

**A CHANGING LANDSCAPE FOR TERTIARY EDUCATION AND
RESEARCH IN SCOTLAND:
UNIVERSITY OF GLASGOW RESPONSE**

Introduction

i. This paper sets out the University of Glasgow's response to the Executive's consultation paper and draft Bill about the merger of the Funding Councils for further and higher education.

ii. We have also contributed to the development of Universities Scotland's collective response on behalf of the university sector in Scotland.

iii. This response deals with a range of specific issues where we believe the Executive's proposals need change if they are not inadvertently to damage the University of Glasgow's mission and financial sustainability.

iv. Our comments should be understood in the following context.

v. There are elements of the consultation paper which we welcome including:

- The commitment to life long learning
- The recognition of further education and higher education as part of a continuum of diverse provision for post-school education
- The recognition within that of the distinctive legal status, character and mission of Higher Education Institutions
- The principle of effective articulation between further and higher education
- The commitment to support the research base so that Scotland can "attract the best researchers and post graduate students and compete successfully for research funding", and the specific provision for there to be a Research Committee.

vi. We have no objection in principle to the creation of a merged Funding Council for further and higher education, provided that this is executed in a way which does not prejudice our ability to provide top-quality teaching and research and to make responsible and entrepreneurial decisions about our range of provision.

vii. We do however have serious concerns that, where the proposals go further than simply creating a merged Funding Council, they are in danger of damaging our ability to serve Scotland well. We have serious concerns that:

- Universities will become subject to a more costly, bureaucratic and directive system of control from the Funding Council and Ministers.
- The consultation paper threatens to reduce the already inadequate amount of funding for teaching at Scotland's universities.
- The consultation paper's emphasis on all tertiary education institutions' core mission as Scottish workforce development is excessively narrow, to the detriment of our wider mission to help students develop the flexible skills they will need for diverse life and employment experiences, and to the detriment of our status as a 'brand leader' for Scotland's international profile.

viii. These concerns are set out in more depth below, with specific reference to paragraphs in the consultation paper and to sections in the Bill.

ix. The Tertiary Education Bill will be in force for many years. It is essential that we get the Bill correct now, before we find that it imposes undesirable bureaucracy on one of Scotland's leading sectors or that it gives an instrument to enable a hostile future administration to work against this University's interests.

Consultation paper

Paragraph 2: You are not going to achieve the Executive's ambitions for an 'outward looking' Scotland if you introduce policies and funding mechanisms for higher education which narrowly define our role as Scottish workforce development or reduce our ability to compete successfully in international education markets.

Paragraph 15, paragraphs 45-6: Your policy that 'any conditions applying to one sector should apply to both' is misconceived. The 1992 Act set out a relatively strict control regime for further education colleges, which the Conservative administration of the time believed was appropriate for newly-incorporated institutions with no track record of successful independent institutional management. FE colleges now believe that regime is too restrictive for the efficient governance of their maturing sector, but you are proposing to extend those controls and more to universities. The level of institutionalised 'second-guessing' of universities' plans and decisions which you propose will inevitably be to the detriment of our ability to make – and be held accountable for – responsible and entrepreneurial decisions. We already have a robust and effective governance and accountability regime for Scottish universities, through mechanisms such as the financial memorandum with SHEFC, the Code of Audit Practice and compliance with conditions of grant. Against this background SHEFC carries out detailed monitoring of institutions' financial health. As well as this there is the recently instituted the Enhancement-Led Institutional Review of teaching quality, and our strategic-level dialogue with SHEFC about the University's plans. The UK government's own advisers have recommended 'a significantly lighter-touch regulatory and accountability regime for well-run universities' in the interests of efficiency, entrepreneurship and responsibility (*Lambert Review of Business-University Collaboration, recommendation 7.5*), so it seems perverse to propose that universities should be subject to further controls. The position set out by Lambert was consistent with the view put forward by the Better Regulation Task Force (BRTF) in its 2002 report "Higher Education- easing the burden". The BRTF stated that "a greater reduction in (the administrative) burden is needed and could be achieved by better co-ordination and closer working by Government and its Agencies." The same report went on to conclude that "to prevent new burdens occurring we recommend that Government and its Agencies assess the impact on the sector of new proposals and publish these assessments."

Paragraph 36: We support the principle of 'parity of esteem' between different types of educational institution and effective articulation between further and higher education providers. It is important, however, that the distinctive reputation of Scottish universities is not eroded by a worsening of our underfunding or by any

attempt to portray Scottish further and higher education bodies as having the same mission.

