

Simon Watkins

#### ASSISTANT CLERK

Linda Orton

#### LOCATION

The Chamber



## Scottish Parliament

### Enterprise and Lifelong Learning Committee

Wednesday 21 March 2001

(Morning)

[THE DEPUTY CONVENER *opened the meeting at 10:03*]

**The Deputy Convener (Miss Annabel Goldie):**

I call to order the ninth meeting in 2001 of the Enterprise and Lifelong Learning Committee. I am the deputy convener of the committee and, in the absence of our convener, Alex Neil, I am convening the meeting.

We have apologies from Alex Neil and Kenny MacAskill, both of whom are in Brussels on a parliamentary visit, and from Des McNulty. Nick Johnston, who has not been well, is not with us but I understand that he hopes to join us this morning.

Before we commence this morning's business, it would be appropriate to note any declarations of interest with regard to the content of the agenda. I declare my membership of the court of the University of Strathclyde. Do any other members wish to declare an interest?

**Marilyn Livingstone (Kirkcaldy) (Lab):** I declare again that, before being elected, I worked at Fife College of Further and Higher Education. I am still a member of the Adam Smith foundation, which is a charitable arm of the college.

**Mr Kenneth Macintosh (Eastwood) (Lab):** I do not have interests to declare, but my father is chairman of Sabhal Mòr Ostaig, the Gaelic college, which might have a bearing on the second item on the agenda.

**The Deputy Convener:** We expect you to have a mind of your own and not to be influenced by paternal factors. Thank you for declaring that anyway.

Our clerk, Linda Orton, is assisting me in my role as convener. The monstrous regiment of women is hitting the committee.

Item 1 on the agenda is consideration of whether to take item 5 in private. Do members agree to take that item in private?

**Members indicated agreement.**

## Subordinate Legislation

**The Deputy Convener:** Item 2 is consideration of a negative statutory instrument, the Designation of UHI Millennium Institute (Scotland) Order 2001 (SSI 2001/39). Copies of the instrument have been circulated to members.

I extend a warm welcome to three officials from the enterprise and lifelong learning department: Ann Scott, who is from the higher education, science and student support division; Colin Reeves, who is the head of the further and adult education division; and Jim Logie from the office of the solicitor to the Scottish Executive. Would you like to say something by way of introduction?

**Ann Scott (Scottish Executive Enterprise and Lifelong Learning Department):** If the committee would find it helpful, I would be happy to do so.

**The Deputy Convener:** If you would like to make some brief remarks about the instrument, that would be welcome.

**Ann Scott:** Thank you for the opportunity to tell the committee about the purpose of the statutory instrument.

**The Deputy Convener:** One or two members are having difficulty hearing you. Could you lean more towards the microphone or bend it towards you?

**Ann Scott:** The order will give the Highlands and Islands a local, publicly funded higher education institution, which will be able, in time, to accede to university status. It will fulfil ministers' aims of widening access and giving new, enhanced opportunities for higher education across a large area of Scotland in which opportunities have been limited. Ministers expect that the institution will also underpin the local economy by opening up the range of training and education opportunities available locally to improve the skills base.

The company UHI has been developing a new model of a higher education institution that makes its provision via further education colleges and other institutions that are not funded by the Scottish Higher Education Funding Council rather than by centralising provision as in the more traditional higher education model. The institution has used the most modern information technology techniques, such as videoconferencing, and the establishment of a whole raft of outreach centres to deliver the UHI curriculum throughout the Highlands and Islands. The development of that work has been funded by the Millennium Commission, the Scottish Executive and other bodies.

In December 1998, UHI was ready to apply for designation. The application was the subject of widespread consultation, which elicited considerable support but also raised a number of issues, mainly about the relationships between, and the responsibilities of, UHI and the colleges that are described as the academic partners. Those issues have been resolved, and ministers agreed in December 2000 to designate the new institution, which will be called the UHI millennium institute, subject to the will of Parliament.

**The Deputy Convener:** I will ask a general background question for the benefit of the committee. If the instrument were not passed, would funding stop, or would there still be a vehicle for funding?

**Ann Scott:** I am sorry—I did not quite catch that.

**The Deputy Convener:** If the instrument were not passed, would there still be a vehicle for funding?

**Ann Scott:** There would be no means of funding the UHI millennium institute. The academic partners that receive their funding through the Scottish Further Education Funding Council would continue to do so, but there would be no mechanism for giving public sector funding to the institute.

**The Deputy Convener:** When the committee met UHI in Inverness in October 1999, there was discussion about how it was progressing to attain university status. Can you give the committee any further information on that progress?

**Ann Scott:** Not really, except to say that under the Further and Higher Education (Scotland) Act 1992, only institutions designated as eligible for funding by the Scottish Higher Education Funding Council can apply to have degree-awarding powers and, ultimately, a university title. The instrument is a big step forward, in that it puts the UHI millennium institute in a position where it can begin to develop the academic expertise and maturity and the critical mass that it will need to attain university status.

**George Lyon (Argyll and Bute) (LD):** Will you explain further how that progress towards university status will take place? You have talked about funding being made available and about taking on students, and you have said that when UHI reaches the stage at which there is critical mass it will be in a position to apply for university status. What are the numbers involved and what time scale can we expect for that to come about?

**Ann Scott:** I cannot give an indication of the time scale because the development of academic maturity is largely a matter for the UHI millennium institute. However, once it enters the higher

education sector, it will be part of the quality assurance regime and it will have access to all the advice, expertise and assistance that the Quality Assurance Agency for Higher Education can give it.

The first step would be for the institute to apply for powers to award its own degrees. I cannot give any indication of how long it will be before the institute feels confident about making such an application. The step towards university status would involve building up a critical mass of around 4,000 full-time-equivalent students, of whom 3,000 would require to be on degree level courses. It would also have to have academic breadth, which is demonstrated by having a minimum of 300 students in five broad academic programmes out of a possible 11.

It would also be expected that at some time, either once the institute has achieved that critical mass or between applying for powers to award taught-course degrees and reaching critical mass, it would feel ready to apply for powers to award research degrees as well. Once all of that is in place, it will be able to apply to the Privy Council for approval to take a university title.

**George Lyon:** How can the institute enrol students on degree courses if it does not have the power to award degrees? Which comes first? I am not clear how the process works.

**Ann Scott:** That is not really a problem. A number of institutions that do not have powers to award their own degrees run degree programmes that are validated by a university. The institution gradually builds up academic maturity—it builds up a track record of maintaining the standards of its awards, and quality assurance and enhancement. That is what the Privy Council examines when considering applications for powers to award degrees.

**George Lyon:** Are we talking months or years before the power to award degrees is given to UHI?

**Ann Scott:** Again, I cannot offer a view as to how long it might be before the UHI millennium institute feels ready to make an application. I do not think that it would be months.

10:15

**George Lyon:** So it would be years then?

**Ann Scott:** I could not put a figure on how long it might take.

**George Lyon:** I have one last point on funding. The financial memorandum to the order says that funds amounting to £6 million will be transferred from the Scottish Further Education Funding Council to the Scottish Higher Education Funding

Council. Is that extra money, over and above SFEFC's normal allocation, or is it being taken from the college funding pot and transferred across?

**Colin Reeves (Scottish Executive Enterprise and Lifelong Learning Department):** The amount of money that will be transferred from SFEFC to SHEFC is nearer £5.5 million, and was calculated by SFEFC as the cost of funding higher education provision within the academic partner colleges that are members of UHI. It is the slice of funding that goes at the moment to the eight colleges that are funded by SFEFC to cover the higher education activity in those colleges. If the order comes into force, from 1 April, that activity will become the responsibility of the UHI millennium institute and be funded via SHEFC.

**George Lyon:** I do not think that you answered the question. I asked whether the £5.5 million that is being transferred to the higher education sector is being taken from the further education sector, or whether it is extra resources over and above—

**Colin Reeves:** No, it is not extra resources. It is money that is allocated through SFEFC at the moment in respect of the proportion of activity that is higher education activity.

**The Deputy Convener:** So the transfer is a recycling of funds.

**Colin Reeves:** It is a straight transfer of the money that currently funds higher education activity in the eight publicly funded further education colleges.

**The Deputy Convener:** So they will continue to get the funds, but via a different route.

**Colin Reeves:** Absolutely.

**George Lyon:** Does that mean that the number of students on the further education side at the colleges will go down?

**Colin Reeves:** No. The balance of FE students in the FE colleges remains absolutely the same. They are funded by the FE funding council. The transfer is only in relation to the chunk of money that covers HE activity in the colleges. That funding simply moves across, because the funding responsibility transfers from one funding council to the other.

**Elaine Thomson (Aberdeen North) (Lab):** George Lyon has pursued most of my points. Creating a new university from scratch does not happen often. Is it the case that it is not until UHI becomes a degree-awarding body in its own right that it gets approval from the Privy Council and becomes a full university? Is that comparable to the situation with the University of Stirling? How many years was it before that institution became a full university and gained approval from the Privy

Council?

**Ann Scott:** No, the situation is not at all comparable. Stirling University was established in the 1960s following the Robbins report, and was Scotland's only greenfield university at the time. The UHI millennium institute is in a different ball-game altogether. Things have moved on considerably in the 30-plus years since that time.

The Further and Higher Education (Scotland) Act 1992 laid down a path by which existing institutions can gradually accumulate expertise, profile and academic maturity. The first step towards university status would be to apply for powers to award taught-course degrees. An institution that has succeeded in such an application could apply to the Privy Council for permission to call itself a university college. Until that time, the institution is neither a university nor a university college. Thereafter, it could work its way towards research-degree-awarding powers, and could build up a critical mass. Having done all that, it could apply for full university status.

