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Mike Cantlay
Chair,
Scottish Funding Council

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03 June 2020

Dear Mike

SFC REVIEW OF COHERENT PROVISION AND SUSTAINABILITY

As we look ahead to the recovery and renewal stages of the Covid-19 pandemic in Scotland, the Deputy First Minister and I will continue to support our colleges, universities, learners and research activity to be at the heart of our response.

The institutions and their staff and students, with your support, are showing tremendous adaptability, resilience and ingenuity in meeting the challenges of these unprecedented times. We know that the societal and economic impacts of the pandemic are far reaching.

Through our collective efforts we are establishing a good understanding of how our tertiary sector will be impacted over the short, medium and long term, and of how the sector can contribute to the regrowth and renewal of Scotland's prosperity.

Such is the scale of the external shock, it is clear to us all that existing models of funding, governance, collaboration and delivery will need to shift in order to meet new challenges and exploit new opportunities.

As recently discussed, I therefore invite the Scottish Funding Council to review how best it can fulfil its mission of securing coherent provision by post-16 education bodies, and the undertaking of research in these changing times. We expect this will cover future provision, delivery, outcomes and targets, funding models and support for research activity across the college and university sector in Scotland.

Tha Ministearan na h-Alba, an luchd-comhairleachaidh sònraichte agus an Rùnaire
Maireannach fo chumhachan Achd Coiteachaidh (Alba) 2016. Faicibh www.lobbying.scot

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Utilising the expertise you have on your Board and in the college and university sectors, and collaborating with key interests across the sectors and with Government and its agencies, we expect that the purpose of your review work would be to:

- consider how best to achieve coherence in the further and higher education sectors;
- sector should be fit for purpose to address the outcomes;
- the changes needed to existing funding, operations, and accountability frameworks in order to respond effectively to these new challenges and opportunities; and
- to provide advice, where appropriate, to Scottish Ministers on relevant changes to policy, funding and accountability frameworks for tertiary education and research in Scotland.

I would expect your review work to draw on the analysis of the fundamental strengths in, challenges for and potential of our sector as set out in your own Strategic Plan, the recent Muscatelli Report *Driving Innovation in Scotland*, the Cumberford-Little Report *One Tertiary System: agile, connected, inclusive* and other relevant reports. I know you are intent on considering perspectives from a range of stakeholders.

In particular, I want you to bear in mind the interests of the learners, potential learners and businesses who have the lived experience of the system, alongside the financial sustainability of the institutions themselves. Your consideration of Fair Work principles and what represents the most effective use of budgets to support new approaches will be very helpful in our considerations as we work together for a system that is sustainable and effective for all of Scotland.

The Deputy First Minister and I recognise that this review work may involve different phases and reporting elements, and that you will want to make a distinction between the changes required in the immediate and into the longer term. We would welcome being kept in close touch with the Council's thinking as it evolves and ask you to share early considerations in an update by the end of August. I would want my Further and Higher Education Covid-19 Ministerial Leadership Group to be consulted as your work progresses.

My officials will provide support and input to your review processes as they develop. The challenges we face are without precedent however I am confident that further and higher education and research in Scotland can emerge from this crisis even stronger.

Yours sincerely,



RICHARD LOCHHEAD

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