

The  
College  
of the  
Future

The  
**Scottish**  
College  
of the  
Future



A nations-specific  
final report

The Independent Commission on the College of the Future is kindly supported by:



# Foreword



**Professor Alice Brown CBE, FRSE, AcSS, FRCP Edin. FRSA, Cipfa (Hon)**

Chancellor,  
Abertay University

Emeritus Professor  
of Politics, University  
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Former:

Chair of the Scottish  
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General Secretary of  
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Scottish Public  
Services  
Ombudsman

Vice-Principal of  
the University of  
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This important report is, first and foremost, a powerful endorsement of the strength of our college network in Scotland. It is a timely reminder of the vital public asset our colleges represent in local communities throughout Scotland and the support they provide for our businesses and the wider economy at regional and national level. Most reassuringly, it shows that there is no need for wholesale reform or system change. In fact, it demonstrates that, over the past decade, we have laid the foundations for a much more coherent post-school tertiary system with the potential to deliver on the twin objectives of enhancing social mobility and building a high-skill modern economy.

The report comes at a time when the impact of the pandemic and the long-term challenges facing the economy and wider society make the role of colleges doubly important in charting a path to recovery. These fundamental challenges have not changed since the Independent Commission on The College of the Future was launched last Spring: the climate crisis, technological developments, demographic changes, poor productivity and endemic regional and social inequalities remain top of the agenda. The huge difference is that the pandemic makes addressing them all the more immediate and brings them into even starker focus. The issues set out in this report must therefore be front and centre of the policy agenda as we seek to achieve a skills-led recovery to the ongoing health and economic crises, and to rebuild healthy, connected and cohesive communities within a more confident, forward-looking economy.

I believe this report presents the right balance of opportunities and challenges facing us here in Scotland in responding to these huge social and economic changes which lie ahead. It also puts forward a road map for shaping a more joined-up education system over the next decade to the benefit of citizens and businesses alike. By definition, its recommendations will not gain universal support. However, at the very least, we should use this to kick-start a debate on the future role of colleges. This is a rallying cry for radical and decisive action to enable them to play their full part in a more joined-up, all-age education and skills system, allowing individuals to have greater agency and opportunities throughout their lives, to develop their potential and contribute to society.

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I can speak from personal experience as someone who had such an opportunity to return to study at a college in Edinburgh in later life – an experience that has literally been life-changing. Having left school at 15 to work in the insurance industry, like many women of my generation, I left full-time work when I became a mother. In my mid-30s I decided to attend night school classes and gained the necessary Highers to apply for a place at the University of Edinburgh. There was no such thing as defined Access courses in those days, but there was a strong philosophy and commitment to lifelong learning and to providing real opportunities for people to progress through the education system or up-skill and re-skill during their working lives.

At a later stage I gained my first teaching experience at a college, running day-time classes in industrial relations for Youth Opportunity Scheme students and night-time classes in economics for engineering apprentices. I taught too on the day release classes in trade union studies which included people from a wide range of working backgrounds. Such experience was invaluable to me when I went on to pursue my career in the university sector.

I also had the unique opportunity, as Chair of the Scottish Funding Council, to visit colleges across Scotland and to witness first-hand the valuable contribution they make to improving the lives of people in their communities and of the students who come to Scotland from different parts of the world. I witnessed also just how colleges have a key part to play in addressing inequality and enhancing social mobility, providing opportunities and choices for all and enhancing economic development.

I never tire of telling people what an under-valued asset our colleges are and how much they contribute to the social and economic fabric of our communities. I have no doubt, therefore, that they will have a central role in providing new opportunities for people and in helping to re-build communities as we come out of the extraordinary circumstances and restrictions that the pandemic has imposed on us all. Our colleges can offer the flexibility of delivery, open access, quality of experience and physical facilities that will be of real value in a 21st century context.

# About us

The Independent Commission on the College of the Future was launched in Spring 2019 as a UK-wide, four nations process, asking two simple questions: what do we want and need from colleges from 2030 onwards, and how do we get there?

The Independent Commission was commissioned by the Four Nations College Alliance – which brings together college leaders, their representative bodies and senior government officials from across the four nations of the UK.

The Commissioners - chaired by Sir Ian Diamond – have held roundtable and workshop events with a broad range of individuals and organisations across the UK. They are supported by an expert panel, who have been feeding in throughout the process.