**Elaine Thomson:** At present, the institute is therefore at the stage prior to becoming even a university college.

**Ann Scott:** That is correct.

**Mr Macintosh:** Notwithstanding my personal interest, which I expressed earlier, I welcome today's move. The development is welcome for various reasons, some of which have been outlined. For too long, there has been a brain drain—people leaving to go to university and never returning—from the Highlands. Furthermore, many people have stayed in the Highlands and have sacrificed their ambitions to go to university because of the lack of a facility.

I have a specific question on funding. When the higher education funding formula is applied to the amount of money that has been transferred, does that mean that the same amount of goods or the same number of student places is bought as was the case under the further education formula? In other words, do you get exactly the same for your money? Does that make sense? To put it another way, when the £5.5 million is transferred across, and the new formula under SHEFC—as opposed to SFEFC—is applied, will that have an impact on the colleges, or does the money buy exactly the same?

**Colin Reeves:** The funding methodologies of the two funding councils are not identical. Kenneth Macintosh has, rightly, identified potential implications for the funding of individual places or of colleges as a whole. Instead of getting their funding via a single route, colleges will receive their funding via two routes. One of the things that we have asked both the funding councils to do is to work closely together to ensure that the

transition is smooth. By working closely with SHEFC, SFEFC—which still has overall responsibility for the statutory duty to secure further education across Scotland—can help to ensure the overall financial viability of individual institutions.

In future, SHEFC will fund the UHI millennium institute. It will be for the institute to engage with and contract with the various academic partners to deliver higher education.

There is an extra step in the process. However, the expectation is that SHEFC will liaise with SFEFC and ensure that the institute's funding model is sensitive to the overall requirements relating to the viability of institutions.

**Mr Macintosh:** One concern might be the fact that a collection of separate colleges and distance learning—the importance of which has been emphasised—can be an expensive form of education to fund. I imagine that the college's concern would be that if the cost per student were compared with that in an urban university, the comparison would not be fair. We may address that point later in this morning's discussion.

You have asked the two funding councils to monitor the transfer, but will the Executive take an active role in monitoring its impact? If it does so, will that be for one or two years?

**Colin Reeves:** The Executive's responsibility for the viability of institutions will continue for as long as the institutions continue. The First Minister has the statutory duty, under section 1 of the Further and Higher Education (Scotland) Act 1992, to secure adequate and efficient further education throughout Scotland. That duty is exercised on his behalf by SFEFC, to the extent that it can exercise that responsibility within the mechanisms—principally the funding mechanisms—at its disposal. The Executive will continue to take an interest—and not a tapering interest at that—in the financial health and viability of all the institutions.

**Mr Macintosh:** Thank you.

**The Deputy Convener:** I detect, from the view that is being expressed by the committee, that there is no fundamental objection to the passing of the instrument. I believe that our formal duty is to recommend that we make no recommendation, which is a rather quaint way of describing the procedure. However, we could accompany a recommendation that we will not obstruct the passage of the instrument with one or two passing thoughts of our own. I sense, from some of the questioning, that there is slight concern about the conferral of designation. As it seems that that is the necessary precursor for any organisation to become a university, a somewhat indeterminate period now lies ahead for the institute before any formal university status is attained. Do any

members wish to comment on that aspect?

**Mr Macintosh:** We should welcome this move, as it is one of the most positive steps that we have seen towards the designation of the University of the Highlands and Islands as a university. It is a positive development and should not be seen in any way as something to be concerned about; rather, it should be applauded.

**The Deputy Convener:** My point was not that that was an issue of concern. I detected from members' questioning that there was genuine uncertainty about when this now designated institution would attain formal university status. Do members want to comment on that area?

**George Lyon:** The committee should state that it wants that process to happen as quickly as possible. We welcome the steps that have been taken and the statutory instrument is critical to moving the project forward. However, there is a great desire in the Highlands and Islands to see the institution achieve full status, so that it can award degrees. That has to be reflected in what we say to the Executive.

**The Deputy Convener:** Is it acceptable to members that we make no recommendation to obstruct the passing of the instrument, but that we express the hope that formal university status is being actively pursued?

**Members indicated agreement.**

**The Deputy Convener:** I thank Mrs Scott, Mr Logie and Mr Reeves for their contributions this morning.



## Teaching and Research Funding (Scottish Higher Education Funding Council Review)

**The Deputy Convener:** For agenda item 3, I am pleased to welcome Mr David Caldwell, director of Universities Scotland, and Professor Andrew Miller, principal and vice chancellor of the University of Stirling. Thank you for coming this morning and for the written submission that you provided, which has been exceedingly instructive to committee members.

I shall throw open the meeting to questions from members, but let me begin with a general question. I note the various concerns that you express in your written submission. However, to enable the committee to get a feel for what is being proposed by SHEFC, can you tell us whether, in your estimation, the proposal is a dramatic change to funding? On a scale of one to 10, on which one is unimportant, is the change at the upper reaches of the scale?

10:30

**David Caldwell (Universities Scotland):** It is certainly not at one, but I do not think that it is at 10 either. The change is significant; I guess that I might put it midway up the scale. It might be helpful if I were to put it in context with a few introductory remarks.

**The Deputy Convener:** Please feel free to do that.

**David Caldwell:** The written evidence that we have given you deals primarily with some current issues on the funding of teaching and research. In particular, it deals with the way in which the funding council distributes that money. It is important to put that in the context of our belief that higher education has a vital role in the nation's economic success and international competitiveness, and in the vigour and richness of its social and cultural life.

We welcome the fact that all the political parties in the Scottish Parliament have indicated that they recognise that, and that they recognise the importance of investing in higher education. We also generally welcome the action taken by the Executive, particularly with regard to the funding provided for 2001-02, to redress the problems that have arisen through underinvestment during the earlier period. We also regard the Executive's commitment to Scotland as a learning nation as a very important statement.

Although we have focused on some of the issues, I want to emphasise at the outset that we regard SHEFC's role as extremely valuable and

that we support strongly the existence of a body that stands between the sector and Government, explaining each to the other. If, inevitably, we have focused in our written evidence on some of our specific concerns about current issues, we do not want that to be taken in any way as a signal of more fundamental concern about the existence of SHEFC. We have some serious points to make about the way in which it operates, but we are fundamentally in support of the existence of such a body.

To return to your original question by a rather roundabout route, we regard the proposed change as a middle-order issue in terms of importance. It is certainly not trivial, but nor is it at the top, or 10, end of the scale.

**The Deputy Convener:** That was very helpful. Professor Miller, would you care to make a few brief remarks?

**Professor Andrew Miller (Universities Scotland):** To refine your question a little, SHEFC's proposed change could have an impact of about 10 on some universities, if our calculations are correct. For example, for my university, the impact will be almost zero, but for other universities there will be a 5.5 per cent increase in funding. For monotronics—not universities, but colleges—the impact might be of the order of minus 10 per cent. The principals of those colleges would say that the proposal would have a fairly major impact but, over the sector as a whole, it is redistributing money rather than adding or subtracting money.

I back up what Mr Caldwell said about the interest that the committee has taken in higher education. We are very pleased to be here.

We have some criticisms of the consultation by SHEFC. I want to emphasise that SHEFC has been doing a very good job, but we have some specific concerns. However, committee members should remember that the closing date for consultation is not until the end of March, so SHEFC has not had time to respond to what people have said in the consultation.

**The Deputy Convener:** I wanted to ask you about the concern that is expressed in your submission over a lack of evidence—or a lack of a sound evidence base—for any changes. On page 2, you say:

“the funding groups and units of resource proposed in the consultation paper do not have an evidence base. For the most part they are merely regroupings of subjects”.

What would you consider to be a sound evidence base?

**David Caldwell:** Before the consultation, work had begun to try to gather an evidence base. SHEFC had employed consultants—JM

Consulting Ltd—who produced a report that has been published and is available on the web. As I think our written evidence acknowledges, that work was still incomplete and more work remained to be done.

What we found disappointing was that SHEFC had set off, with our full support, in the direction of establishing an evidence base that could justify the new funding groups and prices, but had abandoned that around last summer. No one is pretending that that work is easy, and it is important to make the point that costs and prices are not the same thing. Nonetheless, we believe that serious research had to be undertaken into the different costs of provision of different subjects, in order to justify new funding groups and the new prices associated with them. It seems to us that it is difficult to justify a new set of groupings and prices if there is no evidence to back that up.

**The Deputy Convener:** Do I infer from what you say that the implement by SHEFC of its proposals may be premature?

**David Caldwell:** Our problem with the current proposals is that they lack an evidence base. SHEFC has proposed a simplification of the old system. We welcome that in principle. At the beginning of this process, we agreed that we wanted simplification and a smaller number of funding groups. However, the whole presupposition behind that was that it would be supported by an evidence base that would justify the new funding groups and prices. What we now have before us is a proposal to replace existing funding groups, for which there was no evidence base, with new funding groups, for which there is still no evidence base. We are disappointed in that.

**The Deputy Convener:** Does your disappointment extend to wanting to defer implement of the proposals, pending the availability of an evidence base?

**David Caldwell:** We certainly want to see some evidence to back up the proposals. Frankly, the proposals lack credibility and will be seen by the sector as lacking legitimacy, unless there is evidence to justify the changes. We also—

**The Deputy Convener:** I am sorry to interrupt, Mr Caldwell, but I am trying to get some guidance from you on this point. The committee, after hearing evidence, will want to compile a report and make recommendations. In that process, we will take into account concerns that have arisen in the sector over the consequences of implement of the proposals. I want to ascertain from Universities Scotland whether it would prefer deferral of implement pending the availability of an evidence base.

