



## GROWING SCOTLAND'S ECONOMY

The new Council and Scotland's colleges and universities will be key partners in assisting the Scottish government to achieve its vision - to raise the quality of life of the Scottish people through increasing economic opportunities for all, on a socially and environmentally sustainable basis.

As you know, our top priority is growing the economy to ensure the future prosperity of Scotland and its people. The Framework for Economic Development identifies as priorities: learning and skills; research, development and innovation; entrepreneurial dynamism; the electronic and physical infrastructure; and managing public sector resources effectively. The Council has a critical role to play in every one of these areas.

In carrying out this role, I wish the Council, in partnership with colleges and universities, to focus on the following specific strategic priorities.

## STATEMENT OF STRATEGIC PRIORITIES

### Providing Opportunities for Learners

It is important that the provision of learning in Scotland's colleges and universities gives the opportunity to all potential learners to participate in learning that responds to their needs, aspirations, talents and efforts, as well as to the needs of communities and employers. I therefore expect the Council to work with colleges and universities to secure a coherent and flexible pattern of provision that best meets Scotland's needs, and delivers Scottish Ministers' planned volume of high quality provision for learning in Scotland, ensuring there is fair access to further and higher education for all. In particular, I expect the Council to respond to the findings of the 2005 report into the supply and demand of further education in Scotland.

We need to engage people from all backgrounds, and support them more in their learning. The *Adult Literacy and Numeracy in Scotland (ALNIS)* report published in 2001, will be "refreshed" during 2005-06 to take account of the progress made in this important area of work. We will be consulting on the development of an updated strategy, and setting targets and objectives to 2011. I look to the Council to contribute to the consultation on the refresh of the report, and to encourage all colleges to continue to strengthen current relationships with their Adult Literacy and Numeracy Partnerships, and to take account of new guidelines on good practice that are currently being produced for this key initiative.

The Executive will soon publish its strategy to reduce the numbers of young people of 16 – 19 years old, who are not in education, employment or training (NEET). I expect the Council to contribute to the NEET Strategy by improving participation, retention and progression rates in further and higher education, through the strategies set out in your recent *Learning for All* report.

If we are to improve the opportunities for all learners to participate and progress through further and higher education, we will also need to build on the existing links between colleges and universities and support collaboration. The new Council is uniquely placed to encourage greater cross-sectoral collaboration for the benefit of learners by promoting the use of the Scottish Credit and Qualifications Framework, and considering new possibilities for 'cross-sectoral' funding. I expect to see an improvement in the range, number and effectiveness of cross-sectoral learning routes, bridging provision and articulated qualifications, including from schools. It is also important that the Council works with other agencies, such as learndirect scotland and Careers Scotland to ensure that young people and other learners are able to access the opportunities available in further and higher education.

The Scottish Executive document *Lifelong Partners* sets out the strategy for improving school/college links and opportunities for young learners. I expect the Council to ensure, through its strategic oversight and monitoring, that colleges strive for equitable access for school pupils across Scotland, and that colleges' distinctive ethos and autonomy are maintained.

The Scottish Executive is currently consulting on the development of a strategy for the provision of English for Speakers of Other Languages (ESOL). I expect to publish the strategy in spring 2006 and I would like the Council to consider how it can best support the strategy.

The Council has an essential role in working with colleges to administer student support. The Scottish Executive's *Review of Funding of Learners* recommended a number of changes to improve the coherence, equity and effectiveness of the overall provision of learner funding. Many of these changes have already been implemented, including changes to higher education hardship funds and the provision of improved information, advice and guidance for learners. My officials are continuing to progress a number of projects to ensure that student support funding is being used as effectively as possible, in a coherent and fair manner, to target those most in need. I strongly value the Council's continued involvement in these projects, and in the operation of providing support to those who need it. I also look to the Council to continue to support the delivery of our Partnership Agreement commitments in relation to Education Maintenance Allowances and ILA Scotland.

### **Improving the Employability and Skills of Learners**

Once we have engaged people as learners, we must tailor the opportunities for individuals to improve their employability - their skills, knowledge and attitudes - so they can achieve personal success and maximise the contribution they can make to the Scottish economy through their employment.

I expect the Council to continue to take forward the outcomes of the *Learning to Work* report on employability and enterprise, in partnership with Scottish Enterprise, Highlands and Islands Enterprise and other relevant stakeholders. As you will be aware, the Scottish Executive is developing its wider Employability Framework and I look to the Council to continue to contribute to the development of this framework and to ensure that the outcomes are reflected in the new Corporate Plan.

### **Delivering Skills for Scotland**

An important part of the new Council's remit is its responsibility to have regard to the future skills needs of Scotland - economic, social and cultural. Through the establishment of the Skills Committee, the Council should give a strategic lead across the further and higher education sectors on skills but should not undertake workforce planning functions. Legislation states that the Skills Committee will be chaired by a member of the Council and will provide advice to the Council on skills issues in Scotland.