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## Key stages in our work

- Hosted or presented at over 150 events across the UK, including with senior college leaders, governors, staff and students, employers, universities, schools, local, regional and national governments, unions and many others.
- Invited international experts from the Basque Country, Ireland, Finland, Slovenia, the Netherlands and the Organisation for Economic Co-operation and Development (OECD) to contribute to the Commission's thinking – including with a public seminar held jointly with the British Academy in September 2019, with over 100 stakeholders and members of the public.
- Published a Progress Report - reflecting themes emanating from early engagement - with a consultation process in November 2019, receiving over 60 responses from a wide range of organisations and individuals.
- Published the Commission's vision for the college of the future in July 2020, accompanied by a set of essays from education and skills experts.
- Published a report exploring the relationship between the NHS and the English college system in September 2020 – as an example of how the Commission's thinking can drive change with this important employer.
- Published our final UK-wide report in October 2020. This is the second of four nations-specific reports.



# EXECUTIVE SUMMARY

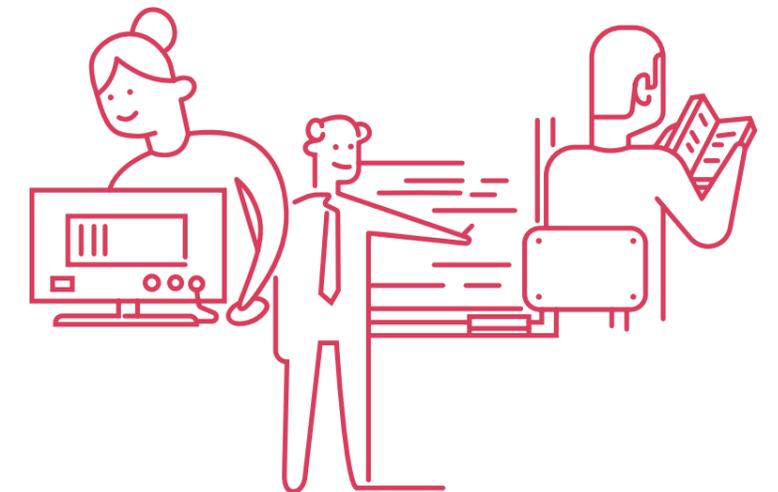


## The Commission's approach

**The UK-wide report (October 2020) makes a series of recommendations which provide a common framework for the reform and renewal of the individual college systems in each of the four nations of the UK. However, their relevance and application are very different in each individual national context.**

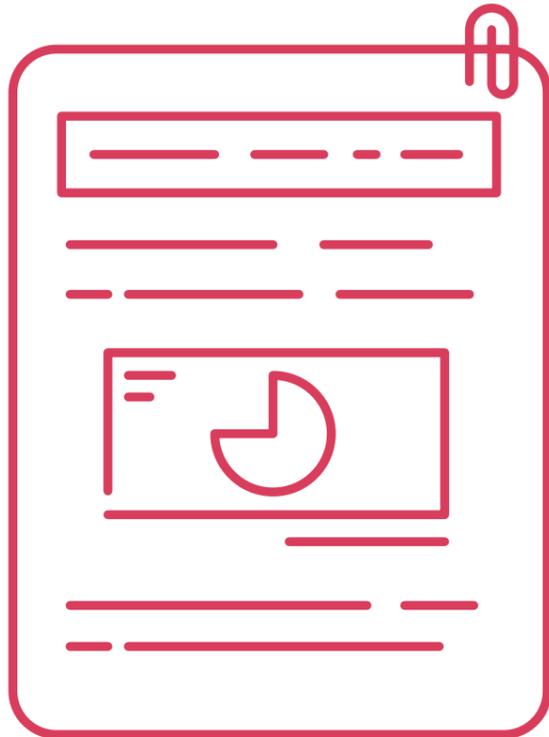
The unique nature and strength of the Commission is that, for the first time, it has taken a four nations perspective on the current and future role of colleges across the UK. This approach has meant that the Commission has been able to draw on and distil the rich diversity of policy and practice across England, Northern Ireland, Scotland and Wales. Throughout, it has been a partnership of equals, reflected in the membership of the Commission itself, in the active engagement of stakeholders from right across the education and skills system, and beyond. This has included a large number of stakeholder events and consultations in each of the four nations.

As such, the Commission has been equally clear on the critical need to respect and acknowledge the widely differing policy and operational contexts in which colleges are working. The UK-wide report (October 2020) makes a series of recommendations which provide a common framework for the reform and renewal of the individual college systems in each of the four nations of the UK. However, their relevance and application are very different in each individual national context.