**David Caldwell:** We could not support the implementation of the proposals in their current form. However, the funding council will say, rightly, that it is going through a process of consultation and that it does not necessarily follow that it will implement the proposals in their current form. We feel that the issue should be tackled as quickly as is reasonably possible. We do not want delay. However, it is important to get things right. If there is no proper evidence base for the new arrangements, it would be dangerous to proceed with them. They may produce a lot of unintended and unfortunate consequences.

**The Deputy Convener:** My final question relates to the proposals for research. Given what the funding council in England is doing, will Scottish higher education institutions be unfairly discriminated against and unable to do good research?

**Professor Miller:** We hope not. The proposals for research are that the university research departments are rated from grade 1, the lowest standard, to grade 5, the highest. Both SHEFC and the Higher Education Funding Council for England intend to preserve the resources for departments that reach grades 4 or 5. Grade 5 is where the research is of an international standard of excellence. Grade 4 is where 10 per cent of research is of international standard of excellence and the rest is of national standard of excellence.

SHEFC has said, in its consultation document on research, that if it preserves the funding for grades 4 and 5, it may have to see how far the resources go and that other parts of its portfolio may have to be adjusted. For example, grades 3a and 3b might not receive funding. South of the border, however, HEFCE has said that it hopes to continue to fund departments that receive a grade 3 and to maintain support for grades 4 and 5. There is a weak suggestion in the consultation that funding for departments that receive a grade 3 is perhaps more at risk in Scotland than south of the border.

We argue in our submission that departments that receive a grade 3 have been shown, from two research assessment exercises that were four years apart, to be capable of going from a grade 3 to a grade 4. That possibility would almost certainly be lost if there was no funding for grade 3.

If departments that receive a grade 3 are not funded, some subjects in Scotland will not be funded for research at all. One such subject could be nursing. That would be a great pity, as nursing has just been moved into higher education and is trying to develop a research base. It would be bad if research on nursing was not funded.

**Marilyn Livingstone:** Your submission is in two

parts—on the funding of teaching and on the funding of research. Those are two separate issues. How far is Universities Scotland from reaching agreement with SHEFC on the funding of teaching? How would you measure the difference between yourselves and SHEFC on the funding of teaching and the funding of research? How much work needs to be done? Has there been any movement since your submission was produced?

**David Caldwell:** Yes, there has. As the committee is aware, we proposed to the funding council that a joint task group on the funding of teaching should be established to take the issue forward as a matter of urgency. We have had an informal response from the funding council. SHEFC does not entirely accept our proposal, but has agreed that its advisory group on teaching funding should meet representatives of Universities Scotland to discuss alternative proposals. We regard that as constructive. The issue has moved on.

We have also had discussions with the funding council about the funding of research. We have explored with SHEFC the dilemma that we face on the funding of departments that receive grades 4 and 5, and the continued support for departments that receive a grade 3.

I entirely support what Professor Miller said. Universities in all parts of the UK face a similar dilemma, which is a consequence of the significant improvements in the quality of research that is being undertaken—the problem is one of success. I return to my introductory point about the importance of investing in higher education. We have seen the success of investment in research, in that the research has become better as a consequence.

It would be unfortunate if we could not sustain funding for successful research departments. There are more of them, which is the problem, but the nation can achieve a significant economic return by continuing that investment. The agreement that we have reached with SHEFC is that we will make the case for additional investment to support the success that has been achieved in research, although that might not succeed in answering the real dilemma that has arisen.

10:45

**Marilyn Livingstone:** I asked the question because I was aware that there had been some movement on the teaching front in particular. You have answered my question well.

As research is important to the economic success of Scotland, I would like the Enterprise and Lifelong Learning Committee to take a more in-depth look at it. I take on board your points. I

hope that we can come to a quick conclusion on the issue of funding for teaching. What do you think about the possibility of the committee doing further work on the issue?

**Professor Miller:** It is often correctly said that, in Scotland, the universities are funded 10 per cent more in relation to their teaching than the universities south of the border. However, universities have a duty both to teach and to conduct research. About a year ago, Professor Midwinter conducted a study, which was commissioned by the Committee of Scottish Higher Education Principals, that found out that, when the funding for teaching and research in Scotland was divided by the number of students, we were within 1 per cent of the figure in England. That shows that it is a myth to say that universities in Scotland have 10 per cent more funding than those south of the border do—that figure applies only if we are talking solely about teaching.

You ask how we are getting on with SHEFC. The consultation document contains proposals that would be bad news for some subjects that are taught by universities. On initial teacher training, the document mentions three different groups that are funded in three different ways. Group 3 is funded with a unit of teaching resource of £6,259, group 4 is funded with £5,523 and group 5 is funded with £4,713. Three different kinds of teacher training are put into those three groups, yet they are all expected to produce students with the same competencies. That seems wrong and we hope that SHEFC will adjust its position on such issues.

Another example is modern-language teaching. It is proposed that modern languages will go in the same banding as classroom-based humanities subjects. The heads of modern-languages departments have strongly put the case that the teaching of modern languages requires small groups, special teaching, occasional overseas trips and modern technology and the associated infrastructure. They have said that it is quite inappropriate that modern languages are in group 6 and propose that they be moved to group 4. I back that move, which would enable the universities to support the Scottish Executive's ambitions in modern languages. It is ironic that, two days after Jack McConnell came to the University of Stirling for the start of the European year of modern languages, we heard that modern languages would be put in the lowest banding for funding. That seems wrong.

The Scottish media and communication association, which is made up of those teaching film and media, has protested about the fact that that subject has been put in the lowest banding along with humanities. Again, that subject requires a lot of funding. Sometimes, film and media is

called a Mickey Mouse subject, but nothing could be further from the truth. The media are one of the most important moulders of public opinion. Departments of media do not simply play with things; they analyse questions such as the relationship between a strong media and democracy, the sociological impact of the media and, of course, the much more important way in which modern media—digital technology and so on—affect society. Those issues are important and could not properly be addressed if the subject were in a low funding band.

I have mentioned some of our specific and strong disagreements with SHEFC. We hope that it will listen to our comments in the consultation process.

**The Deputy Convener:** Would the concerns that you described be addressed by extending the number of groups beyond six or redefining within the six groups?

**Professor Miller:** At the moment, I would rather that the six groups remained. There is a big benefit to what SHEFC has done in reducing the number of groups from 22 to six. In line with your second suggestion, the route therefore is to reapportion the subjects to different bands.

**David Caldwell:** The examples that Professor Miller gave describe perfectly the problems of making progress in the absence of evidence to support new groupings and new prices. We agree in principle that about six groups ought to be enough to cope with the range of subjects that cost different prices in the system. The difficulty comes in working out which subjects should be allocated to which of the six groups. Unless some form of evidence justifies an allocation into a group, disputes will continue. As I said, there will be a lack of legitimacy and consent if an attempt is made to impose new arrangements on that basis.

**Marilyn Livingstone:** You have just answered the question that I was going to ask.

Is there a big disparity between groups 4 and 5? Is that the main issue, or are the issues wider than that?

**Professor Miller:** The funding for groups 4, 5 and 6 is different and the issue is the funding levels. The higher funding would enable film and media and modern languages to use and pay for required infrastructure.

**Elaine Thomson:** You say that SHEFC's proposals lack an evidence base. Am I correct in thinking that more strategic discussion is required? Given the importance of higher and further education—in driving forward and modernising the Scottish economy, for example—is more clarity required about their strategic direction? Perhaps that discussion must be held, to inform the funding

discussions. I am unsure whether I am correct in thinking this, but will not a discussion of forward strategy for higher and further education take place later this year? Perhaps the timing of some of SHEFC's proposals is not all that helpful.

My second question concerns converting fees-only funded students into fully funded students. I know from discussions that I have had locally with Professor Bill Stevely of the Robert Gordon University that that will affect universities in different ways. I notice from your evidence that you are not happy with some of the proposals. What might be an alternative or improved method of resolving that issue?

**David Caldwell:** I will deal with strategy first. Strategy is vital. We welcome the Minister for Enterprise and Lifelong Learning's initiative to make a fairly broad-based study of the provision of higher education in Scotland, so that we can be clear about strategic direction. We welcome the fact that SHEFC has established a new committee to consider issues of strategic significance and that it has invited the principals of three of the Scottish universities to serve on that committee. I make it clear, however, that the principals are serving in a personal capacity and are not representing either their own institutions or Universities Scotland. We welcome the participation of the principals of institutions in that initiative.

On a more general point, we believe that dialogue between the sector and the funding council is critical. In addition to some of the substantive points that we raised in our written evidence, we have a serious criticism of issues of process. We believe that in recent years—and especially in phase 3 of the teaching funding review—there was insufficient dialogue between the funding council and the sector. That was a serious failing, which is closely connected with the proposals that have emerged. We believe that, had there been a better process, there would have been better proposals.

Fees-only students is another matter that was not discussed with the sector before the proposals were made. If it had been, the proposals would have been better. In principle, we are in favour of the abolition of the fees-only category of student, which we recognise as an anomaly, albeit a highly necessary one at the moment—the number of students in the system who are fully funded represents only about 90 per cent of the overall target number set by the Scottish Executive. If institutions did not accept a significant proportion of students on a fees-only basis, the student population targets would suffer a serious shortfall. We are talking about a large number.

In principle, we would be happier to move to a system where all students are fully funded. The

difficulty with that is that there is no more money in the pot. The only way of paying for such a system would be by reducing the unit of resource paid for each fully funded student, which would have significant redistributive effects between institutions and between subject areas—at least under the funding council's proposals.

