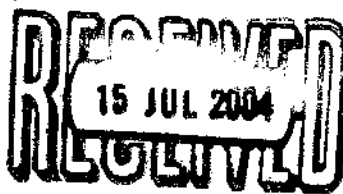


# NAPIER UNIVERSITY EDINBURGH

Merger of the Funding Councils Team  
Enterprise Transport and Lifelong Learning Department  
2<sup>nd</sup> Floor, Europa Building  
450 Argyle Street  
Glasgow G2 8LG

FROM THE PRINCIPAL AND VICE-CHANCELLOR  
PROFESSOR JOAN K STRINGER CBE BA(Hon)  
CandE PhD CCMI FRSA FRSE

Direct Tel: 0131 455 6400/6401  
Direct Fax: 0131 455 6444  
e-mail: j.stringer@napier.ac.uk



14<sup>th</sup> July 2004

*Dear Sir/Madam*

Napier University welcomes the opportunity to comment on the proposal to merge the Scottish Higher and Further Education Funding Councils.

We have supported the merger of the Funding Councils, which already share a single executive. However, we believe that the draft legislation extends far beyond what would be necessary to achieve that limited goal, and that the relationship between the declared aims of the legislation and the detailed provisions of the draft Bill is often difficult to trace. It appears to envisage not just a merger of the Councils but a merger of the two sectors involving an increase in the powers of the Minister and the Chief Executive of the new Funding Council, and a significant move towards central planning sufficient to pose a serious threat to institutional autonomy.

We are concerned that a number of provisions in the draft Bill, which are not necessary consequences of the merger, have the potential to damage Scottish Higher Education, its reputation abroad, and its value as an exporter of education and a driver of the knowledge economy

Specifically, the proposal to designate all FE and HE institutions as Specified Tertiary Education Providers (STEPs) and then to sub-divide them into four different groups is considered likely to damage the reputation and branding of all Universities, particularly overseas, given that "Tertiary Education" is not a brand with strong international recognition, whereas "Higher Education" is widely understood.

The draft Bill also lays a duty on Ministers to "secure the efficient provision of tertiary education of a suitable range" with specific regard to "the area in which the provider is situated". This principle may be appropriate to an FE College which is a genuinely local provider but is clearly inappropriate to Universities which compete and operate on a national and international basis.



It is also implicit in the proposals that there could be a convergence between the funding methodologies for HE and FE which we believe could pose a serious threat to the funding and by implication the quality of degree level education. The impact of this could be aggravated if the ability of universities to use public money to leverage external funds (which they have been very successful in doing) is harmed as a result of them being seen, increasingly as centrally controlled public sector institutions. We think that the assumption behind the statement in paragraph 37 is unjustified—that “we need to think in less stratified ways about how where and by whom provision is offered.” There needs to be a recognition that higher education institutions are fundamentally different in character to other providers and that provision at the same SCQF level in different types of institution offer different types of learning experience, that this diversity is valuable and that any method of funding which failed to take that into account would do great damage.

A number of aspects of the draft Bill, we believe, threaten to diminish institutional autonomy and increase central planning of the sector. This is of grave concern as we believe that one of the most important factors in the success of Scotland's higher education has been the extent of institutional autonomy and the freedom institutions have to manage themselves and thus to innovate while being accountable for the public funding they receive and responsive to government priorities. Indeed we would argue that the success of the sector in responding to government priorities in areas such as widening access and knowledge transfer could not have been achieved without that innovation which independence allows.

It is quite simply impossible to argue that planning driven mainly at institutional level has been unsuccessful, whereas there are a number of examples in the public sector where a central planning approach has failed to deliver.

Specifically it is proposed in Section 1 of the Bill that Scottish Ministers should be empowered “to do anything necessary or expedient for the purposes of or in connection with the exercise of their function” under the legislation. Similarly it is proposed in Section 20 that the Funding Council should have the general power to do “anything which is necessary or expedient for the purpose of or in connection with the discharge of its functions”. Both are excessive.

Secondly there are a number of specific provisions that seem likely to have a direct and adverse effect on the governance of universities. Sections 13, 24 and 26, for example, all place unproductive and unhelpful restrictions on the freedom of governing bodies to determine the strategic direction of their institutions.

Section 13 permits the Funding Council to require the governing body to hold a special meeting, that the Chief Executive or a member of Council will then have the right to address, on any matter so long as it relates to the financial support an institution receives, or might receive, from the Council.


Section 24 requires the governing body to prepare annually a development plan for the Funding Council which must contain "such information and be in such form as the Council may determine". This implies a retrograde move back from the more flexible approach to the development and submission of plans which SHEFC has implemented during the last couple of years.

Section 26 requires the governing body to evaluate the feasibility and advantages and disadvantages which might result from an institutional merger at the request of the Funding Council which may in turn be instructed by Ministers to request this and to submit a report of the evaluation to the Funding Council according to a timetable to be developed by them.

In addition to our concerns about the impact on the inherent benefits of allowing institutions to set their own strategic objectives, we are concerned that restrictions of the type set out above will make it increasingly difficult to recruit high calibre people to serve on university governing bodies.

We hope the Executive will receive these observations as a constructive contribution and will seriously reconsider those aspects of the draft Bill which we have identified as being both unnecessary to achieve the Bill's essential purpose and potentially very damaging to Scottish Higher Education.

Yours sincerely

A handwritten signature in black ink, appearing to read "Joan Stringer". The signature is fluid and cursive, with a large initial 'J' and 'S'.

**Professor Joan K. Stringer CBE**  
**Principal & Vice Chancellor**