

SCOTLAND'S  
RURAL  
COLLEGES




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Dumfries & Galloway College • Borders College • Angus College • Banff & Buchan College •  
Clackmannan College • Elmwood College • Moray College • Oatridge Agricultural College • The Barony College • Thurso College

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Merger of the Funding Councils Team  
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Chairman: Russell Marchant  
Secretary: Bob Sinclair

Ref : SE04/MERGER.001

12 July 2004

Dear Sirs

**CONSULTATION ON THE MERGER OF THE SCOTTISH FURTHER  
EDUCATION FUNDING COUNCIL AND  
THE SCOTTISH HIGHER EDUCATION FUNDING COUNCIL  
RESPONSE BY SCOTLAND'S RURAL COLLEGES**

*Scotland's Rural Colleges is the representative body of a number of colleges which provide education and training to the remoter areas of Scotland and of a specialist nature to suit the rural economy. These colleges, although diverse in nature, share similar difficulties in relation to travel, sparsity of population, and high fixed costs associated with their rural locations. Despite these difficulties, the member colleges work in collaboration deriving significant benefits from benchmarking exercises and joint curriculum development and delivery. The member colleges are committed to the wellbeing of the rural economy and communities. Our Members will also be addressing this consultation as individual colleges to reflect their own operating context.*

Thank you for the opportunity to contribute towards this important consultation. Initially, we would wish to express our support for the broad thrust of the proposed legislation, however, we would also wish to express our concern over aspects which we feel will require to be addressed.

In particular we would like to express our support for the following aspects of the proposed legislation:

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- The ability of the sectors to maintain their own “identity”. The missions of colleges and HEIs are different and we welcome this recognition. However, even within the FE sector there are differences in mission between large, urban colleges and the members of Scotland’s Rural Colleges and it is essential that we are able to retain our distinctive rural and/or community focus.
- The focus on the strategic role of the new Council. It is clear from recent Audit Committee reports that some members of the Committee wish to see colleges micro-managed in terms of unit costs etc. The success of the colleges, since incorporation, in rapidly expanding participation and driving down unit costs is mainly due to the close alignment of colleges with their local contexts and needs within an overall funding envelope provided by the Council. College Boards of Management are best placed to manage these issues, and indeed benchmark with other, similar institutions, avoiding the pitfalls associated with a “one size fits all” approach. This is particularly important for rural colleges.
- The new duty for the Council to have regard to skills needs in Scotland (current and potential) provided that this is not seen as a knee jerk reaction to short-term skills needs which would require a short-term reaction to what might be a very localised skills gap. Rural colleges welcome this provision as much of the rural related provision (in particular agriculture, nautical and fishing related subjects) is very expensive to maintain, attracts relatively small numbers of students but is of strategic importance to the rural economy.

However we would wish to express our concern with respect to the following:

- Our main concern relates to the possible dilution of rural representation on the new, merged council. Currently, we frequently feel that the smaller, rural, colleges struggle to make our voices heard in the current Council. As the current council has evolved, rural representation has increased and we would like to see this retained as the higher education sector is mainly urban based and is not aware of the issues affecting rural delivery. Although many of these institutions do deliver small elements of programmes to rural areas, they also have large, urban based operations which in effect can subsidise this type of delivery. However, we feel that this type of delivery is no substitute for locally based education and skills development related to the local economic context. A further concern in this respect is the easy access of urban, in particular central belt, institutions to policy and decision makers.
- Much of the current debate in the media regarding the merger centres around the importance of research in HEIs. We would also like to take this opportunity to stress the importance of small local colleges in the area of knowledge transfer to rural SMEs. As an example, Banff and Buchan College have developed a new, ultra reliable solid state bilge alarm for marine vessels which has been commercialised by a local electronics company, generating new jobs in an area severely affected by the rundown in the fishing industry.
- We would also like to express our concerns over the new power to designate other providers as STEPs. Within the current quantum of funding available and the

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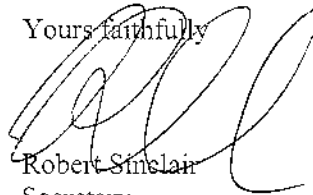
formulaic distribution, it is difficult to maintain the viability of a small rural college. The designation of any additional STEPs, without a concomitant duty to increase funding, would be detrimental to the viability of rural colleges.

- The proposed new power, to request the governing body of any college or institution to evaluate the feasibility, advantages and disadvantages of a merger with another college or institution should also be carefully considered. Inevitably, should a rural college be required to do this, it will be with a much larger urban based institution. This inequity in size could lead to a situation where a local focus is lost in bigger, combined institutions. Whilst not averse to new models of institutions, we feel that local, rural interests must be protected.
- The current duty on SHEFC to encourage HEIs to maintain and develop funding from other sources is, under the proposed legislation, to be extended to cover all colleges and institutions. Whilst we welcome the broad thrust of this change, rural colleges being amongst the most innovative we feel, we would urge caution. The relatively fragile nature of the rural economy may not be able to sustain college diversification in terms of income generation as well as colleges serving large industrial bases or collections of industries as found in an urban setting.

Currently, we have no formal position on a name for the new Council. However, Members may address this issue within their own, individual college responses.

We would also wish to see a requirement, rather than an expectation, for the new Council to consult on allocation of funds.

Yours faithfully



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