# About this report

Our work as a Commission over the past 18 months in framing our UK-wide recommendations for the college of the future has been significantly informed and shaped by the Scottish experience. At national level, the role of the stakeholder-led Enterprise and Skills Board has strengthened the links between tertiary education and economic development both in terms of policy and delivery with the growing recognition of the importance of colleges as a national asset and an essential part of the public infrastructure. In this regard, regionalisation of colleges has proved a particular strength, providing a coherent structure for closer working with employers, and the foundations for much closer integration with universities, schools and other public bodies at local and regional level.



The Commissioners wanted to pay special thanks to Lewis Cooper and Philippa Alway (Commission Secretariat) and David Cragg (Convenor, Four Nations College Alliance) for the work they put into this report, and into the work of the Commission across the past 18 months.



**“Scotland is in a better position to develop a truly flexible tertiary education system than any other UK nation...The case for an integrated tertiary education system, rather than discrete university and college, higher education and further education, education and training sectors, should be vigorously promoted in Scotland.”**

*Sir Professor Peter Scott,  
Commissioner for Fair Access*

We very much share the view of the Scottish Government, as reflected in the review it has commissioned from the Scottish Funding Council, that there is now a real opportunity, and, in the context of post-COVID economic recovery, an urgent need, to capitalise on these strengths and create a truly integrated tertiary system. As we clearly indicate in this report, we strongly endorse many of the recommendations of the Phase 1 report of the Funding Council. As such, we believe the direction of travel in Scotland fully reflects our vision for the college of the future to empower **people** throughout their lives with the skills they need to get on in life, support better **productivity** and innovation of businesses, and strengthen every community's sense of **place**.

Our aspiration now with our own report is to contribute constructively to the next phase of the SFC's review and to the wider debate on the future role of colleges in Scottish society and its economy as well as offering a roadmap for fully realising their potential.

# Recommendations

## Recommendation 1

### Creating an integrated and connected tertiary system

- SFC to define the respective roles and remit of colleges and universities in terms of the types of provision and levels/qualifications which they deliver and for which they are funded. Key to this will be to establish the distinctive and exclusive role of colleges in the delivery of higher level technical and professional qualifications up to SCQF Level 7 and 8 and/or HNC and HND. This will avoid unnecessary competition and duplication across the binary divide as well as widening access and facilitating progression for individuals to degree programmes.
- Scottish Government to enable the SFC to fulfil its strategic role in developing an integrated tertiary system through the creation of a single-line tertiary budget. This should include the integration of the budget for student support, providing the flexibility to maximise the available support to students across FE and HE.
- Establish a common quality assurance system for comparable higher education programmes/levels across colleges and universities.
- Develop a national campaign to promote the importance of higher technical and professional qualifications as highly valued career routes and as an integral part of colleges' purpose and brand.
- Based on the above, SFC in partnership with Colleges Scotland and Universities Scotland to set out an action plan and timetable to fully implement the recommendations of the **Commission on Widening Access** and the **National Articulation Forum** to create a National Articulation Framework. This should then be rolled out in the form of regional articulation agreements.
- Promote and embed regional partnerships between colleges and universities to maximise their collective contribution to regional economic development. SFC should introduce a single strategic framework which incorporates the complementary roles and performance criteria for colleges and universities. The development of regional articulation agreements should form an integral part of this.
- Scottish Government to consider a wider, longer term review of post-compulsory education, building on the strengths of current FE and HE integration with a view to developing a comprehensive tertiary system with a coherent progressive curriculum post National 5 or post-14 across schools, colleges and universities.

## Recommendation 2

### Building on regionalisation

- In line with the SFC Review, review the individual multi-college regions taking due account of their respective contexts to further improve overall coherence addressing any anomalies and confusion in accountability, governance and funding authority.
- Facilitate greater pan-regional partnership between individual colleges and college regions using greater funding flexibility and incentives to enhance the role they can play in economic recovery and wider regeneration.

## Recommendation 3

### A coordinated approach outcome agreements

- Simplify the current accountability regime replacing it with a holistic plan-led approach with colleges' performance reviewed against a framework of high-level impact measures reflecting national and regional priorities. As proposed above, the process and measures should fit within a regional tertiary strategy enabling colleges and universities to work closely together and with other regional partners, playing a full part in wider economic partnerships (eg City Deals). This would be predicated on a matching simplification of the funding system.
- Establish a common reporting regime for universities and colleges under any new outcome agreement.
- End the ringfencing, initially, of the capital/infrastructure budget(s) linked to joint infrastructure planning at regional level between colleges and universities to further the development of shared facilities and the wider integration of the system.

