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Dear Sirs

**CONSULTATION ON THE MERGER OF
THE SCOTTISH FURTHER EDUCATION FUNDING COUNCIL AND
THE SCOTTISH HIGHER EDUCATION FUNDING COUNCIL
RESPONSE BY BANFF AND BUCHAN COLLEGE OF FE**

Thank you for the opportunity to contribute towards this important consultation. Initially, we would wish to express our support for the broad thrust of the proposed legislation, however, we would also wish to express our concern over aspects which we feel will require to be addressed.

In particular we would like to express our support for the following aspects of the proposed legislation:

- The opportunity for a joint council to achieve parity of esteem, and funding, for further and higher education, irrespective of the nature of the institution in which it is delivered.
- The new duty on Scottish Ministers to secure adequate and efficient tertiary education.
- The ability of the sectors to maintain their own "identity". The missions of colleges and HEIs are quite different and we welcome this recognition. However, even within the FE sector there are differences in mission between large, urban colleges and the members of Scotland's Rural Colleges and it is essential that we are able to retain our distinctive rural and/or community focus.
- The focus on the strategic role of the new Council. It is clear from recent Audit Committee reports, that some members of the Committee wish to see colleges micro-managed in terms of unit costs etc. This tendency must be resisted at all costs. The success of the colleges, since incorporation, in

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rapidly expanding participation and driving down unit costs is mainly due to the close alignment of colleges with their local contexts and needs, within an overall funding envelope provided by the Council. College Boards of Management are best placed to manage these issues, and indeed benchmark with other, similar institutions, avoiding the pitfalls associated with a “one size fits all” approach.

- The new duty for the Council to have regard to skills needs in Scotland (current and potential) provided that this is not seen as a knee jerk reaction to short-term skills needs which would require a short-term reaction to what might be a very localised skills gap. Rural colleges welcome this provision as much of the rural related provision (in particular agriculture and nautical related subjects) is very expensive to maintain, attracts relatively small numbers of students but is of strategic importance to the rural economy.
- We welcome the recognition of the SCQF Framework as an enabling framework for the articulation of a wide range of Scottish Qualifications. At the heart of the legislation must lie the learner and this framework should facilitate articulation from schools and FE colleges to colleges and universities respectively for individual students.
- We particularly welcome the ‘academic freedoms’, previously guaranteed only to HEIs, being extended to FE colleges. As colleges have matured since incorporation, Boards of Management have developed into confident governing bodies, well capable of meeting the challenges posed by these new freedoms in terms of developing portfolios of courses, research, selection and appointment of staff and admission for students. This latter freedom is particularly welcomed in the current climate when FE is being effectively rationed due to the cap on activity.

However we would wish to express our concerns with respect to the following:

- Our main concern relates to the possible dilution of rural representation on the new, merged council. We frequently feel that the smaller, rural, colleges struggle to make our voices heard in the current Council. As the current council has evolved, the rural representation has increased and we would like to see this retained as the higher education sector is mainly urban based and these institutions are, in the main, not aware of the issues affecting rural delivery. Although many of these institutions do deliver small elements of programmes to rural areas, they also have large, urban based operations which in effect can subsidise this. However, we feel that this type of delivery is no substitute for locally based education and skills development related to the local economic context. A further concern in this respect is the easy access of urban, in particular central belt, institutions to policy and decision makers.

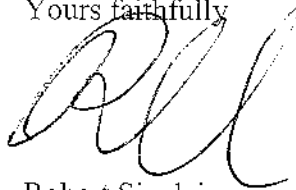
- We also feel strongly that the proposed legislation should be an enabling framework and avoid any overly prescriptive elements which it might be difficult to revoke if they are found not to work in future. Any tendency to attempt to micro-manage colleges by legislation must be resisted. Since incorporation, Boards of Management have, in the main, proved very effective in developing their colleges to expand and meet local education and skills needs. The large growth in FE participation since 1993 is testimony to this ability.
- Much of the current debate in the media regarding the merger centres around the importance of research in HEIs. We would also like to take this opportunity to stress the importance of small local colleges in the area of knowledge transfer to rural SMEs. As an example, Banff and Buchan College have developed a new, ultra reliable solid state bilge alarm for marine vessels which has been commercialised by a local electronics company, generating new jobs in an area severely affected by the rundown in the fishing industry.
- We would also like to express our concerns over the new power to designate other providers as STEPs. Within the current quantum of funding available and the formulaic distribution, it is difficult to maintain the viability of a small rural college. The designation of any additional STEPs, without a concomitant duty to increase funding, would be detrimental to the viability of rural colleges.
- The proposed new power, to request the governing body of any college or institution to evaluate the feasibility, advantages and disadvantages of a merger with another college or institution should also be carefully considered. Inevitably, should a rural college be required to do this, it will be with a much larger urban based institution. This inequity in size could lead to a situation where a local focus is lost in bigger, combined institution. Whilst not averse to new models of institutions, we feel that local, rural interests must be protected.
- The current duty on SHEFC to encourage HEIs to maintain and develop funding from other sources is, under the proposed legislation, to be extended to cover all colleges and institutions. Whilst we welcome the broad thrust of this change, rural colleges being amongst the most innovative, we would urge caution. The relatively fragile nature of the rural economy may not be able to sustain college diversification in terms of income generation as well as colleges serving large industrial bases or collections of industries as found in an urban setting.
- Currently, there is no mention in the proposed legislation to reflect the outcomes of the current review of school/college links. Without wishing to pre-judge the outcomes of this review, we would wish it to be noted that some of the outcomes of the review may affect future operation of colleges.

We have no strong position on the name of the proposed new Council.

We would also wish to see a requirement, rather than an expectation, for the new Council to consult on allocation of funds.

I look forward to the results of this consultation.

Yours faithfully

A handwritten signature in black ink, appearing to read 'RS', written over the typed name 'Robert Sinclair'.

Robert Sinclair
Principal