

**Elmwood College**  
**Response to Scottish Executive Consultation regarding Merger of the Higher & Further Education Funding Councils.**

**Introduction**

In general we welcome the proposal as it paves the way to a more equitable funding system for students in Colleges and Universities and removes barriers to closer collaboration and co-operation between the two sectors. We have read and are supportive of the response submitted by the Association of Scottish College but would also like to draw your attention to three major areas on which we have specific views. These are as follows:

**1. Autonomy**

Elmwood College envisages that the new funding body should have responsibility primarily for distribution of funds and monitoring the financial health of institutions. The present Funding Councils – and their joint Executive – do not have, and should not be assigned as a single funding body, responsibilities which encroach upon or reduce the strategic responsibilities of the Scottish Ministers or the responsibility of the institutions for delivery of service.

In short, we do not want to see any reduction in the current autonomy of colleges. Since Incorporation, the innovation and entrepreneurship of colleges has increased dramatically and this has been to the direct benefit of both students and employers, with colleges contributing significantly to key government priorities including Scotland's Skills Agenda, Widening Access, HE Articulation, Community Learning, and Literacy & Numeracy, to name but a few. This flexibility must be allowed to continue if colleges are to meet the diverse and ever changing needs of their client groups. It is therefore very important that, within the framework of guidance given by Scottish Ministers, College Boards of Management continue to be responsible for setting the strategic direction of their colleges and for planning and delivering provision to their students. Whilst there may be no intention amongst Ministers to change this, proposals in the draft Bill to allow Ministers to attend Board meetings and to demand that institutions undertake feasibility studies into mergers would appear to diminish autonomy and signal a level of interference that could be unhelpful.

**2. Diversity**

The FE sector is very diverse with colleges ranging from very large, urban institutions to very small, remote, community colleges. Some colleges serve only their local communities, whilst others have specialisms that are recognised and marketed worldwide. There is a danger that the new merged Council may fail to recognise this diversity and that the smaller colleges, in particular, may be overshadowed and at times overlooked in favour of the very large and powerful universities. It is essential that the new merged Council recognises the very valuable contributions made by all of Scotland's universities and colleges and that a "one-size fits all" approach is not adopted to funding formulation or other duties.

The merger should bring about closer co-operation between colleges and universities. At present this co-operation is often limited to articulation and progression but there is no reason why this could not be extended to other areas. We hope that, post merger, colleges will be invited to play a significant role, alongside universities, in taking forward the Knowledge Transfer agenda and also become recognised as having a valuable contribution to make to research in some areas. This potential should not be undervalued or under-estimated.

### **3. Funding**

The consultation document highlights the importance of parity of esteem amongst learners. This can only be achieved through equitable systems of funding for learning and student support. However, both sectors are currently under-funded.

Colleges, in particular, have suffered many efficiency gains in recent years, whilst delivering growth well in excess of targets. Many need significant capital funds to improve their estates and all are struggling with additional costs relating to disabled access and employee pensions. At the same time, universities believe that they will be unable to compete with their counterparts south of the border if funding levels are not raised. There is a danger that two pots of limited funding simply create a larger pot of funding that remains inadequate for the needs of our students.

The draft Bill suggests that new specified tertiary education providers may be created by Ministers in the future. If this is the case these new providers must bring with them significant funding to cover their operations otherwise an already stretched budget will fail to meet all of our learners' needs.

The Scottish Parliament demands much of its Further and Higher education sectors. Ministers are committed to raising Scottish skills levels and to improving the Scottish economy – colleges and universities are recognised as key players in addressing this agenda. At the same time Ministers wants to ensure social justice by widening access to both further and higher education to those from disadvantaged backgrounds – again a challenge that requires significant effort and cost on behalf of both the University and College sector. More recently, it has been suggested that colleges should also play a wider role in delivering vocational qualifications and employability skills to 14+ school pupils – a challenge that will not only require careful local planning and collaboration but also significant additional funds. Finally, Ministers want to ensure that Scotland's international reputation for worldclass education and training and research is not diminished and that overseas students continue to be attracted to many of our institutions. This cannot be achieved without funding to attract and retain good teachers and researchers.

Finally, a minor point but also an important one, the suggested name of "Specified Tertiary Education Providers" and the four categories of institution defined in the draft bill are most unhelpful. Elmwood is proud to be a "college" we do not wish to confuse

our stakeholders or de-motivate our staff by becoming a "STEP". We would urge the Executive to drop this terminology as soon as possible.

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