Paragraphs 37, 107: We are very concerned at the consultation paper's proposal to move to a funding model for teaching which may further disadvantage Scottish universities at a time when our competitors south of the border are anticipating substantially increased resources as a result of top-up fees. The Government's funding of university teaching has declined substantially (around 40%) in real terms over the past 2 decades, and we are only sustaining an internationally-competitive quality of teaching through cross-subsidisation from other activities and by long-term under-investment in universities' infrastructure. It is essential that our teaching is funded at a level which recognises the costs and benefits of higher education in a research-led environment, including the costs of teaching by highly-qualified staff and students' access to high-quality library and laboratory facilities. We would welcome a public commitment from Ministers prior to the passage of the Bill that teaching at Scottish universities will be funded at a level which enables us to maintain our international competitiveness.

Paragraph 55: We think the lumping-together of all further and higher education providers under the term 'STEPs' is damaging. It would diminish customers' and stakeholders' perception of Scotland's world-class universities as a distinctive 'brand'. We see no need for the creation of a new publicly-used term of art for the collectivity of Scottish further and higher education institutions.

Paragraph 64: We have no objection in principle to the possibility of a wider range of institutions being eligible for research grant support or for Knowledge Transfer Grant, but the contribution to research and knowledge transfer currently made by universities will be damaged if the inclusion of new institutions is not supported by new money.

Paragraph 67: We are committed to the effective development of staff skills, but we believe it is unnecessarily bureaucratic for the Executive to require particular teaching qualifications for university staff. The endorsement of our teaching quality through SHEFC's ELIR indicates that this new bureaucratic requirement is not necessary, and that universities are themselves able and motivated to ensure a good quality of teaching. We operate in a market where we have to offer good quality teaching to attract well-qualified students, and new controls could perversely restrict our ability to attract talented teachers e.g. on secondment from industry.

Paragraph 68: We have no problem in principle with the possibility of the Executive investing additional funds directly into higher education, but if the Executive for instance wants to secure more places on a particular course it should not expect or be able to require a university to comply unless the university is being paid for the full cost of providing those additional places.

Paragraph 73: The new funding body is likely to become parochial if its core mission is to secure the 'future skills needs of Scotland'. Universities are working in an environment where we have to be internationally competitive or we are nowhere. The funding body must be charged specifically with maintaining the international competitiveness of Scottish higher education.

Paragraph 74: The 'accessibility' duty placed on the new funding council must not be to the detriment of universities' ability to select candidates fairly on the basis of academic attainment and potential.

Paragraph 78: We would be seriously concerned if the consultation paper's emphasis on 'a workforce with appropriate skills' led the Executive to tie university funding to the provision of specific numbers of places on courses for specific vocational skills. While we fully accept our role in meeting the nation's needs for properly trained graduates in specific areas (medicine, dentistry, civil engineering, chemists etc.), we are also producing graduates with flexible skills who will contribute to and lead the professions in Scotland and across the world. We do not believe the Executive or Funding Council could accurately predict the mix of specific vocational skills which employers will be seeking when today's applicants emerge as graduates in 4-5 years time. There is a functioning market in student choices about what to study which is based on their perceptions of what course of study will suit them and lead to further opportunities; 'non-vocational' courses include substantial development of core intellectual and social skills for employability; there are good records for students' success in employment or further study after non-vocationally-specific degrees; and as an institution of international standing we have a substantial mission to the scholarly education of students from wider UK, EU and international backgrounds. We see a danger that a narrow vocational conception of the purpose of higher education will endanger the funding of our broader purpose in providing an education that develops flexible talents for work and broader skills for life.

Paragraphs 88, 99: Collaboration is part of creating an efficient high-quality range of educational provision, but competition between institutions for research funding and for well-qualified students and staff is also a powerful force which has been omitted in the Executive's assessment of the environment in which universities are working. If the competitive pressures to succeed are factored in, the case for central bureaucratic direction to make universities collaborate or merge is weakened. Universities will collaborate effectively where they perceive individual and collective advantage in this.

Paragraph 113: An early priority for the Executive should be addressing the funding disadvantages faced by part-time students, who do not benefit from the abolition of up-front payment of tuition fees.

Paragraph 126: This proposes the appointment of a 'non-executive Board of Governors' for all STEPS. This doesn't seem reasonable – university governing bodies have a mixed executive and non-executive membership and this is the best way of achieving decision-making which is both well-informed and accountable to independent members.

