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Dear Mark

Merger of the Scottish Higher Education Funding Council and Scottish Further Education Funding Council

The University of St Andrews welcomes the opportunity to comment on the proposals, and draft Bill, for merging the two funding councils. We are pleased that Ministers are giving high priority to the important issues involved in higher and further education. Stimulation of the knowledge economy is vital if universities and colleges are to play their full role in contributing to a Scotland that is healthier, wealthier and happier. As far as the universities are concerned, here is a sector that is internationally acknowledged as one of Scotland's successes, and one of the distinctive features of a modern Scotland that is playing a very substantial role in promoting this country overseas. Our universities not only attract staff and students from around the world, but draw attention to a Scotland whose tradition for high quality and widely available education has been successfully carried into the twenty first century. The First Minister remarked recently that Scotland is shy of boasting about its winners. Scottish universities deserve boasting about and are proud of the part they play in a modern Scotland.

As far as the merger of the funding councils is concerned, Universities Scotland has submitted a lengthy response with which this University wishes to be associated. We would merely point to the main issues, about which St Andrews is particularly concerned:

1. the merger of the two funding councils while desirable in many important respects, need not go beyond a relatively straightforward administrative measure;

2. the distinctiveness of the higher education sector in Scotland (see above) ought to be retained rather than submerged into a broad and undifferentiated "tertiary sector";
3. the needs of research should be given a central role in a new funding council, with a strong and authoritative research committee whose convener is a full member of the new council. This is achievable within the terms of the Bill as presently drafted.
4. the autonomy and independence of the universities has allowed them to be flexible, fleet-footed and entrepreneurial. The governing bodies are filled with people of experience and high distinction, and it would be difficult to recruit such committed people into universities' governing bodies, should university autonomy be compromised. Our strong assumption is that the new merged council should play a predominantly funding, rather than planning, role. We feel that the provisions of the Bill go beyond what is required and are too prescriptive. It is very desirable to retain flexibility so that the new Council's *modus operandi* may evolve steadily, and this would presumably be desirable to Ministers as well as to universities and colleges. Ministers will be able to exert very considerable influence and retain flexibility, through the guidance they give to the Funding Council, and in turn through the conditions attached to the funding given to universities and colleges by the Funding Council.

I hope these comments are helpful. I should be happy to expand upon them should you find that helpful.

Yours ever
Eric.