

Scottish Higher Education Review

Report of the Review Panel

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A. INTRODUCTION

The members of the Higher Education Review Panel were invited by the Minister for Enterprise, Transport and Lifelong Learning to be part of a discussion forum to consider issues and ideas in relation to the Scottish Higher Education Review. This report provides the Minister with the conclusions and recommendations of the Panel.

The Panel met on six occasions between March and September 2002. Its work was conducted in parallel with a range of other activities being undertaken as part of the Review. Meetings of the Panel provided an opportunity to reflect on and debate key issues as the Review progressed, drawing on the range of expertise brought by Panel members and of others invited to take part in individual sessions. There was no intention to seek to replicate the broad ranging and detailed investigations and analysis undertaken relatively recently by the Dearing or Garrick Committees¹.

In taking forward this work the Panel focused on three main areas – teaching and learning, research and knowledge transmission, and governance and management - and inevitably, the issue of funding was also raised. The process involved consideration of papers and reports from other activity being undertaken as part of the Review and other sources, presentations by representative bodies and others, and round table discussions with representatives from the HE sector. (Details of the review process are at Annex 3, those who met with the Panel at Annex 4 and material provided to the Panel at Annex 5).

Eight overarching themes emerged from the Panel's discussions which informed the conclusions and recommendations included in this report. These were identified as recurrent themes which had relevance across the three main areas considered and are summarised here as follows:

- **Drivers for Change:** external factors which impact on the sector (such as demography and local/global HE markets) and also factors over which there is some control (such as strategic priorities and aims, quality, funding mechanisms and levels).
- **Adaptability of Systems:** the ability of the HE system² to be responsive, anticipate and adapt appropriately to the drivers for change.
- **Diversity within a Strategic Framework:** complementarity of the vision, aims and objectives across the HE sector³ to ensure that performance is optimised and national priorities are delivered.
- **Relevance:** outputs from HE (courses and research) and their currency and relevance to the needs of the appropriate stakeholders.

¹ The National Committee of Inquiry on Higher Education (the Dearing Committee) and the Scottish Standing Committee (the Garrick Committee).

² The HE system comprises providers of HE (including provision in colleges), the Funding Council and the Scottish Executive.

³ The term 'HE sector' is defined for the purposes of this report as the Higher Education Institutions funded by SHEFC.

- **Flexibility:** flexibility of course provision to meet the needs of increasingly diverse cohorts of learners, from entry/exit routes and levels to modes and duration of study.
- **Leadership and Management:** developing abilities and training at all levels within HEIs to ensure that institutions thrive and are able to manage change effectively in the future environment.
- **Collaboration:** the benefits of appropriate collaborative ventures for individuals, institutions and the sector and the importance of these adding value in some way and being sustainable.
- **Roles and Relationships:** between the Scottish Executive, Funding Councils, HEIs and other bodies/agencies in establishing priorities and supporting the continued development of the Scottish HE sector.

In preparing this report, the Panel has reviewed its conclusions in the light of the responses received to the Executive's external consultation paper, *Shaping our Future*, and has also had the opportunity to reflect on the interim report of the Enterprise and Lifelong Learning Committee's inquiry into lifelong learning.

This report sets out the Panel's conclusions and is intended to assist Ministers in drawing up their final report on the Review in conjunction with the other work that has been undertaken. The report makes a deliberately small number of specific recommendations, while commending to the Minister its broader observations on higher education in Scotland.

The Panel wish to record formally their thanks for the time and valuable inputs from the wide range of representatives who attended meetings and/or provided papers to inform the discussions of the Panel, and also for the secretariat support provided by the Scottish Executive.

November 2002

B. SUMMARY AND CONCLUSIONS

Context

The Panel agreed that it was important to reinforce some of the contextual issues underpinning its observations of higher education and its conclusions and recommendations.