Annex A: This specifies far too wide a range of material which 'STEPS' will have to produce annually to satisfy the Funding Council and will impose substantial extra bureaucracy costs on universities. These controls are, in aggregate, more appropriate to NDPBs than to autonomous institutions which are not majority-funded by the Funding Council. We find it difficult to reconcile these requirements with the lighter touch advocated by Lambert and the Better Regulation Task Force.

In particular:

- It appears to require the production every year of a comprehensive plan, rather than the more normal pattern where a comprehensive strategic plan is produced every 4-5 years supplemented by operational plans for each academic year.
- The annual definition of all 'programmes of learning' would be a heavy bureaucratic burden if required at any substantive level of detail.
- Similarly, the definition of 'programmes of research' could be a very heavy administrative task in an institution such as the University of Glasgow with a very wide range of research across the entire range of academic disciplines, most of which is project-funded from non-Executive sources.
- We would not expect to have to produce new capital expenditure and estates plans every single year.

It is not clear what the Funding Council is meant to do with all this material once it has got it. There is a danger that, if all these plans require some form of approval from the Funding Council, universities will suffer from increasing levels of 'planning blight' while our plans are analysed and queried by the Funding Council before we can get on with implementing them.

We note that it is required that all STEPS will make their accounts available for scrutiny by the Auditor General. We would appreciate your assurance that this does not imply that it is proposed to remove from HEI's the ability to appoint their own external auditors but is broadly a restatement of the existing rights of the Auditor General. Any attempt to erode institutional autonomy by removing the right of HEI's to appoint their own statutory auditor would be opposed by this institution and we believe by the sector as a whole.

Tertiary Education Bill

Section 1: We think it is the responsibility of institutions rather than Scottish Ministers to secure the provision of tertiary education. However, if Ministers to assume this duty we believe they should be responsible for ensuring adequate quality as well as efficiency. The duty as currently framed does not require Ministers to have regard to quality when making funding decisions. Section 1(a) appears unclear in relation to the Executive's role in supporting research – the Executive supports the research infrastructure rather than the 'undertaking of research' which sounds more like the Research Councils' project-funding job. Also, subsection (2) is very widely drafted – the powers of the Scottish Ministers in relation to universities should be restricted to what is specifically provided for in statute.

Section 2(3): According to this definition Advanced Higher would appear to be tertiary rather than secondary education. Is this intended?

Section 13: We do not believe this power is necessary. There are already adequate arrangements of internal and external accountability to ensure that universities have sound financial management in place. The Funding Council can secure its interests

through monitoring adherence to conditions of grant and through continuing dialogue with universities. The use of the formal statutory power would be antagonistic, to the detriment of joint efforts to get any problems sorted.

Section 17: See comments on paragraph 78, above. We strongly believe that a duty on the Funding Council to have regard to skills needs in Scotland is incomplete without an additional duty on the Funding Council to have regard to the need for universities to provide an internationally competitive quality of teaching and research.

Section 22: We do not believe it is appropriate to insert a statutory duty to provide 'tertiary education of a suitable range'. The range of education which we provide should be informed by our own analysis of the university's areas of strength and financial sustainability and of market demand, and different institutions will choose different ranges of provision. This section raises the possibility that a university's decision to move out of one area of teaching and into another may be susceptible to third-party challenge in court about whether the new pattern of provision represents 'suitable range'. That introduces further scope for 'planning blight' and prejudices universities' ability to make decisions about their most efficient range of provision. Also, the duty at section 22(2)(b) inappropriately links universities' decisions about range of provision to analysis of other local provision, when our markets are national and international rather than local. The section should be deleted.

Section 24: Annual production of 'Development Plans' would be an excessive bureaucratic burden if they had to contain the full range of content specified in Annex A of the consultation paper. Also, it is unclear whether these plans require Funding Council approval – if so they represent an unhelpful new control which will cause 'planning blight' and reduce universities' speed of responsible decision-making, if not what's the point of the section? We suggest this section is deleted and that planning requirements are dealt with through conditions of grant.

Section 26: We believe universities will consider mergers anyway if this appears to be in their best interests, and will resist externally-imposed merger proposals. The costs and bureaucracy of properly considering a merger proposal are considerable (probably upwards of £1m) and this will be wasted money if the institutions concerned are not in any case convinced that there is a good case for a merger. The section should be deleted.

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