

EVIDENCE SUBMISSION

MillionPlus response to SFC review of sustainability and coherent provision

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Introduction

1. MillionPlus is the Association for Modern Universities, and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in a world-leading university system. All seven modern universities in Scotland, representing 37% of students at Scottish universities, are members of MillionPlus.¹
2. Modern universities make up a vital component of the higher education landscape in Scotland and their reach is wide in every possible sense of the word. MillionPlus universities have campuses that span the full breadth of Scotland from Ayr to Aberdeen, from Musselburgh to Moray.
3. MillionPlus institutions account for 57% of students at university from the most disadvantaged SIMD quintile. A recent study concluded that these institutions collectively contribute over £2 billion to their regional economies, supporting over 30,000 jobs.² The sustainability of these institutions is of utmost importance to Scotland as a nation and to the students and communities that they serve. This response has been informed by the individual responses from Scotland's modern universities and should be considered as complementary to them.

Q1. What do you think works well in the current further and higher education arrangements that we should keep in order to secure Scotland's inclusive social and economic recovery from the current pandemic? How can we best preserve and strengthen those features of education, research and innovation in Scotland that we most prize, in a very challenging funding environment?

4. The Scottish tertiary education sector is typified by diversity and a variety of missions, giving it characteristic and unique strengths. Any SFC review needs to acknowledge and protect this

¹ The seven modern universities in Scotland are: Abertay, Edinburgh Napier, Glasgow Caledonian, Highlands and Islands, Robert Gordon, Queen Margaret, and West of Scotland.

² UCU/Hatch Regeneris, *Analysis on economic contribution of universities*, (2020)

<https://www.ucu.org.uk/article/10924/Study-shows-Scotlands-universities-support-tens-of-thousands-of-jobs-and-generate-billions-for-the-country?list=1676>

valuable diversity and variety. Scotland's universities are major contributors to the social, economic and cultural life of the nation, providing highly qualified graduates to drive forward businesses and public bodies, creating platforms for innovation, research and knowledge exchange, while acting as vital civic anchors and major employers.

5. Modern universities particularly have these goals at the heart of their missions, coupled with a fundamental commitment to increase access and widen participation to all who are able to benefit from higher education. In this activity, these are central to the Scottish Government's broader aims and desired outcomes as articulated in its National Performance Framework.
6. It is essential to not just maintain the diversity and reach of Scottish universities, but to strengthen them as pivotal players in their regions and facilitators of knowledge creation and exchange. The Scottish Government has already made welcome investments to support the sector, but some of the fundamental structures that existed before Covid-19 require reform.
7. A major factor holding the sector back is levels of public investment, which has fallen back relative to Wales and England. The Scottish higher education system has suffered from structural underinvestment in learning/teaching - as well as research - for some time. This has been demonstrated consistently in recent Audit Scotland reports and annual TRAC surveys: the funding received to teach Scottish/EU students and to conduct research does not meet the full economic cost of delivery.
8. The short- and long-term model for tertiary education in Scotland must be based upon a sustainable investment model for these core functions. The Scottish Government is committed to ensuring that university education is fee-free to individual students. However, the reality of this approach hitherto is that it can, and has, led to lower levels of investment in the education of Scottish students than in other parts of the UK. This need not be the case looking forward. Such an approach of underinvesting in teaching and learning risks the quality of the student experience and threatens to undermine the sustainability of Scotland's universities.
9. The decision to discontinue financial support for EU/EEA students from January 2021 provides the Scottish Government with an opportunity that is rarely available to governments – that is the ability to significantly increase the per student investment in Scottish higher education, without creating an additional burden on the taxpayer, or requiring budget reductions elsewhere. The funding that is currently allocated to support EU/EEA students should be retained by the Scottish Funding Council to increase the base price per student and to invest in 'bottom-up' strategic initiatives to enhance teaching and learning. Such a move would significantly improve the unit of resource for teaching, without reducing opportunities for Scottish domiciled students.
10. Alongside this transformative approach, the Scottish Funding Council should consider reducing the instability and uncertainty of the current funding model. Single-year outcome agreements are inefficient and place obstacles in the way of universities making long-term, multi-year

investments. A longer-term funding award would support institutional sustainability, which would promote student and employer confidence, allowing institutions to be bolder in their delivery plans.

11. The funding model should be revised to celebrate excellence where it is displayed and to be more adaptable to support the successful delivery of key Scottish Government priorities, such as widening access and student success, enhancing regional economic growth, while moving towards seamless learner journeys.
12. Reducing the inefficiencies involved in single-year outcome agreements and providing multi-year financial investments for teaching and for capital matches the approach taken for research funding. This demonstrates how it is possible to incentivise excellence and promote diversity in university activity, while also creating a strong national framework whereby universities can play to their own strengths to support the Government's strategy. Similar approaches should be applied to teaching and capital investment, thereby freeing up universities to innovate, adapt and respond to student demands and employer needs.