The Panel believes that:

- it is important to value and nurture the distinctive nature of Scottish higher education, to recognise the benefits that can be gained from the relatively compact scale of the sector, and to build on these characteristics to Scotland's advantage;
- there is potential for a resurgence in the roles played by HEIs in society and the community in supporting informed policy making, social justice and the economy, all of which is particularly pertinent against the backdrop of devolution;
- the diversity of provision and providers of HE in Scotland is a real strength, including the significant role played by further education colleges in the delivery of HE at sub-degree level;
- Scottish HEIs are already performing strongly in many important areas;
- the HE sector recognise and are committed to the need to continue to develop and progress - in both a national and international context – to be central to Scotland's future in the development of skills, attitudes and new ideas and in increasing the attractiveness of Scotland to people and employers; and
- it is important to recognise the range, complexity and changing nature of external and internal drivers for change which influence decision-making and institutional behaviour. The sector must be innovative, responsive and adaptable to succeed in the future, especially in addressing the needs of new markets. For this to be achieved it is important that the motivational factors which influence the behaviour of those in the system are understood and that systems work with, and not against, these factors.

In looking to the future the Panel believes that:

- an appropriate range of activity, which builds on the strengths of individual institutions and the contribution they can make to the delivery of Scottish objectives, must be developed and delivered within a strategic framework;
- while an element of competition within and across the sector to help drive up standards is recognised to be desirable, more opportunities should be sought to collaborate and co-operate where this has demonstrable value and benefit;
- current good practice must be built on and developed; new technologies, ideas and markets must be exploited effectively whilst maintaining quality and preserving what is best in the current system.

To do this the Panel also believes that policy makers and providers of HE at all levels must recognise that:

- a critical factor in driving forward change is leadership and good management, including supporting the important role of Governing Bodies. Future strength will need to be underpinned by the continued development of human resource policies, staff training/development, and by more transparent career paths for those in the sector;
- there are drivers within the system which influence decision-making and behaviours such as changes to funding levels and mechanisms and the implementation of new policies, structures or relationships. It is important that the potential impacts of any proposed changes to the system are carefully assessed;
- communication of key priorities for HE is crucial, not only to the sector but to all stakeholders, particularly those involved in school education who are uniquely placed to inform and influence young peoples' views of learning throughout life; and
- a key role for government must be to work with the sector to set key priorities and to aim to support change from within.

C. WHAT NEEDS TO BE ADDRESSED

This section sets out the Panel's conclusions grouped under the three main areas identified earlier - teaching and learning, research and knowledge transfer and governance and management. There is also a section on funding.

TEACHING AND LEARNING

Demand and Supply: With the expected demographic changes and move towards the continual need for re- and up-skilling throughout working lives, it is anticipated that learners will increasingly wish to undertake their studies as and when it is suitable for them, at various locations and through various modes. This changing market will require institutions, their staff and systems to be adaptable and to operate in more flexible ways, such as by adopting new pedagogy, practices and information and communication technologies (ICT), including 'e' developments, as appropriate.

Participation: More than 50% of Scotland's young people now participate in higher education. However, *the proportion from the poorer socio-economic groups entering HEIs has not changed significantly. Improving this should be a top priority* which requires that barriers to entry be identified and lowered and adequate systems of support for learners (not only financial support) to be in place. There also needs to be a better understanding of the motivational factors which influence decision-making by key players (i.e. all potential learners, parents, employers and providers).

Schools, both primary and secondary, are fundamental in nurturing and preparing young people for the future and it is important that our young people are given every opportunity to achieve their full potential by providing a continuum of education and aspiration for all.

Articulation and routeways: HEIs need to continue to work with further education colleges (FECs) and other providers in meeting the needs of learners and markets. It is important that students, as well as employers, are involved in the design and revision of courses. The Panel recognises the value and importance of HE provision in FECs and believes that the *routes for movement between providers and sectors should be improved to maximise the benefits to learners and to provide more transparency of opportunities to help individuals make better informed decisions.* To establish effective routes of articulation HEIs must be prepared to examine and, where appropriate, to alter their ways of operating. There should not be an expectation that only FECs will adapt provision and practices to make articulation possible by meeting the individual requirements of each institution.