Our point is that there are different ways of achieving the same objective, which have different redistributive effects. It is never a good idea to have a consultation to introduce a single scheme without any prior dialogue when a range of possibilities is available. Our view is that the funding council should have considered a number of options and narrowed them down to those that appeared to be serious possibilities; only then should it have consulted on those options. We have been urging the funding council to undertake that necessary work at this stage, so that we can have a proper discussion about the best way of achieving what we agree is a desirable objective.

**Elaine Thomson:** To follow that up—

**The Deputy Convener:** I am keeping an eye on time, so I ask you to be brief.

**Elaine Thomson:** I will try to be brief.

Am I right in thinking that there are particular problems for institutions that are teaching courses—for example, the professions allied to medicine—that involve lots of placements? The result is especially poor for them.

11:00

**Professor Miller:** The issue of placements is one of many factors, although perhaps not a huge one; certainly subjects such as nursing and medicine need placements. If fees-only students were redistributed according to the status quo, they would have an unplanned effect on the whole university system. The Robert Gordon University might just have been randomly affected because of the current situation; as Mr Caldwell was saying, we want to discuss that matter again. We need more of an evidence base so that we can answer such questions about placements and have a much deeper discussion about the resources that are needed to produce the kind of higher education that the Quality Assurance Agency for Higher Education wants.

**Mr Duncan Hamilton (Highlands and Islands) (SNP):** I want to return to the question that was raised at the start of the meeting about the seriousness of the implications of the funding review. Are you aware that Professor Reid of the Glasgow School of Art has claimed that, with the school losing more than 14 per cent of current cash for teaching, it could face closure? Would you care to comment on that fairly stark

statement?

**David Caldwell:** Yes. Professor Miller was right to point out that it is difficult to give an answer on a scale of one to 10 that would apply across the sector because, although the impact on individual institutions would rate a 10, that would not be the case for others. He was also right to single out the art colleges as having particularly severe problems under the SHEFC proposals. Although the Glasgow School of Art is perhaps the most extreme case, the Edinburgh College of Art would lose almost the same percentage of its income. However, we should stress that this is a consultation in progress; we hope that SHEFC will take on board our serious concerns and ensure that whatever is implemented will have nothing like the consequences that have been suggested.

**Mr Hamilton:** Perhaps the committee can examine that issue further.

I listened with some interest to your comments about an evidence base. Given that there was an attempt at an evidence-based process in phases 1 and 2, why was the approach dropped at phase 3? After all the bother of getting a consultant's report and after significant progress had been made, why was the process dumped?

**David Caldwell:** You would probably have to ask the funding council that question in order to get a definitive answer. However, I am prepared to give an opinion based on what the funding council has told us, which was that, in its view, the evidence gathered was not sufficiently robust. We take a different view. Although we recognise that the evidence was incomplete and that further work was needed, we believe that good progress was made. Even though the council was disappointed that the evidence was not as robust as it would have liked, it is not satisfactory to replace that approach with one that is not based on any evidence at all.

**Mr Hamilton:** Although I am mindful of the time, convener, I want to move on to some questions about the research angle, particularly the research assessment exercise and the one-to-five rating. Professor Miller, can you tell us some of the criteria that were used for that exercise, as we do not yet have much of an understanding about whether the criteria are robust enough or whether they need improvement? Secondly, you said that the exercise might lead to a subject bias, with particular subjects at a disadvantage. Could you expand on that comment? Finally, given that many decisions within departments are necessarily driven by funding requirements, what would the proposals mean for the balance between research and teaching in those departments?

**Professor Miller:** The criteria for grades 1 to 5 in the research assessment exercise are clearly

defined. I do not have them all in my head, but I know that 5 means an outstanding, international level of excellence, with work that is respected round the world. That can be checked by looking at journals and the way in which international meetings are arranged, and by speaking to peers in the international field.

Grade 4 is a bit less than grade 5. It means that 10 per cent of research is of an international level of excellence and 90 per cent is at a national level of excellence. Grade 3 means that research is mainly of a national level of excellence. Grades 2 and 1, which have not been funded for four years—they were not funded in the previous RAE in 1996—have lower levels. Most of us understand the grades now and are fairly comfortable with them. We feel that the panels that make the judgments do so properly. The issue is the amount of money that goes to each grade.

On your second question, about subject bias, I was thinking about the fact that there are some subjects, such as nursing and midwifery—which was moved into higher education from outside the sector in 1995—that are just beginning to develop a research base. Nursing and midwifery has never been graded; it was not graded in 1996. If the cut-off was grade 4, that would inhibit the development of research in nursing and midwifery in Scotland. Indeed, some good research, particularly on pain, is taking place in Scotland.

I am not sure whether I fully understood your third question. I think that you were asking about the balance between research and teaching in different departments as a result of the two different funding streams. That always has to be juggled. Higher education is different from other levels of education in that teaching should be done within the context of research, so that students have to examine the foundations of their subject. They come right up to the end of the subject, criticise it and examine its foundations. They can then see how they can go further to produce new knowledge and research.

I argue strongly that high-quality research has wide implications for wherever a student goes after their course—it is not just training for someone to do research in academia. A research approach is fruitful and healthy to any job, as it enables people to assemble information dispassionately and critically about whatever job they do and to apply original, testable and evidence-based methods. Research must be kept healthy if universities are to remain as institutions of higher education.

**The Deputy Convener:** Mr Macintosh, could you keep your questions crisp?

**Mr Macintosh:** I am conscious of time and of the fact that we have a lot of evidence still to hear.

The discussion has been fascinating and your paper was very interesting. I have a number of questions, which I will try to keep brief if you can keep your answers tight.

Marilyn Livingstone mentioned the difference between funding research and funding teaching. In the last paragraph of page 3 of your paper, you say that

“The issue is not only important but also urgent”

because submissions have to be in by April 2001. I was under the impression that the research funding issue could be deferred until next year and that the teaching funding issue was the priority, so I do not understand the urgency.

**Professor Miller:** The urgency is because the submissions from universities for the next four years of research funding have to be in by April this year.

**Mr Macintosh:** I would have thought that you would submit them under the current system and that, if the system changed, you would be allowed to resubmit them under the new proposals.

**Professor Miller:** No. RAE submissions are submitted once and for all. They will be judged during the year by a set of RAE panels for the year 2001. The previous RAE was in 1996; we do not expect another for four or five years. The submissions cannot be changed after they have been submitted. We will be judged on the basis of our submissions.

We have always had to make RAE submissions without knowing how much funding we would get for grades 3, 4 or 5. It is difficult to adopt a strategy to try to maximise the university's strength without knowing that. On the other hand, it is probably impossible for SHEFC to tell us much beforehand, because it has to wait to find out the relative weightings. For example, if all departments became grade 5, what would SHEFC do? The process is also difficult for SHEFC.

**Mr Macintosh:** My other questions are for clarification. If the approach has not been based on evidence—a point that you have made strongly—and the new calculations are merely an average of the previous resource units, why have some areas, such as medicine, gained and others, such as art, lost?

I will finish my questions so that you can answer them at the same time. Are fees-only students spread evenly across the sector, or are they concentrated in particular areas, institutions and subjects? It strikes me—tell me if I am wrong—that, if we adopted SHEFC's strategy of spreading the funding and assuming all fees-only students into the system, we would, in effect, reward irresponsible behaviour. Those who have not worked in a controlled area and have taken on

fees-only students, despite the fact that that might not be official policy, would be rewarded for having all those students and would be paid accordingly.

It struck me that one of the other submissions—I think that it was the submission from the Educational Institute of Scotland—

**The Deputy Convener:** I am sorry, Mr Macintosh; I am anxious that our witnesses do not become too confused by having to give a multiplicity of responses. We will take a break there and let them deal with the three questions that you have asked.

**Mr Macintosh:** The final point in relation to that question—if I may, convener—is that I did not realise that there could be a fees-only medicine student, given that it is such a controlled area. Is that the reason that the finance for medicine has increased?

**David Caldwell:** I will answer the question about medicine first. The fact that it is a controlled area is not the reason why the finances have increased. That is the one area in which SHEFC has done something different from simply taking averages of the previous weightings—I think that we mentioned that in our submission. SHEFC has accepted—we generally agree—that there is some evidence that medicine was previously underfunded. I do not think that SHEFC has collected as much evidence as we would like, but we are sympathetic to that argument.

SHEFC has adjusted upwards the weighting for medicine. The consequence of that is that the average for all other subjects has gone down. That is further complicated by the fact that the subjects have been regrouped and that the slightly depressed average unit of resource for each of the old groups has, in turn, been further averaged. That means that there are some further ups and downs. Some old subject groupings are very adversely affected and others less seriously so, depending on how they have been regrouped.

**Mr Macintosh:** Art seems to be the biggest loser. It strikes me that it is in the wrong grouping.

**David Caldwell:** That is the point that I tried to make earlier. In the absence of an evidence base, it is difficult to justify why each subject ends up in a particular group. Without evidence, it is also difficult to justify the relative prices that are assigned to the different groups, hence the importance of the evidence base.

**Mr Macintosh:** I will summarise the situation. Medicine has gained. Despite the fact that SHEFC is not using an evidence-based approach, it accepts some evidence that medicine has been underfunded and it has given the subject a big increase. All the other groups are losing out by being forced into a process in which they are

averaged out—they are losing out by being equalised, as it were.

What is the answer to my question on fees-only students?

**David Caldwell:** Fees-only students are not distributed evenly across institutions or subject areas. In particular, the proportion of fees-only students tends to be smaller in subject areas in which it has been less easy to recruit students in recent years, such as engineering and science, than in certain other subject areas, such as business and management. That is why there would be a significant redistributive effect, not just between institutions, but between subject areas, should SHEFC's proposed mechanism for converting fees-only students into fully funded students be adopted.