## Recommendation 4

**A balanced and streamlined approach to funding**

- Fund colleges through a single-line, flexible budget, including all current “initiative” funding (e.g. Flexible Workforce Development Fund) and apprenticeship funding, based on their strategic plan linked to a series of high-level impact measures. Simplification and streamlining reporting along with embedding flexibility are key to supporting regional responsiveness and clarity of accountability. A review of historically based funding approaches, such as premiums, should be undertaken.
- Funding should also be uncoupled from the headcount of individual students and qualifications to enable them to maximise their potential contribution to business support and innovation as well as providing personalised re-skilling and career change support in a much more volatile labour market.
- In line with the Commission’s UK-wide report, funding and student finance to be equitable whatever route an individual chooses to take, at whatever time in their life ensuring everyone is able to fulfil their potential by introducing a new statutory free lifetime entitlement to studying or training up to Level 6.
- Equalise funding across further and higher education routes so that people can always access the maintenance support they need to engage in education and training. This should be based on the following principles:
  - i) Equal maintenance support is available for individuals in full-time further and higher education and advanced skills training that is adequate to an individual’s needs, drawing on the evidence from the ‘Independent Review of Financial Support for Students’ (2017).
  - ii) Flexibility in the use of the entitlement and any associated maintenance support in grants and/ or loans through a ‘Lifetime Skills Account’, enabling individuals to build up their skills over time to match both their career development needs and their personal circumstances.
  - iii) The right of unemployed people to use their entitlement to reskill/ retrain full-time in areas of identified job opportunities and skills shortages without loss of welfare benefits.
- Scottish Funding Council to take immediate steps to align funding rates for HNC/HND and Years 1 and 2 of degree programmes.

## Recommendation 5

**Amplifying the role of colleges as a strategic support to employers across innovation and skills**

- Establish the role of colleges in business support and innovation as a core part of their remit with a particular focus on SMEs utilising greater budget flexibility (see below) to provide services as well as education and training. This will practically embed the deeper strategic partnership between employers and colleges, that the wider report reflects.
- SFC to facilitate the integration of complementary and relevant innovation support and funding at a regional/local level through partnerships between colleges and universities which drives greater coherence and impact of innovation activity, including the support of business innovation..
- Establish a national network of specialist “Hubs” to address critical skills shortages, especially in relation to higher level technical skills (e.g. STEM/digital) and acting as a focal point for employer partnerships as well as extending access to learning opportunities in areas of population sparsity.
- Hubs should also be responsible for establishing specialist networks of practitioners to support a coherent, common approach to curriculum development and accreditation. This would include, for example, a lead role in college workforce development, co-ordinating a programme of skills updating, industry/business placement and peer exchange.
- Hubs would work closely with employers and employer representative bodies, including Industry Leadership Groups.
- In the wider context of the future development of the workforce, consideration should be given to specialist networks having responsibility for accrediting expert practitioners.



## Recommendation 6

**Deepening strategic alignment**

Scottish Ministers to commission the Enterprise and Skills Strategic Board to review the extent to which the original vision of the Skills Alignment report has been met in achieving the goal of full alignment of skills services with the aim of

- simplifying the oversight and funding regimes to remove unnecessary duplication and bureaucracy;
- further strengthening the economic and labour market focus of the college and the wider tertiary system by combining the demand and supply side roles of the SFC and SDS within a single planning and accountability system.

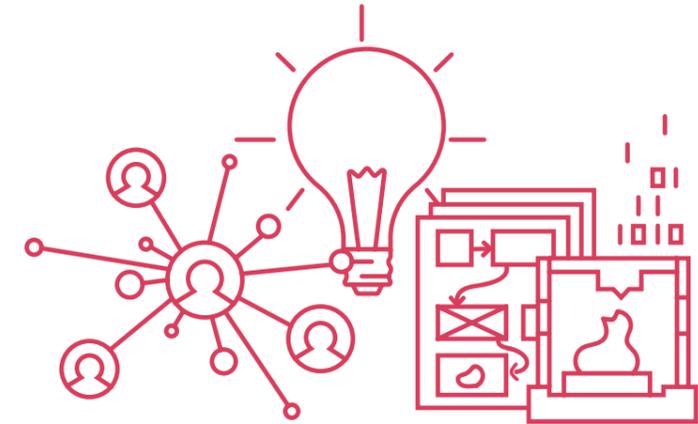
We recommend that the review consider the following specific options with a recommended timescale of 2022 for implementation.