Labour Market Responsiveness: The Panel sees it as a strength in the Scottish system that HE provides a generalist broad based education to nurture critical reflective thinking and a breadth of knowledge and understanding, as well as vocational qualifications to provide specific knowledge and skills.

The Panel recognises that for the majority of people undertaking an HE course improving their job prospects is important, and therefore the employability of graduates is crucial. *Courses must be relevant to the needs of learners and be informed by market and employer requirements.*

There needs to be better understanding and analysis of the needs of employers and what the HE sector can do to address them. The Panel recognises the potential value of Futureskills Scotland in this sphere.

Specifically the sector should:

- monitor and understand labour market trends; and
- seek to align course content with the knowledge and skill requirements of individual sectors.

This requires close and continuing dialogue between the sector, the Funding Council, employment sector representatives and labour market analysts. *Employers also have a role in promoting jobs to attract graduates with certain knowledge and skills, therefore creating 'market-pull' (by providing attractive pay, conditions and career paths) rather than solely expecting the HE systems to increase the number of graduates in certain subjects.* The sector is not in a position to rectify labour market deficiencies where these are the consequence of labour market failures. *However, the sector does need to be more proactive and to be able to adapt more effectively to the changing environment, including the skills demanded from the labour market.*

International markets: The Panel feels that *there is an opportunity for Scottish HE to increase its share of the growing global market for education.* These markets are important to institutions not only as a source of additional funding, but also - and importantly- because the presence of international students enhances the on-campus environment of institutions, both academically and culturally. The recruitment of international students has a large impact on the economy of Scotland, and their

presence, and the retention of highly skilled graduates, is very important to the future economic well-being of the nation.

Whilst recognising developing international markets as an opportunity for Scottish HE, the Panel is aware of the strong competition in these markets from other providers around the world, especially North America, Australia and increasingly Canada. *The importance of the use of alumni in promoting Scottish HE internationally, and in establishing economic links with other countries*, is recognised by the Panel, as is the *need for Scottish HE to benchmark its provision against the best products in overseas markets to ensure that what is provided is of the highest quality*. It may well be that Scottish HEIs will need to be prepared to provide a greater degree of flexibility in their courses to meet the requirements of international markets.

The sector (along with further education colleges, independent schools and English language schools) has already established a collaborative venture, Scottish Education and Training (SE+T), to strengthen the Scottish education brand in international markets. SE+T also works alongside UK bodies and initiatives. The Panel believes that *the recruitment of international students and the development of international programmes should be encouraged further*. While primarily an issue for individual HEIs, there is scope for more co-operative ventures and co-ordination, including through SE+T and the Scottish Funding Councils.

The Panel suggests that the sector agrees a minimum standard of service and support that international students coming to any HEI in Scotland should be able to expect: an *'international student charter'*. It is felt that such a commitment would provide Scottish HE with a competitive advantage when students were deciding in which country to study.

The Panel welcomes recent developments which will enable international students to remain in the UK until 31st October in the year of graduation and, their not having to return to their home country whilst the permit application is considered, where individuals have found work and an employer to apply for a work permit on their behalf. The Panel believes that *the retention of overseas graduates will be vital for Scotland's future economic prosperity*. The Panel encourages the Scottish Executive, institutions and other bodies to widely communicate these changes to both students and employers in order to increase the take up of employment opportunities in Scotland by overseas students

RESEARCH AND KNOWLEDGE TRANSMISSION

Engagement with research: There is a need to *strengthen and diversify the mechanisms for engagement between academic researchers and business, industry and public policy-makers*. This will ensure that research in all disciplines (*not just science and technology*) delivers appropriate economic impacts, and will also enhance the means by which economic, social and cultural activity are informed by, and can in turn influence, research and teaching within HEIs.

