



COMMERCE

*The College at the centre.*

Our Ref: PWD/BM/129  
Your Ref:  
Date: 14 July 2004

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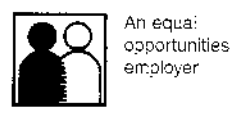
Dear Mark

**Consultation on the Merger of the Scottish Further Education Funding Council and the Scottish Higher Education Funding Council**

Please find attached a response from the Board of Management of Central College of Commerce to this consultation.

Yours sincerely

Peter Duncan  
Principal



## RESPONDEE INFORMATION FORM

Please complete the details below and attach it with your response. This will help ensure we handle your response appropriately:

Name: **CENTRAL COLLEGE OF COMMERCE**

Postal Address: **300 CATHEDRAL STREET, G1 2TA**

Consultation title: **CONSULTATION ON THE MERGER OF THE SCOTTISH FURTHER EDUCATION FUNDING COUNCIL AND THE SCOTTISH HIGHER EDUCATION FUNDING COUNCIL**

1. Are you responding as: (please tick one box)

- (a) an individual (go to 2a/b)  
 (b) on behalf of a group or organisation (go to 2c)

### 2a. INDIVIDUALS:

Do you agree to your response being made available to the public (in SE library and/or on SE website)?

- Yes (go to 2b below)  
No, not at all

2b. Where **confidentiality is not requested**, we will make your response available to the public on the following basis (**please tick one** of the following boxes)

- Yes, make my response, name and address all available  
Yes, make my response available, but not my name or address  
Yes, make my response and name available, but not my address

### 2c ON BEHALF OF GROUPS OR ORGANISATIONS:

Your name and address as respondents **will be** made available to the public (in the SE library and/or on SE website). Are you content for your response to be made available also?

- Yes  
 No

## SHARING RESPONSES/FUTURE ENGAGEMENT

3. We will share your response internally with other SE policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for the Scottish Executive to contact you again in the future in relation to this consultation response?

- Yes  
 No

## **Central College of Commerce**

### **Consultation Response**

#### **Merger of the Scottish Further Education Funding Council and the Scottish Higher Education Funding Council**

1. The Board of Management at Central College of Commerce is pleased to offer comment on the consultation paper "A Changing Landscape for Tertiary Education and Research in Scotland" together with the associated Bill. It does so as a specialist Further Education College offering a wide and diverse portfolio from basic literacy and numeracy programmes to post-graduate professional qualifications; its dominant provision is full-time Higher National Diplomas representing about half its activities.
2. Central College of Commerce has one of the highest proportions of Higher Education provision within the Scottish Further Education section and therefore a specialised knowledge and understanding of both Further and Higher Educational matters.
3. The Board wishes to support the proposal to merge the two Funding Councils.
4. The merger and its timing offer a unique opportunity to cement and support the newly devised Scottish Credit and Qualifications Framework (SCQF), enabling a unique coherence within a United Kingdom educational system through the linking of the funding and policy systems. If funding for courses is by SCQF level and not by institution as suggested in the consultation paper it will give greater impetus to the wider adoption of SCQF. Accepting that the public purse is limited, differentiated funding based on level could allow HEI's to receive increased funding for the highest levels, providing them with the necessary resources to compete at such levels with HEI's south of the border who have the benefit of "top up fees." A likely consequence is a new binary divide with increased "2+2" articulation between FEC's and HEI's. The new Council will need to cap student numbers in institutions at each SCQF level to guard against "mission drift."
5. There is a particular challenge and opportunity for the new Council in its nationwide, newly defined strategic planning and funding role which will allow a holistic approach to servicing the needs of the Scottish labour market. However, the suggestion of a light touch and high level decisions regarding provision is welcome. The proposal to provide powers to control provision could become oppressive and be to the detriment of future learners in Scotland. The Further Education sector has debated terms "adequate and efficient" since the 1992 Act and there are different interpretations. The guiding influence for the merged Council should be to ensure maximum resource availability at the point of delivery to the learner.