11:15

**Mr Macintosh:** Which institutions—

**The Deputy Convener:** Mr Macintosh, I am getting a little anxious about time. Do you have a concluding question?

**Mr Macintosh:** I will put my question to the next group of witnesses.

**George Lyon:** I will ask a brief, but fundamental, question. SHEFC stated that it abandoned gathering evidence after phase 2 because it believed that the evidence was not sufficiently robust. In your submission to the committee, you state quite clearly your belief that the work was incomplete rather than lacking in robustness, and that it could have been brought to a sensible conclusion. I take it that you disagree with SHEFC's reasons for abandoning the collection of evidence.

Could you explain how that evidence was being gathered? What do you think that SHEFC meant when it said that the evidence lacked robustness? Did it mean that there was a lack of proper records, and that there was inaccurate or misleading information, or was it because the information simply did not exist? There must be some reason behind SHEFC's claim that the evidence was not sufficiently robust.

**The Deputy Convener:** Mr Caldwell, I appreciate that it may be outwith your sphere of knowledge to answer that question. At best, you might be able to give an opinion. I want you to feel at ease with the framework within which you will reply.

**David Caldwell:** Thank you, Miss Goldie. It is more for SHEFC than for us to give a reason for why it considered that the evidence was insufficiently robust. All I can do is give our view, which is that the problem was not a lack of

robustness in the evidence. The problem was, rather, that the task was complex but not completed.

I am able to assist in relation to the way in which the evidence was gathered, which was done partly through consultation with an expert group of people drawn from the sector. Those people were proposed by the funding council, but approved by COSHEP—as we were then known—as an appropriate group of five people. They were drawn from different institutions in the sector and covered various areas of technical expertise. The group—which was known as prices working group—submitted a report at the end of its work. That report is available on the funding council's website.

My second point about the evidence gathering was that it was conducted by external consultants—J M Consulting—whose report I referred to earlier. It is in an interesting piece of work that takes us some significant distance in the direction in which we needed to travel. We are sorry that that work was abandoned around six to nine months ago. Valuable time, during which the evidence base could have been extended, has been lost.

**The Deputy Convener:** In concluding this part of our meeting, I thank Mr Caldwell and Professor Miller for attending and for giving such full answers and explanations.

On behalf of the committee, I welcome the witnesses who represent the Association of University Teachers (Scotland). Dr Bill Stewart is the president of the association and Dr Tony Axon is its research officer. Dr Angela Roger is unable to join us, because she is unwell. We are sorry that she cannot be with us. Dr Stewart will commence by making some brief opening remarks.

**Dr Bill Stewart (Association of University Teachers (Scotland)):** I thank the committee for the opportunity to address it.

I will make a few main points on our submission. We concede that there is a need for a review of the funding of teaching and research in higher education in Scotland. The existing formula has been used since 1992 and, along with Universities Scotland, we are of the view that there is a need for change. Our main concern is a problem of timing.

The funding council is carrying out internal reviews. As members have heard, next year the RAE and how departments have fared in relation to grades 3, 4 and 5 will be announced. The minister, Wendy Alexander, plans a strategic review and another review may or may not be done by your good selves. The science strategy paper will come soon from the Scottish Executive

and a review report of the United Kingdom research councils is due later this year. Much work is going on in higher education and some of the more radical proposed changes in the SHEFC review should, perhaps, be put on the back burner.

As was emphasised by the representatives from Universities Scotland, despite the fact that a single university might not suffer an especially large change in its funding, there could be very significant changes in funding within subject groups in the universities, which would create problems for them.

On the teaching funding proposals, apart from the evidence-based methods that were used for groups 1 and 2, the statistical method that was employed seems to be a method of averages. It has averaged the amount of money that it gave to universities using the previous formula, but has used the same amount of money, sliced up differently, for the new proposals. No statistical methodology has been used, apart from the fact that people can work out an average.

Unfortunately, the consequences of some of the proposals that have come from SHEFC have also been disregarded. Some universities might have to run huge deficits, especially the art colleges. It was mentioned that Glasgow School of Art might have to run a deficit of about 14 per cent. We ask that, if SHEFC plans fairly large changes in funding for specific subject areas, those should be phased in rather than introduced in a one-year jump. We should not in a single jump go from a certain funding level down to a level that most people would consider to be unsustainable.

The table that we included in the written submission shows that, even if we allow for the increase in funding that is proposed for higher education in Scotland over the next two or three years, some institutions and subject areas will still take a fairly large hit in terms of a reduction in funding.

Given that there was great pleasure—I would not say that there was exactly glee—at the announcement from the Scottish Executive that we would be getting more money after a considerable number of years of cuts, it seems ironic that some institutions and subjects will now discover that they will actually get less money, not more.

We support the idea that there should be a premium on wider-access students and we are pleased to support the 5 per cent supplement that is proposed. Whether that will be enough for those students in terms of the cost premium that they can carry for some institutions remains to be seen.

On research funding, the AUT is extremely worried about the possible enhancement of



selectivity that would take place if the funding council were forced simply to fund grade 4 and 5 departments. If it keeps the relative funding for those departments the same, there is, as a consequence, less for the rest. The representatives from Universities Scotland also expressed their fears about the effect that that could have on grade 3 departments. It is well known that a large contribution is made to the Scottish economy by higher education in general—specifically by its research output. It would be unfortunate if the funding mechanism did not allow grade 3 departments to get funding for their research. There is obviously a need for SHEFC to reflect the ratings in its funding allocations, but surely that should not be to the detriment of the departments that are considered to be performing on the margins in the research assessment exercise.

The research assessment exercise tends to be a bit of a vicious circle with regard to funding. It is a classic example of those who have being given more and those who have not being told, "Too bad." In some areas of research in Scotland, individuals in universities and departments have bright ideas. It will be unfortunate if those people are not encouraged.

**The Deputy Convener:** I think that members are anxious to ask questions about those matters.

**Dr Stewart:** I would like to make a concluding remark. Members are probably aware that the higher education system has been expanded over the past 20 years, but with grossly insufficient funds. We argue that, no matter how we cut the cake, the total funding is inadequate. That is a fact that we must face. Whatever way we cut the cake, if there is not enough of it, we do not get what we want.

**The Deputy Convener:** Thank you, Dr Stewart, for those remarks and for your written submission, which I know has been most helpful to members.

You said that you thought that SHEFC should delay the review. Do you mean that it should delay the implementation of the review? Do you—while remaining deeply concerned about premature implementation, which could prejudice institutions—consider the review process as healthy progress in relation to funding?

**Dr Stewart:** We are worried about both. We are certainly glad that SHEFC is going through the consultation process and that it will take account of the feedback from organisations such as ours and from the Enterprise and Lifelong Learning Committee on the existing proposals. However, given that a strategic review of Scottish higher education is being planned by the Minister for Enterprise and Lifelong Learning, I would have thought that that would, in itself, have been good

enough to persuade the funding council that this year is not the time to be changing radically the unit of resource to departments.

**The Deputy Convener:** Various members have indicated their desire to ask questions. I ask members and witnesses to keep questions and answers as tight as possible, to a maximum of three minutes.

**Mr Macintosh:** Thank you for your paper. In the opening section, you say that the reason for the review is that the

"teaching funding formula, which are unnecessarily complicated, lack clarity".

Was the existing formula unfair to any group, sector or sectors? Who was pushing hardest for the review?

11:30

**Dr Tony Axon (Association of University Teachers (Scotland)):** The formula was not necessarily unfair, but the problem with the teaching-funded formula is that it is more or less the one that existed when SFEFC took it on. There is a historical basis to the formula.

There was a need to look at the funding levels as they were then construed. The other problem with the system was—as our president said—that any expansion in student numbers tended to happen in the fees-only student areas. That caused problems in the system for institutions and subject areas that had a large number of fees-only students, because full funding was not available for those subject areas. At the time, the then Scottish Office said that those subject areas should be funded as priority areas. Students in those priority subject areas therefore tended to get fully funded places. That Scottish Office decision caused some unfairness in the system.

**Mr Macintosh:** If those were some of the reasons for driving the review forward, I am intrigued as to how we have ended up with the present outcome. I do not understand why medicine has done so well out of the review. Was there a particular problem with medicine and is that recognised across the sector?

In your paper you state:

"Scottish medicine may be under funded compared to the rest of the UK."

Is that, and was that, widely regarded as a problem?

**Dr Axon:** At the moment we are seeing some problems at the University of Edinburgh, where the medical faculty is complaining of being underfunded and is saying that some redundancies may occur. Indeed, some problems are appearing because year-on-year cuts in the

system have been absorbed. It is now becoming more and more difficult to keep absorbing those cuts.

It seems that a decision was taken to increase medical funding by 8 per cent, because medicine at the University of Edinburgh appeared to be underfunded compared to the rest of the UK. There might be evidence that there are problems in medicine, because there are also problems in many other subjects. There are also redundancies happening in science and engineering. The other subject that was moved up a level was pharmacy, which was moved from the category of other health and welfare to science and which gained some funding as a result. Other than that, funding was decided based on which particular box subjects happened to fall into.

**Mr Macintosh:** I have a final question. We are talking about the lack of an objective or evidence-based approach—

**The Deputy Convener:** I ask Mr Macintosh to keep his question brief.

**Mr Macintosh:** Do you think that political issues, such as wider access, should be important factors in the distribution of funding throughout the higher and further education sectors?

**Dr Stewart:** We are much more comfortable with the idea of a funding premium being attached to wider-access students. We prefer that to the bidding system that was operated in the past, because it is a fairer way to fund students who come from disadvantaged backgrounds. I doubt that the 5 per cent increase in funding represents the additional costs to universities that result from taking on those students.