It is crucial that *research enhances citizenship and engages the public*. In particular, understandable, non-technical information on scientific developments should be provided to the public to encourage their engagement in critical scientific debates, and to overcome any suspicion that they may have related to such developments. It is also *important that teachers and the education authorities keep up to date and are engaged with developments in research, and that this knowledge is used to inform curricula development*. It is understood that the recently established Scottish Science Advisory Committee (SSAC) is considering science in society issues, and will be advising Ministers on priorities in this area in due course.

Getting research into Scottish businesses: HEIs have been encouraged to increase their knowledge transfer and commercialisation activities. *It is particularly important that demand for economically beneficial research is stimulated* (i.e demand from public, business/industrial and government sources). There is a role for the Executive, especially through the SSAC, in encouraging the engagement of businesses and the public with research in all disciplines and not just in the areas of science and technology. There are also roles for the Funding Council and Scottish Enterprise (SEn) in promoting business, industry and employers engagement with research outputs. This could be supported through the use of *intermediate institutes*, and by establishing a new funding stream to support knowledge transfer opportunities, as proposed in their report 'Research and Knowledge Transfer in Scotland' (SHEFC/SEn, March 2002).

HEIs need to ensure that they are accessible and responsive to demands for commercialisation and knowledge transfer activities. It is widely recognised that it would be beneficial for HEIs and investors to gain a mutual understanding of each other's objectives and requirements, in order to allow processes to be more efficient and to stimulate additional activity. Further consideration should be given to the issue of intellectual property rights (IPR) and reward mechanisms, to ensure that the results are of benefit to the wider community and are not dictated by short-term revenue decisions by institutions.

Looking towards the future it is *important that young people are exposed to entrepreneurial principles and that they understand that such routes (such as creating new businesses) can be realistic options for them*; This exposure needs to be provided in HEIs and through other educators.

Research Assessment Exercise (RAE): Research activity in Scottish HEIs, as judged by the RAE, is of a high quality and outputs compare favourably on a UK level. Whilst it is important that the quantity of quality research continues to increase, the Panel believes that the RAE undervalues the importance of relevance and dissemination of research for the benefit of the wider society and the economy.

The Panel does not feel that the RAE mechanism alone can be expected to measure an expanded range of criteria effectively, and believes that the Funding Council should give consideration to this issue. If the RAE is to continue in the future its design should be sympathetic to, and take cognisance of, researchers' operating methods and the natural timescales of research - which may well be longer than the five year RAE cycle.

Arts and Humanities Research Board (AHRB): The Panel also gave consideration to the proposal to designate the AHRB as a research council and agreed its view that the proposal should be supported by the Scottish Executive.

GOVERNANCE AND MANAGEMENT

Strategic coherence: The diversity of institutions and of provision within the sector is important, but the Panel is of the view that, due to its size, the Scottish HE sector can contribute to a national coherence which would be difficult to achieve in a sector of a larger scale. Such a coherence would give the sector a competitive advantage in various markets (for example international opportunities and e-learning). *The Panel believe that there is currently a need for a greater level of strategic coherence in the sector and that institutions and the Funding Council should work towards establishing a strategic framework.*

The Panel endorses the initiative that SHEFC has taken in this area by bringing together the Principals and Chairs of institutions, and also Universities Scotland, to discuss national priorities and the strategic direction and objectives of the sector. It is hoped that such discussion, and the work that flows from it, will lead to the optimisation of performance; that the challenges of the external drivers can be addressed; and that the key outputs and functional diversity desired from the sector as a whole can be delivered. This may require the rationalisation of provision where it is no longer relevant or there is little demand, or the strengthening of priority areas where current provision is identified as inadequate. In its communications with institutions SHEFC has a dual role of communicating the national priorities to the sector and also to reflect the sector's views to the Executive.