6. We support wholeheartedly the desire to create a system with parity of esteem for learners irrespective of their chosen course. Treatment of HEI's and FEC's should be the same wherever practicable. This challenge will not be easy as another recent initiative by the then Scottish Office "Higher Still" had the goal of parity of esteem between academic and vocational education. The reality of implementation so far has not realised that vision and much work is necessary to achieve the initial goal.
7. We share the belief that the merger can lead to greater comparability and transparency in the funding of provision in Tertiary Institutions. It supports the principle that conditions arising from the merger should apply to the institutions of both the former HEI and FEC sectors.
8. The proposal that the Scottish Parliament allocate funding for the tertiary sector in total terms is supported as is support for the "high level" recommended allocation of funds by Ministers. We would wish the new Council to move to funding by SCQF level as quickly as possible.
9. We are pleased that the consultation recognises the autonomy of institutions and the wish to maintain it. A responsive system, reacting to local needs, can only be achieved through maximizing autonomy. The new Council will be challenged to ensure the coherence of the tertiary education system, together with the policies and funding it will administer, given the diversity of the institutions being funded. In this regard the principle to have the same powers and duties over all institutions is supported.
10. There are currently anomalies and inequalities throughout tertiary education which must be addressed by the new Council. These can be better addressed by a merged Council and the key test should be equity in the eyes of the learner (rather than the institutional perspectives.) In strategic development of the tertiary sector, the learner needs a wholly integrated tertiary system.
11. We recognise that the legislation should not deal with short term specific issues which may be time bound and become irrelevant. It is surprising that there is reference to current supply and demand studies which provide indicative information but do not have sufficient futuristic emphasis to enable decision making for the longer term. Broad enabling legislation, however, could be used inappropriately in the future from that intended at present. We would recommend that the new Council sets out a vision for the tertiary sector in 20 years time.
12. We are a little concerned about the legislation requiring institutions to examine the advantages and disadvantages of mergers. This is an appropriate power for the new Council to have but the criteria for doing so also needs to be included. We were disappointed that a business plan for a recent merger proposal containing major implications for the public purse with erroneous assumptions should have been approved without more rigorous examination. By putting this power in the legislations there is an onus the new Council to ensure a strong business case before the approval of a merger.

13. The Further Education sector has continuously improved its accountability and governance arrangements since 1993 and continues to do so. It is a surprise that amendments to governance arrangements are to be confined solely to the Further Education sector. The principle elsewhere in the consultation document suggests that conditions of the new merged council should apply to both HEI's and FEC's
14. We are aware of the debate taking place about the collective names proposed for new Council and the institutions it will fund. We are relaxed about the use of the name "Tertiary" as a recognised international term for this sector but there could be some disadvantages in gaining public understanding and in marketing opportunities overseas. If the name of the Council becomes a major issue we would also be comfortable with the title Scottish Universities and Colleges Funding Council.
15. We are surprised and disappointed that the opportunity to reduce staffing levels as a consequence of the merger will not be taken. If institutions were to merge the existing Funding Councils and in the future the new merged Council would expect greater efficiencies to arise. For Further Education colleges their incorporation as a consequence of the 1992 Act was successful. College development, flexibility of new provision, innovative delivery, learner market expansion and partnership working are all examples of the liberation from bureaucratic control. There is a danger that the significant staffing available at the existing Scottish Further Education Council has reintroduced a new form of micro management in an attempt to ensure both financial security and good governance in the Further Education sector. Heavy control from the new Council will be to the detriment of both sectors. Scotland cannot lose the brand image of its independent Higher Educational provision nor the responsiveness of FE to meet industry needs. It is suggested that proportionate control and support is required which would allow a potential staff reduction within the Council. Although the budget for the administrative costs of running the Council is separate from the funds it administers, it is all public money and the goal must be to increase the resources at the sharp end for the learner.
16. It is well recognised that the Further Education sector has been chronically under funded for many years. The suggestion that the new merged Council will move toward a new system of funding is welcomed, if it is equitable and transparent. One of the strengths of the Scottish system has been the higher participation in Higher Education than in England and Wales, which is almost entirely attributable to the delivery of Higher National Certificates and Diplomas in FEC's. The merger of the Councils will provide an opportunity to build on this to ensure that Scotland can continue to lead participation in tertiary education and provide the finances to counteract any potential disadvantage from "top up fees" south of the border.
17. We hope that many of the comments given here are taken on board through the legislation or subsequently by the new Council through its development planning.