Q2. What do you think colleges, universities and specialist institutions should stop doing, or do differently, in order to contribute effectively to an inclusive social and economic recovery? (You may wish to comment on teaching and skills development, sectoral and employer needs and employability, research, innovation and knowledge exchange, widening access and equalities issues.)

13. The issue is less about compelling colleges, universities and specialist institutions to *stop* doing core activities; this agenda should be about ensuring the Scottish Government and the Funding Council articulate clear aims and ambitions for social and economic recovery alongside institutions. Local contexts inevitably mean provision, which may seem anomalous or differentiated when viewed from the centre, actually drives forward economic recovery, boosting skills and creating economic growth. The funding council and the Government should build on the diversity and autonomy of Scotland's universities as national assets to encourage innovative provision, to meet their overall aim of a socially inclusive economic recovery.
14. Modern universities have long demonstrated that doing things differently to how they have been done before can be progressive and positive, bringing skills, investment and growth to parts of the country that, at one time, were overlooked. These institutions were established from 1992 onwards in a competitive and well-established sector, and through flexibility, energy and alignment with economic and social needs identified in government policy, they have grown and developed into successful universities in a relatively short period of time.
15. An important element of the provision offered by modern universities in Scotland is the contribution they make to enhancing and strengthening public services. Nearly 30% of the total student population in the seven modern universities are *studying courses linked to key public services* (medicine, nursing allied health, social work, teacher training). A strong and inclusive

recovery requires strong public services to ensure the country is healthy and resilient. While investment in STEM and research has been a priority for a number of years, the Government and the SFC should consider specific investment into public services education to support this provision.

Q3. How can colleges, universities and specialist institutions best support Scotland's international connectedness and competitiveness in the post-pandemic, post-EU membership environment?

16. Scottish universities are importers and exporters of global talent – both through learning and teaching and through research and innovation.
17. Universities across Scotland have a role to play in continuing to offer competitive, high quality programmes to attract students, staff and researchers from overseas. Success on this front requires government support to ensure graduates from Scotland, the EU and overseas are encouraged to remain in Scotland post-qualification, helping contribute to the economy and society more broadly.
18. In research and innovation, Scotland and the UK more generally have been disproportionately successful in securing research funding in partnership through the Horizon 2020 programme and other EU projects. These partnerships can be sustained but require Government support to enable engagement in future EU funding schemes or for Government to financially support ambitious, impactful funding streams to draw talent into Scotland.
19. Many of the conditions for international connectedness and competitiveness are created by the UK government, for example through rules on immigration and decisions on engagement with future European programmes such as Horizon Europe. It is vital for that the government and the funding council continue to make the arguments at the highest level for an open, outward-facing immigration system that promotes and encourages greater numbers of international students to choose Scotland as a place of study. As the recent Muscatelli report (2019) points out, one of the great strengths of the Scottish university sector is that it is outward-looking and global in its reach and influence.³ It is therefore vital that the sector is enabled to reinforce this strength in our post-Brexit scenario.
20. The success of all universities in Scotland in attracting international students, including modern universities, has brought huge benefits for the sector overall, enhanced the experience and teaching quality for all students, and provided investment into local communities. Furthermore, the 'soft power' that is generated for Scotland and the UK by international alumni and the connections made throughout the world by modern universities that are simultaneously local and international institutions has the overall effect of promoting business development and greater levels of inward investment in Scotland.

³ Muscatelli, Anton (2019), *The Muscatelli report: driving innovation in Scotland – a national mission*
https://www.gla.ac.uk/media/Media_700300_smx.pdf

Q4. What opportunities and threats does the post-pandemic environment hold for colleges, universities and specialist institutions? For institutional leaders, how are you planning to address these challenges and opportunities?

21. The post-pandemic world will create different needs and demands on colleges and universities. The concept of an '*education-led recovery*' as signaled in the report of the independent advisory group on economic recovery,⁴ is an opportunity to demonstrate how we can use universities and colleges to drive and support positive change. In order to rise to that challenge, colleges and universities – supported by the SFC – will together need to deal with the threats to institutional sustainability as quickly and effectively as possible in order that we can focus on supporting recovery.
22. The Scottish higher education sector faces very significant threats regarding income for teaching, in particular from international students and domestic UK students. In addition to this, universities are faced with the challenges in dealing with the costs of implementing effective physical distancing measures and enhanced IT support in order to ensure students continue to receive a high-quality educational experience. The government and the Funding Council must be open minded about future financial mitigation and/or underwriting schemes should increases in infection lead to major local or national lockdown measures, which may have repercussions on the finances of Scotland's universities.
23. Scottish universities, with the support of government and the Funding Council, have responded well to the Covid-19 crisis. The sector-wide shift to online learning was rapid and effective and has provided valuable lessons to academics and tutors for the hybrid approaches being adopted for the autumn 2020 term. However, the opportunities these new ways of working provide – for instance in enabling greater access for students unable to be physically on campus, and in creating more opportunities for collaborative learning – come at a financial cost. Online and blended delivery requires significant expertise in pedagogy and course design, and as such this requires investment to ensure that delivery across the board is of high quality. There is, of course, huge potential for transformation to increase access and reach in the medium term, which can be optimised with strategic support from the Funding Council.
24. The disruption to normal economic activity caused by the pandemic means there is a huge role for universities to play in supporting businesses and public organisations to "get back on their feet". Investment in reskilling, research and knowledge transfer will all play a part in ensuring