Governing bodies: Effective governing bodies are crucial to the development and delivery of relevant, robust and strategic aims of institutions, and therefore for their long-term health. It is important that governors are representative of the communities that the institutions serve (increasingly for some, this may have a large international element and therefore an international perspective is important). *Institutions should provide adequate training for governors to ensure that they are always prepared for and effective in their roles.*

Leadership and Management: To prepare institutions for the future, and to ensure their development and success, strong leadership and management of all institutions is required. *It is important to ensure the involvement and empowerment of staff as institutions evolve.* The development of staff - especially those in key managerial roles at departmental or faculty level - is central to the future success of institutions. Management should work towards specifying career paths, and supporting staff in their development.

Collaboration: *Institutions will need to work together if Scottish HE is to gain access to and meet the needs of the various markets for HE, particularly in the face of an increasingly competitive global HE market. There are many examples of institutions collaborating on a number of levels and across sectors and these developments are welcomed.*

The exploration of further opportunities for inter-disciplinary as well as inter-institutional collaboration, should be encouraged by SHEFC where there are real benefits to be gained. Joint ventures may be appropriate for improving networks of staff; increasing access to specialist facilities; developing courses; sharing support functions; and also for staff development and governor training opportunities. The Panel is of the view that the extension co-operative projects, the rationalisation of provision or the initiation of mergers must remain a matter primarily for HEIs themselves if such moves are to be successful.

Collaboration is not an end in itself, and will only be sustainable where there are clear reasons to do so and where there are benefits to be gained (such as scale/costs/quality enhancement/etc). It is hoped that the discussions between the Funding Council and institutions will not only identify opportunities for collaborative ventures, but also the barriers to this and how these could be removed. Joint ventures need not be restricted to within the HE sector, or within Scotland, but ventures should be encouraged, where relevant, both within and outwith the sector, and also nationally and internationally.

Communication: *It is important that the role of HE is understood outwith the sector. Priorities and objectives need to be communicated to, understood by and subscribed to by HE customers, suppliers and the wider community. For HE to move forward and deliver its objectives, an environment and culture conducive to change will be needed. All levels of the system, both internally and externally, will need to be empowered and motivated to progress change. The sound leadership and management of, institutions at all levels will be crucial in achieving the delivery of strategic change, whilst sustaining performance and the long-term health of the system.*

FUNDING

The issue of funding was only really brought to the Panel's attention by contributors to its discussions towards the end of its deliberations, and there was not the opportunity to fully explore this aspect. However, the Panel was made aware of the sector's view that it required a higher level of government funding to assure its ability to deliver the objectives of the Executive, while maintaining quality and excellence and investing for the future.

There is a view in the sector that real terms growth in funding would be needed to provide room to effect real change. The Panel noted that significant change is more likely to be effectively implemented where there is sufficient financial flexibility in the system to support new developments.

The Panel does not consider that it is in a position to make a proper assessment or draw firm conclusions regarding the quantum of public funding required for the sector; but does believe that it is important that expectations are realistically set in the light of available levels of funding.

The Panel shares the sector's concerns that the funding allocation mechanisms can influence behaviours in unintended ways, in particular in focusing the attention of HEIs on the short-term. *The Panel believes the uncertainty in future public funding can reduce institutions' willingness to plan for long-term investment, and the current*

arrangement of annual funding allocations may unintentionally contribute to institutions focusing on the short-term.

The Panel notes a number of specific features of the current HE system which could exacerbate the situation:

- making long-term investment decisions in an operating environment of short-term funding allocations
- while recognising that by not specifying a capital funding line in the allocation from the Funding Council there is maximum flexibility for the HEIs to take spending decisions, this may inadvertently contribute to short-term attitudes about funding with short-term recurrent funding decisions taking precedence over consideration of longer-term capital investment
- this has happened against a background of rapid expansion which has put strain on existing building stock.