**Option 1 – A Joint Remit**

- Further consolidate and accelerate work to deepen joint working arrangements and strategic integration between SDS and SFC. This should include:
  - i) Continuing and accelerating work to develop strategic alignment between the respective roles through a joint remit letter to SFC and SDS with a single protocol including joint planning processes and a common business cycle to be endorsed by the Enterprise and Skills Strategic Board and ministers;
  - ii) Transfer responsibility for both planning and funding of all apprenticeships to SFC;
  - iii) Incorporate apprenticeship funding to colleges into a single line budget with apprenticeship priorities set out in an overall outcome agreement (see below).

**Option 2 – Single National Agency**

- Bring the respective strategic economic development/labour market planning, oversight and funding functions of SDS and SFC into a single agency should be pursued. This will serve to ensure a comprehensive alignment of the whole tertiary education and skills system with the Scottish Government's wider economic development policies and priorities, and to deliver significant savings and efficiency gains at both national and delivery levels.
- Explore the scope and value for bringing the Student Awards Agency Scotland (SAAS) into a single integrated structure.



## Recommendation 7

**A systems-wide approach to procurement**

In the context of the SFC's review of further and higher education support, SFC to initiate:

- A review of the potential for shared services across the college network
- A review of the scope for shared services at national and, in particular, regional level between colleges and universities drawing the experience of the APUC organisation and UHI including a specific focus on any conflicting processes at the interface with SFC which may inhibit any move towards shared services and/or closer joint working.

## Recommendation 8

**Colleges leading the way in digital transformation**

- Create a national network of digital community hubs in colleges to accelerate the roll-out of digital access and, in particular, to tackle digital poverty in disadvantaged communities. Hubs should provide flexible open access with college facilities and resources available in the evenings and weekends.
- Scottish Government should create a national fund for the development of online learning materials and digital infrastructure in response to changing working and social behaviour patterns. This fund would be predicated on a collaborative effort across the national college network requiring a collective commitment to the development and utilisation of learning materials.

## Recommendation 9

## Qualifications for the workforce of the future

- SFC in Phase 2 of its Review to work with SFC, SDS, the Scottish Credit and Qualifications Framework (SCQF), the Industry Leadership Groups and the college sector to:
  - review its post-16 portfolio of approved qualifications, including work-based qualifications with a specific focus on meeting the needs of business for relevant and flexible forms of accreditation, in particular addressing the demand for short, focused or bite-sized learning interventions including the embedding of meta-skills and skills excellence within qualifications. This will be of vital importance in the context post-COVID economic recovery where new flexible forms of accreditation will be essential in the reskilling and retraining of an increasing proportion of the population. Funding levels should also mirror any new flexible delivery of qualifications (eg HND/2-year college-based degrees).
  - establish a programme giving colleges the powers/ authority, in conjunction with awarding bodies, to design and develop their own qualifications and ensuring public validation and recognition, including the increasing use of 'micro-credentials' and recognition of meta skills (see above);
  - work with awarding bodies to establish a project-based and more holistic system of assessment, relevant to an all-age work-related environment and moving away from traditional outcome-based approaches.
- Undertake a wider review of qualifications as an essential part of the development of an integrated tertiary system
  - to develop, in line with the Commission on Widening Access (2016) recommendations, multiple entry and exit routes within the qualifications system, ensuring recognition of prior knowledge and learning and avoiding duplication of learner journeys;
  - to work towards an integrated qualifications system with parity of esteem for vocational and academic qualifications;
- Work with regulatory bodies across the four nations to create a simplified accreditation and regulatory framework to facilitate mobility of labour/skills for both individuals and employers.