**Dr Axon:** The other problem with the bidding process, when compared to a process that would add money where there are students from such disadvantaged backgrounds, is that the bidding process could harm the universities that did well by bringing in students from those backgrounds. We are not totally comfortable with the data that are being used for calculating the additional premium but, at the moment, they seem to be the only data that are available.

**Elaine Thomson:** You have provided some comparative figures on how different institutions will be affected by the new funding formula. I think that the Robert Gordon University in Aberdeen is the worst affected in Scotland. A number of technical-type universities, such as Strathclyde and Napier, will also be affected negatively.

Have we put the cart before the horse, in that we really ought to be determining the strategic direction of many of the higher education institutions, with regard not only to teaching, but to research? Should we be aligning that with the

Scottish economic priorities? That might change how several universities would be affected. It is economically important that areas of science and technology are encouraged.

To pick up on your point about—

**The Deputy Convener:** Could we just let the witnesses answer that, Mrs Thomson? That was a good, big question.

**Dr Stewart:** This will be a nice short answer. Yes, the cart is being put before the horse. On the figures in our table, some of the negative percentages are quite worrying, particularly for some of the bigger institutions. I know that the information is based on proposals from SHEFC, but our message to it and to the committee would be that institutions would not be able to live with the cuts. Something will have to be done to ameliorate some of the figures.

**Dr Axon:** Science and engineering lost out for two reasons. First, it fell into the wrong boxes. Its funding was cut, as was the unit of resource. Secondly, because not many students in science and engineering get only their fees paid, it does not gain much from rolling in fees-only students. It seems a bit strange that subjects in that area are losing out, when the knowledge economy is so important.

**Elaine Thomson:** Given the importance of the knowledge economy and the problem that those who have research funding tend to continue to receive it, is it important for us to consider some of the criteria for the allocation of research funding in a wider sense?

**Dr Axon:** We have a few problems with the research assessment exercise. It tends to favour the traditional subjects, rather than collaboration between departments or institutions. Many of the new areas of study tend to be on the borders between existing disciplines, and it can be difficult to fit them into the categories that are stipulated by the research assessment exercise. Therefore, up-and-coming subjects tend to be less favoured.

We have distinct problems with the recommendation. SHEFC is not consulting on the funding of institutions with a ranking of grades 4 or 5. It is just stating that, if there is an increase in the number of researchers in institutions or departments with a grade 4 and 5, the funding will reduce for subjects ranked at grade 3a.

We believe that the SHEFC review is more about ensuring that higher education institutions can apply for more grant and build up their research base, rather than rewarding departments that have done well. In the past, SHEFC has—compared to England—tended not to exercise such selectivity with regard to funding. We would prefer that it carried on in that way, with the aim of

spreading the pie more thinly.

**Mr Hamilton:** I have three questions of remarkable brevity. First, faced with the prospect of losing funding, if we hit a ranking of grade 3, the obvious suspicion on the part of somebody who is as cynical as I am would be of grade inflation. Is that possible and is it likely under the existing system of assessment?

Secondly, you have said that you are not happy with some of the criteria under the RAE. Have you had a chance to feed into the process to correct those flaws? When did that happen last? When will the next opportunity arise?

Thirdly, is it fair to characterise your proposal for seedcorn funding to counterbalance some of the failings as an attempt to reward those who show initiative—in other words, an attempt to put in place an incentive for better research, rather than to reward the past performance of universities that have excelled?

**The Deputy Convener:** I would be grateful if the witnesses' responses could be modelled on that brevity.

**Dr Axon:** There is a trade-off between the number of researchers put into the RAE and the grade that is received. Institutions can inflate grades by putting in fewer people, although doing that decreases funds, which also relate to the volume of researchers. It relates to the decisions that institutions take.

SHEFC has a deliberate policy of not telling institutions what the formula will be, to some extent to prevent them from playing such games. SHEFC is trying to persuade institutions to inform it of the research that is being conducted in departments by all researchers, rather than of the elite people who are presented to try to inflate the grade.

The RAE is UK-wide and we tend to leave it to our head office to feed into it. After every RAE, it is assessed and there is a consultation process. Although we feed into that every time, we are not necessarily happy with some of the outcomes. We are worried about the way in which the system goes against anyone who takes maternity leave—she must submit four papers. Taking a break also tends to go against people.

In the present RAE, we have managed to change the system so that four papers may not be necessary and a break in employment can be stated. We are obtaining slight improvements to deal with inequality, but they do not go as far as we would like them to. The problem with the fairness of the system is that it always rewards past performance and does not consider up-and-coming performance. Einstein would get nowhere in the RAE.

**Dr Stewart:** Duncan Hamilton mentioned a proposal for a seedcorn fund. That would be useful, particularly given the danger that grade 3 departments will not be funded. The fund would give individuals in grade 3 departments, or even below, the opportunity to apply for funds and would mean that they were not excluded entirely from the funding process.

**Mr Hamilton:** I have one more question, which picks up on your answers. From what I understand, the criteria are set on a UK basis. What does that mean for your ability to effect change? You said that you had fed into the process but that you did not think that you had made any material difference. Why is a UK basis used?

**Dr Axon:** The research assessment exercise is done on a UK basis, but the funding is not. The position is the same for the Quality Assurance Agency for Higher Education. That is simply a matter of logistics. It is easier to conduct such work on a UK basis.

**Marilyn Livingstone:** I have been asked to keep my questions brief and I will try to be as brief as I can. From what you say, I understand that the underfunding, of which everyone has been aware, has been addressed this year in part and will continue to be addressed. However, you also talk about distribution, on which I will concentrate. I worry that if we delay and allocate funds in the same way for another year—you can correct me on this—we would delay the new system for next year. I seek advice. My concern is that doing that would delay the introduction of wider access to funding. The consultation document says that a supplement of at least 5 per cent will be included and that

“additional funding will ... meet the Scottish Executive's recent request ... to devise a mechanism to provide additional support to institutions”.

There is also talk about extra funding for disabled students.

We would all like those elements to be put into place and I would not like to see them delayed. However, we also take on board the fact that art colleges should not have to take a 13 or 14 per cent cut in their budgets. So, my question on the back of that preamble, which I have tried to keep really brief—

**The Deputy Convener:** I do not know that we would call that brief, but never mind. Do your best, Marilyn.

**Marilyn Livingstone:** Is there a way that we can take the consultation process forward in a meaningful way without delay?

11:45

**Dr Axon:** The problem is that the Enterprise and Lifelong Learning Committee will review lifelong learning and there will also be a strategic review of SHEFC. It seems that SHEFC saw that the review was on its way and got its review in first. We might be able to consult further without delaying the rest of the process, but the timing will coincide with three major changes to the system in one year. Those changes might cancel each other out, or the opposite might happen and there will be huge changes in the system.

Access funding is available at the moment, but not in the way that is proposed in the consultation. However, there is no reason why the system that is proposed in the consultation could not be implemented this year, ahead of the full teaching funding review.

On the issue of disabled students, I have to say that one of the problems with SHEFC is that it has not quite got to grips with the new Scotland yet. It has not consulted certain people, such as the Enterprise and Lifelong Learning Committee. Although it has consulted Scottish Executive departments, it has not consulted the political parties. Bizarrely, given that its work concerns disabled students, it has not consulted the disability rights commissioner. It should have consulted more people than simply the usual suspects.

**The Deputy Convener:** I thank our witnesses for their co-operation this morning and for being so full in their explanations.

We will take a short break.

11:47

*Meeting adjourned.*

11:56

*On resuming—*

**The Deputy Convener:** I apologise to the representatives of the Educational Institute of Scotland for delaying the taking of their evidence. On behalf of the committee, I welcome Marian Healy, who is the further and higher education officer of the EIS, Howard Wollman, who is from Napier University and is part of the university lecturers association of the EIS, Dr Alex Fotheringham, who is the vice-president of the EIS-ULA and who teaches at Heriot-Watt University, and Iain McDonald, also from Heriot-Watt University, who is the ex-president of the EIS-ULA. Calling it EIS-ULA makes it sound like a Hebridean island that we have not previously heard of.

I believe that Marian Healy will make a few

opening remarks.

**Marian Healy (Educational Institute of Scotland):** As representatives of the EIS-ULA, we are pleased to be invited to outline our concerns with regard to the two SHEFC papers.

We are concerned that the latest SHEFC consultation, on the review of teaching funding, seeks to undermine the funding of many of Scotland's higher education courses, particularly those that are generally taught in small groups or which require access to specialist equipment. We believe that the continuing provision of many courses and disciplines is threatened by the proposed new funding methodology, which will, in turn, have adverse effects on Scotland's economy as more and more skills and specialisms are lost.

We are concerned that too many initiatives are being addressed at the one time. Some institutions cannot fully assess the effect of the change in funding methodology in the absence of a decision on whether they will be granted small specialist status by SHEFC and of information on what the likely consequences of such a decision on their status will be on their funding.

In the absence of coherent justification to reduce the funding arrangements for post-1992 institutions, we call on SHEFC to shelve the current proposals and to enter into immediate dialogue with representatives of Universities Scotland, the higher education trade unions and other relevant bodies on the means of achieving change, if change proves to be necessary. Alternatively—being mindful of one of the questions that the committee asked earlier—we ask SHEFC to proceed with the positive proposals in the paper, such as widening access and increasing the differential for students with disabilities, but to hold back on the regroupings and the associated pricings.

Our major concern relates to the review of research funding. We are concerned by SHEFC's proposal to cease funding research rated 3a and 3b. In light of the announcement by the Higher Education Funding Council for England that such research will attract funding, we believe that many Scottish post-1992 institutions will be at a disadvantage compared with their counterparts in England. We believe that the proposals return to an over-elitist approach to research funding that will concentrate almost all research funding in approximately half a dozen of Scotland's universities, all of which will be pre-1992 universities.