The Panel also noted that Scottish HE was affected by funding policies in the rest of the UK, given the UK and global market in which it operated, and, therefore there was a need to be alive to the competitive advantages or disadvantages which changes elsewhere in the UK could bring.

The Panel suggests that *consideration should be given as to how a longer-term planning horizon could be facilitated* with regard to the allocation of funding and therefore assist HEIs to plan and finance longer term strategic developments. It may be that SHEFC could now explore with the Executive, how the 3 year Spending Review cycle now established could be exploited to give useful indicative information to HEIs beyond annual allocations.

On a cautionary note, the Panel does not believe that funding mechanisms should be hastily re-designed. There needs to be an understanding of what the long-term objectives for the sector are, what outcomes the Executive wants to obtain in terms of HE, and of the impact of any revised funding mechanisms and processes to deliver these - particularly unintended outcomes.

The Panel also notes that there continues to be concern about the tight financial position of many students, but given the recent level of scrutiny and amendment of systems, the Panel feels that it is not appropriate for it to make a recommendation in this area.

D. **RECOMMENDATIONS TO THE MINISTER**

The Panel does not wish to make a large number of recommendations, but a few key areas are highlighted where it is considered that progression would benefit the sector as a whole and therefore bring benefits to Scotland.

The recommendations are based on the assumption that the sector will continue to pursue excellence and quality in all areas of its business. The Panel notes specifically that new measures of the quality and impact of research are being explored in the context of a UK-wide review of the RAE now underway. It *endorses the decision to conduct a fundamental review of the RAE.*

The Panel's recommendations are underpinned by the eight overarching themes identified throughout the Panel's discussions as being of importance.

External Drivers

Demography

Competition
(local & global)

Economic / skills
needs

Markets
(local & global)

Demand for
lifelong learning

Impact of policies
(local, national &
international)

RECOMMENDATIONS

1) The Panel strongly supports the process of dialogue now begun between the institutions and the Funding Council on working towards *strategic coherence* in the sector. The Panel believes that the sector can draw strength from diversity and that institutions should be encouraged to innovate and to develop their strengths and missions, but that diversity amongst institutions need not and should not be an obstacle to working towards achieving agreed national priorities across the sector as a whole.

2) Institutions' *capacity to anticipate, lead and respond effectively to external drivers* for change will be critical to future success. The Funding Council should support institutions to develop that capacity. For example, the Panel particularly recognises the *need to offer learners a greater degree of flexibility* of provision in modes of delivery, use of IT including e-learning developments, short targeted courses and courses designed to meet the needs of employers and in-work learners, by offering continuous professional development and other lifelong learning opportunities.

3) For systems to be effective there must be an understanding of the motivations for behavioural change. Institutions should enhance the development and delivery of *staff training and development* particularly to increase *leadership capacity* at all levels. It may be sensible for institutions to collaborate more in this area.

4) The Executive and the Funding Council should investigate the *sustainability of teaching infrastructure* in the sector.

5) Institutions should, where there are clear reasons to do so such as scale, cost, quality enhancement, etc, *collaborate* and the Funding Council and institutions should consider the potential for this as a key issue within their strategic dialogue.

6) The Executive, Funding Council and institutions should work together to *minimise any unintentional impacts* of change that would adversely affect the operation of the sector.

System Drivers

Strategic aims of
SE, SHEFC &
HEIs

Prices

Level of public
funding

Funding
mechanisms

Planning
horizons and
cycles / decision
making

New
technologies &
pedagogical
developments

Quality

External Drivers

Demography

Competition
(local & global)

Economic / skills
needs

Markets
(local & global)

Demand for
lifelong learning

Impact of policies
(local, national &
international)

RECOMMENDATIONS (con't)

7) The Executive, Funding Council and institutions must continue to work together to increase the proportion of learners accessing HE from ***under-represented groups***. This will require all elements of the 'supply chain' to be understood and stimulated, in addition to input from providers in HE; e.g. pupils, parents, teachers, other potential learners and employers; and for the Executive to give careful consideration to setting appropriate targets.