It is important that the committee is both high profile and influential. I believe that membership of the committee should comprise a small group of individuals with skills expertise across all sectors, from a range of backgrounds including academia. I suggest the Council may wish to consider Futureskills Scotland and the Skills for Business network for membership. Given the Enterprise and Culture Committee's strong interest in the skills agenda for Scotland, the Council may also wish to engage proactively with the Committee and take account of its views in the establishment and ongoing work of the Skills Committee. Adopting this partnership approach will ensure that the Council is able to draw on existing current research, and should minimise the risk of duplication of activity.

I hope the Skills Committee will also draw on the knowledge within existing structures such as the Scottish Executive's Lifelong Learning Forum, a group which represents considerable expertise across the range of learning opportunities in Scotland and beyond.

### **Enhancing the Quality of the Experience of Learners**

A high quality learner experience is paramount and the Council should continue to work with colleges and universities to enhance quality. Our aim is to enhance the experience and involvement of learners, to support the developing culture of continuous quality improvement amongst practitioners and managers in institutions, and to reduce the audit burden on colleges and universities.

The Quality Assurance Report, *Learning to improve: quality approaches for lifelong learning*, will be published shortly. I expect the Council to work towards common definitions of quality in terms of the experience of the learner across the different types of provision. You should do this in partnership with colleges, universities, student representatives and those other stakeholders who can contribute to this work.

A high quality estate and facilities contribute significantly to enhancing the experience for learners, as well as being essential for undertaking internationally competitive research. I look to the Council to continue to work with colleges and universities to ensure there is sustainable investment in the estate.

### **Supporting Research and Innovation**

Ministers have given a high priority to research and innovation in their economic and social development strategies for Scotland and in their spending plans. We also know that the international competition in research is becoming tougher.

I therefore expect the Council to continue to support the development of a high quality and internationally competitive research capacity in Scotland's higher education institutions. In doing so, the Council should encourage appropriate collaboration between institutions, where this has the potential to improve the quality of important areas of research. I also expect the Council to support selectively the strategic development of particular areas of research that are important to Scotland's economic, social, cultural and educational well-being.

I am pleased to note that the UK funding bodies have made important changes to the design of the next Research Assessment Exercise in 2008 and I recognise the contribution the previous Council made to this process. These improvements should ensure that the exercise does not discourage research which is collaborative or practically based, and that it fully recognises the strategic value of such research. I look to the Council to monitor progress in respect of these changes.

An innovative economy and society in Scotland depends upon effective and efficient mechanisms for knowledge transfer. I expect the Council to continue to promote knowledge transfer from all higher education institutions, and to work with other stakeholders to take forward the Scottish Executive's response to the Lambert Review of business-university collaboration.

It will also be important for the Council to recognise and promote the knowledge transfer activities of Scotland's colleges, particularly their support for small and medium sized enterprises, which are critical to the economy of Scotland. In the development of its new strategy, I would like the Council to consider the potential for greater collaboration between colleges and universities in knowledge transfer and in the sharing of good practice.

## **Promoting Further and Higher Education Internationally**

The Scottish Executive has recently approved its International Strategy and International Development Strategy. Scotland's profile is high in European educational developments and the innovative SCQF has a world-wide reputation. In addition, there are emerging joint institutional agendas in relation to international education and research opportunities.

The Council has a new obligation to consider the UK and international context in which it operates. I would therefore like the Council to provide me with advice by March 2006, on what its role should be in support of all aspects of international education, including the Bologna process as part of the European Lisbon agenda.

## **Maintaining Relevant Provision**

The Council should take account of the range of priorities of the Scottish government in securing provision, and also ensure there is equitable access to further and higher education for all who can benefit. As you know, our priorities include improving health, education, entrepreneurship and skills. We also want a further and higher education system which is responsive to demand from learners, employers and communities.

In addition, Scottish Ministers wish to see increased support given to colleges which do, or may choose, to promote the Gaelic language, arts and culture through Gaelic medium education. I regard responding to the needs of the community for further and higher education courses, taught in the Gaelic language, as a fundamental element in the achievement of our policy aim of strengthening and promoting Gaelic. I wish to see that priority reflected in the activity of the new Council.

## **Developing Responsive Future Approaches to Funding**

In the Lifelong Learning Strategy, we state that the creation of a new Council covering further and higher education makes possible greater comparability and transparency in the way that different types of institutions, courses and levels are funded.

I recognise the importance of avoiding action which might destabilise any individual institution and our overall provision, however I expect funding to be related as closely as possible to the costs of delivery. I ask the Council as a priority to consider, in partnership with colleges and universities, the best way of addressing this issue. Whilst the proposed approach and timetable should be set out in the new Corporate Plan, I understand the Council has already made arrangements to begin consideration of this issue. I would be pleased to be updated on your proposals and plans.