⁴ Scottish Government, *Towards a Robust, Resilient Wellbeing Economy for Scotland*, (2020)
www.gov.scot/binaries/content/documents/govscot/publications/strategy-plan/2020/06/towards-robust-resilient-wellbeing-economy-scotland-report-advisory-group-economic-recovery/documents/towards-robust-resilient-wellbeing-economy-scotland/towards-robust-resilient-wellbeing-economy-scotland/govscot%3Adocument/towards-robust-resilient-wellbeing-economy-scotland.pdf

that local economies quickly have the resources and expertise required to protect and create new jobs to drive recovery towards a post-pandemic economy.

Q5. What forms of collaboration within the tertiary education eco-system would best enable a coherent and effective response to these challenges and opportunities?

25. An effective education system needs to provide individuals opportunities in access and progression. This requires strong collaboration between the different types of institutions across all phases of education. Courses and qualifications should be designed with “next steps” built into them to ensure that students have the right skills to progress to the next level.
26. Collaboration should promote access, using individual institutional strengths to enable students to benefit from education regardless of background. Articulation from FE to HE in Scotland is a prime example of collaboration achieving more than competition (the English system serves as a useful counterpoint) and should be strengthened. *87% of all students articulating into the 2nd or 3rd year of university study moved into MillionPlus universities from their college.* The link between widening access and participation and articulation is clear when one considers that 42% of first degree students from the most deprived SIMD quintile come through the HNC/HND college-to-university pathway.⁵
27. There must be clear (and actively promoted) routes for learners and students through school, college and university, with well-defined exit points and interaction with employers. Part of this will involve proper articulation with colleges. Unless there is a specific professional requirement, it should be standard to see all HNCs allowing access to degree level 2 and HNDs to degree level 3.
28. Healthy competition can prompt innovation and choices, but equally there needs to be genuine collaboration between colleges and universities and between universities that is beneficial to the economy and wider society. Competition that limits choice or access, or both, must be avoided. The value of collaboration, and the importance of maintaining fluid learning pathways to university through the college system are key points that have been emphasised both by university and college leaders, including in the recent Cumberford-Little report.⁶ These principles, shared by MillionPlus, demonstrate that there is collective support for the continued expansion of these routes across the tertiary sector.

Q5. How can SFC, alongside government and other enterprise, skills and education-focused agencies, best support colleges, universities and specialist institutions to make

5 Scottish Funding Council Statistical Publication (2019), *Articulation from Scottish Colleges to Universities 2017-18*: http://www.sfc.ac.uk/web/FILES/statisticalpublications_sfscst062019/SFCST0619_Articulation_from_Scottish_Colleges_to_Scottish_Universities_2017-18.pdf

6 Cumberford, Audrey & Little, Paul (2020), *One Tertiary System: agile, collaborative and inclusive*, <https://view.pagetiger.com/inlhij/1>

their full contribution to Scotland's inclusive, green and education-led recovery? In particular, you may wish to draw out:

- **How scarce public resources should be prioritised to drive recovery**
- **Particular areas of collaboration between agencies that would best support the sectors' contributions**
- **Adaptations to SFC's funding and accountability frameworks to promote agile and collaborative action by the sectors to build Scotland's recovery**
- **How SFC's funding and accountability frameworks should ensure that equality and wide access to educational opportunity are promoted as key elements of the recovery for younger people and adults**
- **What support SFC and government could give institutions to adapt to a changed environment**

29. As this submission has noted, the Funding Council and the Scottish government should adopt new approaches on the quantum and delivery mechanisms for public investment in universities, colleges, and specialist institutions.

30. To recap, these approaches should include:

- i. the use of multi-year funding agreements with universities, colleges and specialist institutions;
- ii. respect for the institutional autonomy of universities, valuing their diverse missions;
- iii. reducing excessive administration (through a simpler - and more effective - Outcome Agreement process);
- iv. investing in capital infrastructure (including IT), to enable high-quality blended learning; and,
- v. encouraging regional collaboration between institutions, through SFC investment, based on a 'bottom-up' ascertainment of local needs.