8) Systems must encourage ***articulation*** between courses both between sectors and institutions, and HEIs and FECs should work together to identify and streamline routes between providers. Information must be provided on entry and exit points, transportable credits and qualifications, the accreditation of prior learning, fast tracking options and employment opportunities. To enhance the transparency of articulation routes, qualifications and routeways should be mapped onto the SCQF. The Funding Council should facilitate and support these developments.

9) Institutions must have robust systems in place to ensure that courses are, and continue to be, ***relevant*** to the needs of learners and to the wider needs of the economy and society.

10) There is a need for more ***strategic branding and marketing*** of Scottish higher education in international markets - both in encouraging students to come here and in the provision of distance learning. The development of an *international students' charter* would highlight the distinctiveness of the Scottish sector and pledge a basic level of service and support students could expect when studying with a Scottish HEI which could provide a ***competitive edge*** when students make their choices. The sector should fully support the work of SE+T.

11) The Scottish Executive and Funding Council should encourage institutions to promote the ***knowledge transfer and commercialisation*** of their research to realise its full potential for society and the economy.

System Drivers

Strategic aims of
SE, SHEFC &
HEIs

Prices

Level of public
funding

Funding
mechanisms

Planning
horizons and
cycles / decision
making

New
technologies &
pedagogical
developments

Quality

Scottish Higher Education Review
Report of the Review Panel - ANNEXES

ANNEX 1

MEMBERSHIP

Scottish Higher Education Review Panel Members

Mr George Borthwick CBE, *Chair of Scottish Business in the Community and Former President of Ethicon Europe*

Professor Vicki Bruce OBE, *Vice Principal Research and Head of College (Humanities and Social Sciences), University of Edinburgh*

Professor Duncan Maclennan CBE, *Expert advisor to the review*

Mr Roger McClure, *Chief Executive, Scottish Funding Councils*

Mr Ian Ritchie, *Coppertop and Scottish Institute for Enterprise*

Professor Peter Scott, *Vice-Chancellor, Kingston University*

Dr John Taylor OBE, *Director General of Research Councils, Office of Science and Technology*

Professor Mike Thorne, *Vice-Chancellor, University of East London*

Mr Charlie Woods, *Senior Director of Knowledge Management, Scottish Enterprise*

Ed Weeple, *Head of Lifelong Learning Group, Scottish Executive*

Lucy Hunter, *Head of Higher Education Division, Scottish Executive*

TERMS OF REFERENCE FOR THE SCOTTISH HIGHER EDUCATION REVIEW

To identify how the Scottish Executive Enterprise and Lifelong Learning Department's investment in the delivery of higher education can most effectively maximise the personal, social and economic benefits of teaching and research over the medium to long term, and support a culture of challenge, innovation and partnership in and beyond Higher Education Institutions.

The review should have particular regard to:

- the framework for relations between the Executive, the Scottish Higher Education Funding Council (SHEFC) and higher education institutions - as well as other relevant bodies in the field of lifelong learning;
- SHEFC's performance and how that should be developed.

Recognising:

- the contribution of higher education to the Scottish Executive's objectives for economic, social, cultural and personal development - with specific attention to changing demands for knowledge and skills; and the need to extend the opportunity to benefit from higher education to those groups who have been relatively excluded;
- the need to constantly seek opportunities to develop and improve performance in teaching and research, to stimulate the transmission of knowledge to the wider community, and to be responsive to change;
- the contribution which well-managed and well-motivated staff make to the provision of higher education; and
- the need to make best use of the resources already being made available to the sector.

PROCESS FOR THE REVIEW OF HIGHER EDUCATION

Background

Review of Higher Education in Scotland was launched in October 2001 by the Minister for Enterprise, Transport & Lifelong Learning.