12:00

In addition to the diminution of the opportunities for developing research expertise in post-1992 institutions, there is a real danger of academic

drift. Staff will seek to continue their research in new disciplines in institutions south of the border, which are funded by the English funding council.

To quote from the report of the Scottish committee of the national committee of inquiry into higher education—more commonly known as the Dearing report—we believe that

“Research, whether basic, strategic or applied, is an essential component of higher education in Scotland. It contributes to the advancement of knowledge, informs and enhances teaching, and also makes a significant contribution to the wealth, wellbeing and economic competitiveness of the country.”

Removal of core funding will therefore have a negative impact on teaching and learning, particularly in the post-1992 institutions. As Universities Scotland has already pointed out, the areas that will be most affected are relatively new areas of applied research, such as nursing, tourism, media and financial services. All those areas are important to the success of the Scottish economy, but all are now under threat.

Likewise, we are concerned that the very institutions that are doing most to promote wider access and social inclusion are being penalised and will be demoted to the status of second-class or even third-class universities. Students are likely to seek out places south of the border, where an inclusive approach to teaching and learning is adopted.

We must ensure that the new Scotland does not allow a two-tier system of higher education to develop. We therefore call on the Executive and the Enterprise and Lifelong Learning Committee to ensure that SHEFC continues to fund all research above 3b.

We go a stage further and suggest that the continued and ever-widening divide between research funding in pre-1992 and post-1992 higher education institutions undermines the advancement of knowledge and the enhancement of teaching in the post-1992 institutions. We call on SHEFC to provide immediate additional funding to the post-1992 institutions to reduce—and if possible eradicate—the inequality in the way that research funding is treated in the higher education sector in Scotland.

My colleagues and I will be happy to answer any questions in detail.

**The Deputy Convener:** Thank you for your opening remarks and for the written submission that you provided to the committee.

You said that the positive aspects of SHEFC's recommendations should perhaps be implemented, but that action on implementation of the regroupings should be held over. Have I understood that correctly?

**Marian Healy:** Yes.

**The Deputy Convener:** Given that the bids for research for 2002-03 must be submitted by the end of March or April this year, and given that that will determine what happens to the successful bidders for a block of four years, are you apprehensive about the implementation of SHEFC's proposals on research funding?

**Marian Healy:** Absolutely. Howard Wollman will go into that in more detail.

**Mr Howard Wollman (Educational Institute of Scotland):** The impact of the current RAE on funding will be felt not next year but the year after. Obviously, there are important continuity issues for the planning of any research programme. If it becomes apparent to those who are engaged in research currently funded in research groups 3a or 3b that there will be a long delay in decision making or, even more drastically, if they learn that they will not get any money in the longer term, it will destroy the future cohesion of those research groups, which have been built up over the past few years.

**The Deputy Convener:** In other words, is there a real threat to the Scottish research base if the proposals are implemented forthwith?

**Mr Wollman:** I think so. Often, it is the areas of applied research in the post-1992 universities and similar institutions that are under threat from the proposals. We hope that the situation will improve and that there will be more grade 4 ratings. In the previous round of the RAE, only one of the new universities in Scotland received a grade 4 for one of its research groups. Were that situation to be repeated, it would wipe out much of the research in the post-1992 universities.

**The Deputy Convener:** That brings me to my final question. Given the possible prejudice towards research in institutions, might there be a risk to the continued quality of teaching in our universities if the research base were prejudiced by a premature implementation of the proposals?

I am sorry, but I must laugh, as I saw Dr Fotheringham getting a prod in the ribs from his colleague.

**Mr Wollman:** I am happy to answer. We would all agree that not all universities and higher education institutions in Scotland will have the same balance of research and teaching. However, on-going research is fundamental to a university. It contributes not only to the Scottish economy and the furtherance of research, but to the teaching and the experience of students who come into contact with postgraduate students and people who are at the cutting edge of their disciplines.

It is unfortunate that the institutions that have done the most to widen access to include people

who would not traditionally have entered higher education will be the ones at which students will cease to have nearly as much exposure to funded research and researchers in their disciplines. The idea was mentioned earlier of a two-tier system emerging, in which not only the interests of research would be harmed, but the interests of the students and of teaching generally.

**Mr Iain McDonald (Educational Institute of Scotland):** That is an important point. The research that is undertaken in the institutions is the basis of the on-going development of the higher education experience in Scotland, and 3a and 3b research is as important as any other type of research. To draw an arbitrary line and say that 3a and 3b research is not worthy of further funding would be a sad state of affairs, because research and researchers develop over time.

We must put in place a framework whereby people can get into the game. We cannot allow expertise to be bought in to take an institution's research rating from 0 to 4 overnight; we need a development phase, which 3a and 3b research provides. Further, we should seriously consider funding all research, as Mr Hamilton suggested to the AUT. Research is needed in all subjects and it must be primed and developed over time.

**Elaine Thomson:** Let us pursue the issue of the criteria that underpin the current allocation of research funding. Given what you have said about the new and post-1992 universities, I suggest that there is a need to align the research that is being conducted in Scotland more closely with economic objectives. We should encourage new universities to develop leading-edge applications that might lead to spin-off companies and that sort of thing.

Do you agree that there should be a more fundamental review of the criteria for the allocation of research funding and less focus on published papers?

**Dr Alex Fotheringham (Educational Institute of Scotland):** That is a complex question. The drive for most modern research is commercialisation, which is your point about economic development. I have no problem with maintaining or enhancing the funding for level 4 and level 5 research: excellence should be rewarded. My great problem is with the funding of level 3 research, which, as colleagues said before, is of national importance. We must maintain support for that national research. As Mr McDonald indicated, an institution cannot start with a 0 rating and get a 5 rating overnight.

The research assessment exercise is a snapshot in time, which determines that, at a certain moment, a research institution is at grade 3 level. Even if a research unit is up and coming and has a group of researchers with great potential, it

will be judged on the number of papers that it has published in the past four years. The researchers may not have published their research and therefore may be unable to prove how good they are. Unfortunately, they will have to wait for another five or six years until the next snapshot is taken. The potential growth of that research, in a unit with a rating of 3, will be stifled. That is my problem. I have no problem with further funding for research at levels 4 and 5; however, if we do not fund level 3 research, we will stifle developmental research.

**Marian Healy:** You were anxious to hear whether a fundamental review of the RAE and its criteria is necessary. That could be considered but, as has been pointed out, the RAE is a UK-wide initiative. One would have to be sensitive to Scotland's requirements in setting criteria for research in Scotland and it would be necessary to ensure that individual institutions were not being disadvantaged in also developing UK-wide research initiatives. There is perhaps a need to re-examine the criteria across all four funding councils—not just those in England and Scotland, but also those in Wales and Northern Ireland—to develop criteria that are flexible enough to respond to specific initiatives in specific parts of the UK.

**Elaine Thomson:** Given what your colleague has just said about the importance of level 3 research, do you think that it would be useful to have more flexibility or other criteria to establish whether research should be funded?

**Mr Wollman:** The AUT mentioned seedcorn funding. If more seedcorn funding was made available to encourage development from levels 1 and 2 to level 3 and beyond, we would welcome that as a positive move.

**Dr Fotheringham:** I support that statement. The criteria for allocation are based not only on the number of papers that have been published but, as one of my colleagues said, on peer reports. I would like the criteria for the RAE—especially for level 3—to be developed to take into account not only the snapshot, but the potential of a group. They should define whether it is on the way up, on the way down or stagnant and highlight what a unit needs to enhance and develop its research to its optimum level. The present criteria are unable to do that, which is restrictive. We need to develop the criteria.

**The Deputy Convener:** I am trying to tease out whether there is an academic human resources risk lurking in all this. I understood that a respectable research basis was a catalyst for bringing good quality academic personnel to a higher education institution. Is it possible that, if these proposals are implemented, a desert could begin to develop in areas of Scotland's higher education sector?

**Marian Healy:** Yes.

**Dr Fotheringham:** If SHEFC does one of the things it has suggested and designates areas of research excellence, those areas will be heavily funded, which will restrict funding to certain institutions. I am not saying that SHEFC is going to do that, but it has been suggested. There could be a great number of lecturers who are potential researchers but unable to get funding. Unless they belong to a certain institution, they might as well forget it: if they are not in research areas 4 or 5 or in a certain institution, they will get nothing. That is a great worry because, as we have already determined, teaching quality is greatly enhanced by research activity.

12:15

**Mr McDonald:** We have no doubt that there will be a research drain, just as there was a brain drain in the 1960s. Academics will go to the institutions where their contribution will be valued and will be part of the overall knowledge enhancement. I have absolutely no doubt about that. We will see universities teaching students in some areas in which there is very little or no research base behind them. That concerns me.

**Mr Macintosh:** Do you think that there is too much emphasis on the commercialisation of research or on applied research, or do you think that not enough is being done in that area?

**Dr Fotheringham:** The concept of commercialisation is important. When we do research in higher education, it is important that a certain amount of it should go towards commercialisation to enhance the Scottish economy. That is not a problem. What we lack is available funding for non-applied research. The value of non-applied research is its impact on teaching quality. If a researcher is conducting research into an area without any direct commercialisation opportunities, that does not make it bad research, because it enhances teaching quality. Commercialisation is important, but we should not neglect the research that does not have direct commercial applications.

**Mr Wollman:** What falls into one category and what falls into another is not always clear cut. In some of the new growth areas of the Scottish economy, such as the creative industries, research in media that may not seem particularly applied may in fact have application in those industries. It is not always possible to put things in specific boxes.

**Mr Macintosh:** You say that initial teacher training is already subject to stringent national guidelines. Are you suggesting that we remove it from the group that it is in and give it its own separate grouping, or that we should remove it

altogether?

