



**Education and Skills Committee  
Draft Budget 2018-2019 inquiry  
Thursday, 14 December 2017**

We welcome the opportunity to reflect on the Cabinet Secretaries' letter to the Committee dated 8 November, in which he sets out his priorities for the 2018/19 financial year.

We very much welcome Mr Swinney's stated priorities of excellence and equity in Scottish education. The higher education sector shares those values and universities feel that we have an important role to play in their realisation.

Looking to the Scottish Government's budget for 2018/19, Universities Scotland has highlighted two priorities for higher education funding:

1. We asked to see the unit of teaching resource, available to be spent on each Scottish and EU domiciled student, maintained in real terms for 2018/19. We estimate that this could be delivered at a cost of £10 million. If this can be delivered, this outcome would directly support excellence and equity in higher education.

The Teaching Grant has a direct role in supporting both excellence and equity:

- It supports excellence as it directly funds the high-quality teaching and industry-relevant degree programmes that universities are proud to deliver. It supports quality enhancement, with students a partner, and it supports teaching that is informed by research for the benefit of students. Just some of our outcomes which support excellence include: student satisfaction is at 85 per cent in Scotland; employer satisfaction is also high with 96 per cent saying graduates start jobs with a good attitude and motivation; and 91 per cent of graduates are in positive destinations six months of finishing university.
- Of course, a higher education involves more than teaching. Successful graduate outcomes are dependent on a far broader range of services being available in HE. The university Teaching Grant is made to work very hard

as it also supports a wide range of vital student services including welfare, mental health, study skills, retention, employability and careers advice.

- The Teaching Grant also plays an important role in delivering equity in higher education as it contributes to universities' work to widen access. It is important to acknowledge that there are some grants made available to universities specifically for widening access but much of universities' work in this area is supplemented or delivered largely from the resource available in the Teaching Grant. This can include outreach with schools, development of articulation pathways with college and the work to contextualise admissions, to identify potential not yet fully realised in applicants. The academic and pastoral support needed to ensure that widening access is widening access to graduation and successful outcomes, not just to freshers' fayre.
- The Committee will be aware of universities' commitment to work to widen access with the goal of meeting the 2030 access targets for SIMD20 students. We have been determined to be bolder in the way we go about achieving this and in November 2017 we set out 15 new actions that we will take to help achieve this. Most actions will be delivered over the next couple of years any many, including a commitment to make guaranteed offers to applicants with care experience who meet minimum entry requirements, directly address the recommendations in the Commission on Widening Access. All 15 actions can be seen in *Working to Widen Access*.

Our positive campaign, *the real value of T*, launched in December 2017 shows how an investment in the Teaching Grant is an investment in every university student and shows just how far the Teaching Grant goes in universities. The campaign tells this story through a series of first-person accounts of a number of very hard-working and committed staff, each of whom do very different jobs that add to the student experience.

2. Our second priority is that the level of investment in the research excellence grant (REG) and research postgraduate grant holds steady in real terms in FY 2018/19. This would mean an additional £4.6m of investment from the Scottish Government.

Scotland's success in levering-in additional funds and investment for research is dependent on the sector's excellence and competitiveness. So an investment in research is an investment in excellence and one that delivers a highly visible return in terms of attracting wider investment. Real terms protection of the Research Excellence Grant investment would help Scottish higher education to maximise the major opportunities that exist for Scotland in the UK Government's Industrial Strategy which will see an additional £2billion a year in research and innovation by 2020. We

would like to see the Scottish Government support Scottish research and innovation to have an equal chance in continuing to win new research grants from UKRI. The Scottish Government could choose to match any increase the UK Government decides to make in the Quality Research Grant for universities in England.

There were two other specific funding asks that we made of the Scottish Government in regards to its budget for 2018/19:

- We asked for a higher education capital budget that meets our existing commitments. That would mean a budget of £41 million or more in 2018/19. Universities would like to see the SFC capital budget grow over the next three years from the current level to £70 million.
- We would like to see the Barnett consequential from the Connecting Capability Fund and increases in the Higher Education Innovation Fund for English universities be passed on to Scottish universities. Doing so would help to grow the Funding Council's University Innovation Fund return from its current level of £12.2m to £17.2 million in 2018/19, as it was in 2015/16, and be able to be used flexibly to promote university/business innovation. This would be in direct alignment with the Scottish Government's ambition to a world-leading innovation nation. Over the last two years Scottish higher education has delivered a programme of more than 10 actions aimed at making it easier for businesses to innovate with universities. Doing so has positioned us to take engagement between universities and business up to the next level. Passing on the HE innovation consequential would help to further catalyse this very positive action.

Mr Swinney's letter to the Committee highlighted a number of other priorities and points that relate directly to higher education:

### **Graduate level apprenticeships**

Many Scottish Universities are working with Skills Development Scotland for the development and delivery of initial cohorts of graduate-level apprenticeships in 2017 and 2018. In the first year of the graduate level apprenticeship programme, eight universities bid for 380 apprenticeship places. Year two has seen demand from the sector soar, with bids for a total of 1,700 apprenticeship places from 16 universities and colleges. There were initially only 520 places available in year 2.

Universities want to respond flexibly and creatively to increased employer demand for graduate level apprenticeships and to be able to broaden the coverage of business sectors. It would be helpful to universities to have an early indication of the focus and numbers of apprenticeships needed over a sustained period.

Having this, and knowing that there is sustainable funding in place, will give universities the confidence to make the necessary investments to develop support this important new strand of activity. We made this ask of Government in our bid to the spending review process.

### **Learner journey review**

Universities Scotland has been pleased to be a partner in the Scottish Government's Review of the learner journey. We await the outcome as expected in early 2018. We support the objectives of the Review whilst believing that it is essential that the aim, of producing more streamlined and efficient journeys through learning, is fully aligned to work on widening access. Our submission to the Learner Journey Review highlighted several points where this connection needed careful consideration.

The two goals are compatible and our recommendations around articulation and more full-credit articulation as published in *Working to Widen Access* are a good example of this. This report led the first analysis of full-credit articulation by subject area and identified certain subjects in which there are additional challenges. These new insights can, and will, be used to widen access and to contribute to streamlining the learner journey. Every institution has committed to undertake a fundamental review of its ability to increase the number and percentage of students who articulate with full credit. This will be done by the start of academic year 2018/19. Universities Scotland and Colleges Scotland will take other work on articulation forward in 2018 and beyond, working with other partners, in the new National Articulation Forum, created as a product of *Working to Widen Access*.

### **Value for money, evaluation and outcomes**

Universities recognise their responsibility to deliver a high value return on the public investment made in them. We are happy to deliver for learners, for the economy and for Scotland more widely. We believe we are doing so. We share many of the Scottish Government's ambitions including wide access to higher education and that Scotland should be the inventor and producer of the innovations of our future. Universities have a very direct and significant contribution to make to all four elements of the Scottish Government's Economic strategy, as our submission to the spending review showed. We are happy to work in partnership on these goals. Universities also have a broader contribution to make, that needs to extend beyond their relationship with Government and its important that they retain the capacity to perform that.

In regards to value for money and efficiency within higher education, Audit Scotland recently noted that universities had exceeded the 3 per cent annual

efficiency saving expected of them between 2011/12 and 2014/15. Universities have taken a proactive approach to their responsibility to operate efficiently and productively. A cross-sector Efficiency Taskforce was set up in 2011. Led by Professor Sir Ian Diamond, the Taskforce focuses on the areas of procurement, finance and business improvement, and estates management.