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Dear Sir

I write in response to the consultation on the proposed merger of the Funding Councils for Further and for Higher Education. While a n institutional return is being made on behalf of the Robert Gordon University this is written in my personal capacity as Principal and Vice Chancellor. The University response, no doubt in common with many others, makes a number of general comments and deals only to a limited degree with specific clauses in the draft Bill. Here I wish to draw attention to several specific issues.

1. There is one matter not dealt with in the draft Bill, but noted within the Consultation document, that I do wish to address. There has been concern that funding levels for teaching might be tied to SCQF levels. It would be much simpler to accept that funding should be related to course type. So, for example, HND funding should be at the same level wherever a course of this kind is taught. However degree courses are different in kind and, while being at overlapping SCQF levels, should attract funding specific to their particular requirements which will not be identical to those for an HND. In order properly to implement this, the Funding Council will need to find a means of measuring College teaching effort more akin to that used for Universities. The alternative is to accept that institutional funding has a considerable degree of validity since it can take into account the nature of the teaching process for the types of course offered and avoid the bureaucracy involved in seeking to have a more detailed approach.

2. Part 1, section 1 subsection 1 This should be deleted since it begs too many questions around "adequate" and "efficient". There will be endless criticism that Ministers are not securing (or funding) "adequate" provision while, no doubt Ministers will complain that institutions are not "efficient". Not only the sector would be at odds with the Minister. I suspect there would be a legal challenge at some point from a disappointed applicant with

the minimum qualifications but no university place. If, despite this, it is decided to retain a duty for Ministers then it should be "to fund" rather than "to secure".

3. Part 1, section 1 subsection 2 This gives unacceptably sweeping powers to Ministers. It should be dropped since otherwise none of the caveats brought in elsewhere have any value. Failure to make this change will undoubtedly be taken by the sector to intimate an intention by Ministers deliberately to leave open the way to substantial interference by them. This would contradict the assurances given by Ministers when questioned on this issue.

4. Part 1, section 5 A power to make further grants is not, in my view, contentious provided it does not become a means of directing substantial funding in ways that circumvent the restraints describes in section 4 subsections 11, 12 and 13. Therefore a condition should be inserted that such funding must not exceed 2% of the total funding of the Council in any one year.

5. Part 2, sections 13 and 14 These sections should be deleted. They infringe on the authority of Governing Bodies. This would be particularly unfortunate at this time since there is clear evidence (e.g. In the production of a revised Guide for Governors) that Governing Bodies are more than ever aware of their responsibilities and take them seriously. Any move to undermine this and suggest that real power lies with the Funding Council is misguided at best. Efficiency studies as a matter for the whole sector are unexceptionable, however 14 aims at particular institutions.

6. Part 2, section 17 This section should be deleted or amplified! While it is reasonable for the Council to take account of skills needs (though this could simply be left to the normal letter of guidance and so take account of circumstances at the time rather than be enshrined in an Act) it leaves out entirely the broader cultural role of Colleges and Universities. This must be added if the clause remains.

7. Part 2, section 23 This section as a whole verges on the insulting. Again it attempts to tell Governing Bodies what they should be doing. The governing instruments of most, if not all, current providers make clear their duty in the provision of education for students. Governing Bodies require their executives to have strategic plans addressing a range of issues, not limited to those specified here. Once more the broader role of Universities in particular, but also to some degree of Colleges is not addressed. On this occasion the major omission is the international dimension. Given the praise rightly given by Ministers to Universities for their strong international reputation this is a striking failure in the draft Bill.

8. Part 2, section 26 There is little evidence that Governing Bodies have failed to ask broader strategic questions including mergers. There have been several successful mergers in the Higher Education sector and now Further Education Colleges are showing an ability to address similar issues. The powers in 23 will not improve the position but rather have the potential to set things back if coercion by Ministers is perceived to be the driving force. There is no evidence that Ministers (or the Council) are better able to plan

than the institutions themselves. Decision making should be delegated as close to the action as possible. This idea lies behind Devolution and is also appropriate for the sector.

9. Schedule 2 The classification of institutions in this section is unacceptable. References within the draft Bill to classes of institution (e.g. Part 1 section 4, subsection 4) clearly leave room for differential treatment of the various groups. Ministers have given assurances that no change to the status of any institution is in mind. This requires a change such that for the current Higher Education sector as funded by SHEFC there be a single class of institution namely HEIs. Failure to make this change will damage the new universities in overseas markets and diminish their standing in the UK. They will be perceived to be of lesser standing than the other universities. Given that their students undertake courses meeting many of Scotland's skills needs, for example in the health sector and in financial services to name but two areas, this would be a gross disservice to these students and would meet strong opposition.

Yours faithfully

A handwritten signature in black ink, appearing to read 'William S. Stevely', with a stylized flourish at the end.

Professor William S. Stevely CBE  
Principal and Vice Chancellor