

Association of University Administrators

Response to Scottish Executive on the Merger of The Scottish Further Education Funding Council and The Scottish Higher Education Funding Council

The Association of University Administrators (AUA) is the professional body for higher education administrators and managers in the UK and the Republic of Ireland. It has over 4000 members in UK and overseas universities and higher education colleges, as well as in HE related bodies such as Universities UK and the funding councils. Among its aims is the promotion of excellence in higher education management (<http://www.aua.ac.uk/aboutaua/aboutaua.htm>).

We have four main concerns with the draft Bill.

1. *The concept of Specified Tertiary Education Providers (STEPS).* We do not think that the consultation document makes any case for why a new category of organisation is needed to determine eligibility for funding. The proposed new Council could continue to fund existing FECs and HEIs with powers which Ministers already possess being used to redesignate institutions as necessary. We are particularly concerned that the concept could damage student recruitment, particularly overseas student recruitment. Potential students may not understand that STEP status is simply a technical issue determining eligibility for funding from the new Council and not a new status replacing existing designation as an FEC or HEIs. There has already been some unhelpful, damaging and ill-informed publicity suggesting that Scotland was abolishing university status.

2. *Categorisation of institutions.* We did not think that the categorisation of institutions in Annex B helpful. This appears to many to be a backdoor reintroduction of the pre-1992 binary line. While we understand that the categorisation reflects the different powers which Ministers currently have in relation to different HEIs, since the proposals will not change these by reference to the proposed categorisation we do not see that this is necessary or helpful. Again we are concerned that this could be damaging to student recruitment, particularly if potential students misunderstood the categorisation as implying that the post-1992 institutions had a different status to the older HEIs.

3. *New controls on institutions.* The draft Bill gives the Scottish Ministers considerable additional powers over HEIs (e.g. to do whatever is "necessary or expedient" in pursuit of the duty to secure "the adequate and efficient provision of tertiary education"). No case has been made as to why these additional powers are necessary, or even helpful to future development of the HE sector as a whole or individual institutions. We do not find the argument that Ministers should have the same powers over the FE and HE sectors unless the case is made to the contrary convincing.

Our concerns about additional powers are not an attempt to avoid accountability. Arrangements for accountability for the use of public funds have been strengthened in recent years, at the same time as the proportion of public funding has been decreasing. Institutions are of course also accountable through their governing bodies, which have majority external representation. Our main concern is about the impact of the proposals on institutional dynamic. Universities have been very successful in recent years because of an increasingly entrepreneurial approach deriving from a rerecognition of the fact that they are autonomous bodies which cannot rely solely on public funding if they are to be successful. Increased ministerial control could impact damagingly on this. The success of the UK model is being increasingly recognised in some European Union countries with moves to reduce ministerial control. And increased Ministerial

power would be contrary to the recommendations in the Lambert Review which argued for a lighter touch accountability regime. Lambert said that this would release universities' potential to act entrepreneurially, to generate income from non-governmental sources and to engage with business more effectively.

We are also concerned about the proposed new Ministerial power to force institutions to investigate possible mergers, including cross-sectoral mergers. This would be costly, and will have a significant impact on members of the Association having to support such investigations.

4. *Impact on future funding levels.* It seems implicit in the consultation documentation that there will be pressure to realign levels of teaching funding between the two sectors based on SCQF levels, and there are hints that the Executive would support this. We are concerned that this ignores fairly fundamental differences between style and content of teaching based on institutional mission and function. This is not to downplay the quality or importance of work undertaken in FECs, but is simply a statement of fact. Leading edge teaching informed by and delivered in a research-rich environment is inevitably considerably more expensive to deliver because of the cost of highly qualified research active staff and students' access to high-quality library and laboratory facilities. This could be particularly damaging to Scottish HEIs if this further drives down the level of funding at a time when English HEIs are expecting increases from the Government's reform of tuition fees.

Association of University Administrators
15 July 2004