**Marian Healy:** We would prefer, as our colleagues from Universities Scotland suggested, that the decisions taken by SHEFC are grounded in sound evidence. We support the call for SHEFC to return to the drawing board, complete the evidence gathering and consult all the stakeholders in the sector so that there is a sense of ownership of the decisions that will then be applied to the sector. We very much support the call to return, to evaluate, to listen to the concerns that have been raised and to make proposals that are based on sound evidence.

**Mr Macintosh:** Do you think that teacher training is in the wrong group at the moment? Is that what the problem is?

**Marian Healy:** Yes.

**Mr Macintosh:** You mentioned fees-only students, particularly fees-only medical students. Both the SHEFC consultation document and the submission from Universities Scotland highlighted the fact that the reason for the increase in that area is that SHEFC accepted evidence that Scottish medical students were not being funded as well as their counterparts in England or elsewhere. However, you are saying that there is also a fees-only factor, if I can put it that way. How big a factor is that?

**Mr Wollman:** We are not in a position to say. We raised that issue because a circular from SHEFC referred to the differential between Scotland and England. It took into account fees and fees-only students, which implies that fees-only was a factor. That was why we raised the issue of fees-only students. You heard about the incomplete evidence base for the exercise: some evidence seems to have been taken on board and other evidence rejected. That presents problems with the rigour and objectivity of the process that was undergone in relation to the teaching groups.

**Mr Macintosh:** The SHEFC document does not go into detail. It says:

"The AGTF took into account the representations the Council has received from the sector on the prices paid for the high-cost subjects of medicine, dentistry and veterinary science."

The advisory group on teaching funding recommended an increase from 3.04 to 3.29—the relative ratio—but does not give the evidence for that here. Has the evidence been subjected to any kind of review by other disciplines?

**Mr Wollman:** None that we have had access to. The circular to which I referred is circular 04/01, which refers to fees-only students in medicine.

**Mr Macintosh:** I welcome your comments on wider access. Under your headings, subject prices and prices for different types of students, you

make the point that it might not help to widen access and that perhaps that, as well as social exclusion and geographical exclusion should be taken into account.

**Mr Wollman:** We strongly support the idea of the enhanced premium. The real cost of supporting students is high, especially in the early years of study. We do not have any magic solutions. Because of discussions with some of our members and institutions, we felt that there may be better methods of measurement, in particular methods that take better measures of urban deprivation and problems in rural areas. SHEFC asks whether we should be considering other measures; we are saying yes. What we have may be the best we can do at the moment—I am not even clear about whether other measures are available to the Scottish Executive—but we should certainly be investigating better measures.

**The Deputy Convener:** I want to be clear about the position of EIS-ULA on the groupings. Do you share Universities Scotland's view that six groupings is probably appropriate but that there should be a reallocation of subjects within those groupings?

**Marian Healy:** We are not saying that six is the absolute maximum number of groupings; we are saying that if there are to be different groupings, they should be identified by cost. The cost of the revised subject groupings should be set appropriately. We would like to return to the debate about going from 22 subject groupings to a reduced number of groupings. We are not opposed to six in principle, but we would like to have the debate on where the subjects should lie within those groupings.

**The Deputy Convener:** So you are not satisfied that six is the optimum?

**Marian Healy:** Indeed.

**The Deputy Convener:** But you are certainly of the view that within the groupings—whatever number they amount to—there should be a reallocation of priorities.

**Marian Healy:** Indeed.

**Mr McDonald:** We seem to be hung up on six. The number of groupings should reflect the discussion of what the categories are. We must not say, "We have a magic number of six and you must fit into one of those boxes." The review of the matter is more important than the number of groupings that we come up with.

**The Deputy Convener:** So you are saying that it is the subject matter that should determine the groupings and where the subject is within the groupings.

**Mr McDonald:** Yes.

**Mr Wollman:** And the real costs associated with the subject.

**The Deputy Convener:** No other committee members have indicated that they wish to ask questions.

Earlier, I said that we shall compile a report. My clerk promptly whispered a rebuke, saying that we shall do nothing of the sort. Apparently, we shall compile a response to the minister. I had better put that on record.

On behalf of the committee, I thank the witnesses for being with us this morning—your evidence has been very helpful.



## Tourism Industry

**The Deputy Convener:** At our previous meeting, we discussed tourism in relation to the outbreak of foot-and-mouth disease in Scotland. The unanimous view expressed at a meeting of the lead committee on that issue—the Rural Development Committee—is that this committee should also work on the issue.

It has been suggested that we ascertain the availability of the minister, Mr Alasdair Morrison, with a view to raising the concerns of which we are all now aware. I think that all members have received a paper from the Scottish Tourism Forum. I understand that the minister may—and I emphasise the word “may”—be available on 27 March, which is next week. If he is available, does the committee agree to slot in an extra meeting next week, with the specific intention of putting questions to him?

**George Lyon:** That is a worthwhile suggestion. Since the meeting of the lead committee last week, there have been significant developments. On Thursday, the Minister for Rural Development made announcements on a pre-emptive slaughter and on the fact that Scotland would be divided into different risk areas, which will mean different things for different areas. Yesterday, south of the border, there was an announcement on help for the tourism industry and associated businesses that have been affected by foot-and-mouth disease. We need to put on record as quickly as possible the actions that have been taken here. The rating issue is for us to deal with—it is not a reserved matter. We need to hear quickly from ministers on the actions that they will take to parallel the announcements made south of the border.

**The Deputy Convener:** It is suggested that we take evidence from the minister on Tuesday afternoon.

**George Lyon:** I fully support that. We should go ahead and take evidence to try to clarify what is being done.

**Mr Macintosh:** I believe that one of the ministers—Alasdair Morrison, I think—will be going to the United States to present the case for tourism in Scotland.

**The Deputy Convener:** I emphasised the word “may”—the minister may be available. The clerks have done their best to ascertain potential availability. To date, we understand that he is likely to be available. The indications have been very positive. Apparently, he may be involved in a trip elsewhere the following week.

**Mr Macintosh:** I would like to hear from the

minister once he comes back from that trip, when he will have something to say.

**The Deputy Convener:** I sense that the priority is to get him as soon as possible. I should point out that there will be an Executive debate tomorrow with the Minister for Rural Development. That will give members an opportunity to contribute. However, in addition to, and without prejudice to, that debate, we should still try to take evidence from Mr Morrison.

**Marilyn Livingstone:** If the minister is going to the US for the tartan day celebrations, that is the following week. I would like him to come to the committee on the date you suggested or as soon as possible after he comes back.

**The Deputy Convener:** We will leave it to the clerks to make the practical arrangements and hope that the minister will be able to come next week. The clerks will keep committee members informed.

12:29

*Meeting continued in private until 12:38.*



Members who would like a printed copy of the *Official Report* to be forwarded to them should give notice at the Document Supply Centre.

No proofs of the *Official Report* can be supplied. Members who want to suggest corrections for the archive edition should mark them clearly in the daily edition, and send it to the Official Report, 375 High Street, Edinburgh EH99 1SP. Suggested corrections in any other form cannot be accepted.

The deadline for corrections to this edition is:

**Monday 2 April 2001**

Members who want reprints of their speeches (within one month of the date of publication) may obtain request forms and further details from the Central Distribution Office, the Document Supply Centre or the Official Report.

#### PRICES AND SUBSCRIPTION RATES

##### DAILY EDITIONS

*Single copies: £5*

*Meetings of the Parliament annual subscriptions: £500*

The archive edition of the *Official Report* of meetings of the Parliament, written answers and public meetings of committees will be published on CD-ROM.

WHAT'S HAPPENING IN THE SCOTTISH PARLIAMENT, compiled by the Scottish Parliament Information Centre, contains details of past and forthcoming business and of the work of committees and gives general information on legislation and other parliamentary activity.

*Single copies: £3.75*

*Special issue price: £5*

*Annual subscriptions: £150.00*

WRITTEN ANSWERS TO PARLIAMENTARY QUESTIONS weekly compilation

*Single copies: £3.75*

*Annual subscriptions: £150.00*

Standing orders will be accepted at the Document Supply Centre.

Published in Edinburgh by The Stationery Office Limited and available from:

**The Stationery Office Bookshop**  
71 Lothian Road  
Edinburgh EH3 9AZ  
0131 228 4181 Fax 0131 622 7017

**The Stationery Office Bookshops at:**  
123 Kingsway, London WC2B 6PQ  
Tel 020 7242 6393 Fax 020 7242 6394  
68-69 Bull Street, Birmingham B4 6AD  
Tel 0121 236 9696 Fax 0121 236 9699  
33 Wine Street, Bristol BS1 2BQ  
Tel 01179 264306 Fax 01179 294515  
9-21 Princess Street, Manchester M60 8AS  
Tel 0161 834 7201 Fax 0161 833 0634  
16 Arthur Street, Belfast BT1 4GD  
Tel 028 9023 8451 Fax 028 9023 5401  
The Stationery Office Oriel Bookshop,  
18-19 High Street, Cardiff CF1 2BZ  
Tel 029 2039 5548 Fax 029 2038 4347

**The Stationery Office Scottish Parliament Documentation**  
Helpline may be able to assist with additional information  
on publications of or about the Scottish Parliament,  
their availability and cost:

**Telephone orders and inquiries**  
**0870 606 5566**

**Fax orders**  
**0870 606 5588**

**The Scottish Parliament Shop**  
George IV Bridge  
EH99 1SP  
Telephone orders 0131 348 5412

sp.info@scottish.parliament.uk

www.scottish.parliament.uk

**Accredited Agents**  
(see Yellow Pages)

and through good booksellers