Review involved two consultation papers issued October 2001 & April 2002.

October paper focused on performance of the Scottish Higher Education Funding Council and the April paper rehearsed the drivers for change, including: demographic and economic pressures, and principles and actions for change. The key themes of the review were teaching and learning; research and knowledge transfer; management and governance; responding to the changing context for higher education and delivering the science and skills for a smart, successful Scotland.

The review was supported by a panel of experts, the Review Panel, and this paper is a report of their work. Executive officials also met HE Principals and a number of Principals of FE colleges (who provide significant levels of HE) for informal views; the Minister also hosted dinners with groups of HE Principals and with FE Principals.

A short report on the response to the first stage consultation in relation to the operation of SHEFC was published in August and the review process will conclude with a paper in February 2003. The discussion paper will bring together feedback from consultations, meetings and discussions; take account of the Enterprise and Lifelong Learning Committee's report on its Inquiry into Lifelong Learning; the Executive's strategy for Lifelong Learning and other inquiries and activities regarding HE, and the outcome of SR2002.

Work of the Review Panel

Five full day meetings of the Review Panel were held, with each focusing on a key theme and generally concluded with a meeting with the Minister to summarise the key issues. A final half day meeting was held to agree the content of the Panel's report to the Minister.

Meetings:

- 5 March – Governance and Management
- 27 March – Teaching and Learning
- 24 April – Research (supported by a seminar on Commercialisation on 30 May)
- 29 May – International Markets
- 25 July – Governance and Government/HEI Relationships
- 24 September – Review Panel's Report to the Minister

At each of the full day meetings representatives of key stakeholders have been invited to meet the Panel and to partake in discussions, see Annex 4 for details.

REPRESENTATIVES FROM THE FOLLOWING ORGANISATIONS MET WITH THE REVIEW PANEL

- National Union of Students, Scotland
- Association of University Teachers (Scotland)
- The Educational Institute of Scotland, University Lecturers' Association
- The Committee of Chairs of University Courts
- Universities Scotland
- The Secretaries Group of Universities Scotland
- Professor Michael Shattock
- Scottish Education and Training (SE+T)
- Scottish Universities Research Policy Consortium: *'Strategic Decision-Making on Investment in Research Infrastructure'*
- Institute of Education
- Quality Assurance Agency
- Scottish Higher Education Funding Council
- Scottish Science Advisory Committee

PAPERS RECEIVED BY THE REVIEW PANEL

Work Commission from:

- Professor M Shattock: Institutional Governance and Management; and The Roles of Chairs and Secretaries of Court
- Osborne, M; Gallacher, J and Murphy, M: A Research Review of FE/HE Links

Papers Received:

- National Union of Students, Scotland: *Submission to the Scottish Executive Review of Higher Education*
- National Union of Students, Scotland: *Submission to the Enterprise and Lifelong Learning Committee of the Scottish Parliament Inquiry into Lifelong Learning*
- National Union of Students, Scotland: *Submission to the Scottish Higher Education Funding Council; Strategic Issues in Higher Education*
- National Union of Students, Scotland: *Funding for the Future; Funding Teaching in Higher Education*
- Association of University Teachers (Scotland): *Initial Submission to the Strategic Review of Scottish higher education*
- Association of University Teachers (Scotland): *Paper for review panel meeting of 5 March 2002*
- The Educational Institute of Scotland, University Lecturers' Association: *Submission to the Scottish Executive Review of Higher Education*
- The Educational Institute of Scotland, University Lecturers' Association; Report compiled by Bathie, D; Burns, A & Burns, P. Department of Management and Marketing, University of Paisley: *Electronic Technology in Higher Education May 2000*
- Committee of Chairmen of Scottish Higher Education Institutions: *Review of Higher Education*
- Universities Scotland: *Response to First Consultation Paper*
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