In taking this work forward, the Council should have particular regard to the role of specialist institutions for which standard funding arrangements may not be appropriate. I also expect the Council to work flexibly and creatively with other agencies to ensure a positive and co-ordinated approach to funding. This should include enabling local further and higher education provision involving more than one fundable body, and institutions which may also rely significantly on funding from other sources.

## **Supporting Effective Well Led and Well Managed Colleges and Universities**

Our Fresh Talent initiative supports our aim to make Scotland an attractive place to live and work. Scotland is a small country, and this presents opportunities for productive collaboration and the development of a more coherent system of lifelong learning and research. I am in no doubt that our strategic priorities for learning and research will only be achieved successfully by colleges and universities that continue to be well led, responsible and responsive. I therefore expect the Council to support the development of good governance and management in colleges and universities and the promotion of our institutions as positive environments in which to work and study.

A responsive system of lifelong learning and research will also depend on the future financial sustainability of colleges and universities. I would therefore like the Council to build on the financial security campaign initiated by the previous Councils, and to consider how this should be developed in the Council's new strategy, which should be reflected in the new Corporate Plan.

With regard to human resource management in colleges and universities, I expect the Council to continue to make progress on the objectives contained in the final year of the current Corporate Plan and to set out proposals on how to take this forward in the new Plan. I also look to the Council to continue to support universities in the implementation of the new pay framework agreement and reduction in the use of short-term contracts. The Council should also continue to contribute to the staff development agenda in Scotland's colleges.

The Executive is committed to sustainable development, and the furtherance of sustainable development is a duty placed on the new Council by legislation. I look to the Council to build on the recent report to Ministers and to continue, and to increase efforts to disseminate good practice to colleges and universities, including good practice in estates management and teaching and research.

## **Delivering an Effective Well Led and Well Managed Council**

Our strategic priorities for learning and research will also depend crucially on a well led, effective and efficient Council. In managing public resources, I expect the Council to be innovative and creative in implementing Efficient Government, through securing efficiencies in both its own operations and in those of the two sectors. Clearly, one of the key areas of activity for the Council in relation to Efficient Government is robust data collection to support our evidence base. I expect the Council to continue to work with my officials to make best use of the statistical information available, and to devise creative solutions to the challenges of meeting data requirements which minimise the burden of data collection on institutions.

The new Council should give thought to developing its own profile with colleges and universities and other stakeholders in Scotland. I welcome the development of the Council's new web site, and the early efforts the Council has made to engage with its stakeholders. The Council may also wish to consider inviting student representation to its meetings to ensure the student voice is heard. It is important that the Council is open and accountable and is highly visible. The Council should communicate and consult effectively with colleges and universities and all its stakeholders about its role and its strategy, to build on the progress achieved to date in developing all elements of Scotland's further and higher education and research to be world-class.

Following the completion of the Performance and Financial Management Review for the former Scottish Further Education Funding Council, my officials are currently working with your officials and sector representatives on recommendations which I expect to issue soon. I am sure the new Council will find these recommendations useful in taking forward its future plans for raising its profile and developing its communications with colleges, universities and other stakeholders.

During the development of the Corporate Plan for 2006-09, I expect the Council to consult with, and work in partnership with colleges, universities and other key stakeholders. On the basis of this consultation and the finalised Plan, the Council will also wish to consider its committee and other structures to ensure effective delivery of agreed objectives. I look forward to hearing of progress and to receiving the Plan for approval in summer 2006.

## CONCLUSION

Looking to the future, I expect the Council, and colleges and universities, to contribute to the Review of Scotland's Colleges and to HE Futures. Both of these initiatives are due to report in January 2007.

I also expect continued close working between my officials - particularly in the Further and Adult Education, Higher Education and Science, and Funding for Learners Divisions - and your officials so that we can strengthen relationships and better deliver Ministerial priorities.

I wish every success to the new Council. You have an exciting opportunity to consider new approaches which the legislative framework and the single Council structure allow. I look forward to meeting with you in the near future to discuss further the strategic policy priorities identified in this letter, along with your short term priorities to implement the final year of your current Corporate Plan.

I am copying this letter to Roger McClure, Chief Executive of the Council, and to those listed below. A copy will also be placed in the Scottish Parliament Information Centre.

Kind regards,



**NICOL STEPHEN**

Ian Macpherson, Chair and Tom Kelly, Chief Executive, Association of Scottish Colleges  
John Archer, Convener and David Caldwell, Director, Universities Scotland  
Melanie Ward, President, National Union of Students, Scotland  
Alex Neil, MSP, Convener, Enterprise and Culture Committee.  
Bill Speirs, General Secretary, Scottish Trade Unions Congress  
David Bleiman, Assistant General Secretary, Association of University Teachers  
Ronnie Smith, General Secretary, Educational Institute for Scotland