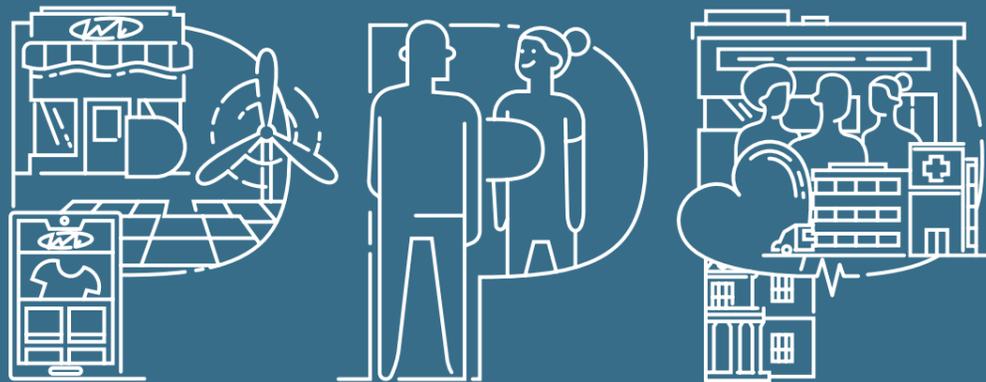
## Recommendation 10

## Leading the way: an ambitious workforce strategy, with diverse and representative systems leaders

- Institute a comprehensive review to establish the structure and diversity of the future workforce and its development needs over the medium to long term, taking account of:
  - the impact and implications of digitisation and rapid increase in on-line and blended learning;
  - the need for a range of new support and advisory functions, in particular in specialist technological functions and career and employment advisory functions to support the growing number of people undergoing career change;
  - the growing demand for higher level technical and professional skills across all parts of the Scottish economy.
- Establish a national workforce development programme for teaching, learning and support professionals including
  - opportunities for continuous skills updating in both individual specialist subject areas and in the use of digital pedagogy;
  - the development of regional/ national specialist occupational networks providing opportunities for peer exchange and joint curriculum development programmes;
  - a national business/industrial placement and secondment programme for all staff working in higher level/specialist technical areas;
  - develop a recognised accredited "Advanced Skills" career role in recognition of specialist occupational and pedagogical expertise;
  - professional body registration, ensuring meaningful CPD and evaluation of practice.
- Undertake a feasibility exercise on a possible National Leadership Centre building on the current programmes run by CDN and linked to a Four Nations virtual staff college;
- Support the development of the Four Nations College Alliance on a permanent basis as a UK-wide and international practice and policy exchange network for both college leaders and senior government officials as well as providing a vehicle for joint research and development projects;
- In order to address stark issues in terms of diversity across executive and non-executive college leadership, Colleges Scotland and CDN must work closely with Scottish Government to review representation in leadership structures - with a focus on systematic, mandatory data collection on college leaders and governors by protected characteristics, including across race, gender, sexuality and disability. This data must be used to identify gaps in diversity, to develop targeted recruitment and development programmes in under-represented groups.

# THE COLLEGE OF THE FUTURE:

FOR PEOPLE, PRODUCTIVITY AND PLACE



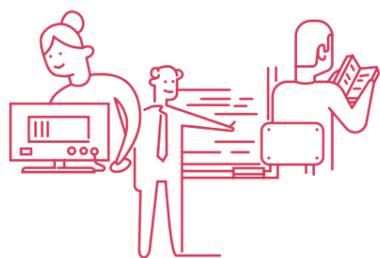
**Colleges can and must play a strong and central role in responding to challenges and transformations, from global megatrends like climate change to immediate crises like COVID-19, as well as the changing demands, aspirations and expectations of people, employers and communities.**

Colleges transform lives and are at the heart of communities right across Scotland. They are a fundamental piece of the education and skills system as centres of lifelong learning, and as anchor institutions within their communities. Despite all of this, all too often, college resources and expertise can be poorly understood, under-utilised and insufficiently funded in relation to other parts of the education and skills system.

Colleges can and must play a strong and central role in responding to challenges and transformations, from global megatrends like climate change to immediate crises like COVID-19, as well as the changing demands, aspirations and expectations of people, employers and communities. That is why the Independent Commission on the College of the Future is calling for a new vision for colleges.

The College of the Future will empower **people** throughout their lives with the skills they need to get on in life, support better **productivity** and innovation of businesses, and strengthen every community's sense of **place**.

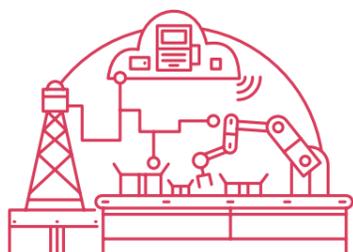




**For people,** colleges will be a touchpoint for everyone throughout their lives as the world changes.

The changes and challenges that we face mean that people need to be able to engage with education and training throughout their lives to have the skills and opportunities they need for good jobs and to live well.

The college of the future will offer flexible and blended learning and guidance to empower each person to get a job, progress in their career and be an active citizen.



**For productivity,** colleges will provide and convene strategic advice and support for employers to drive business change, innovation, and future workforce planning.

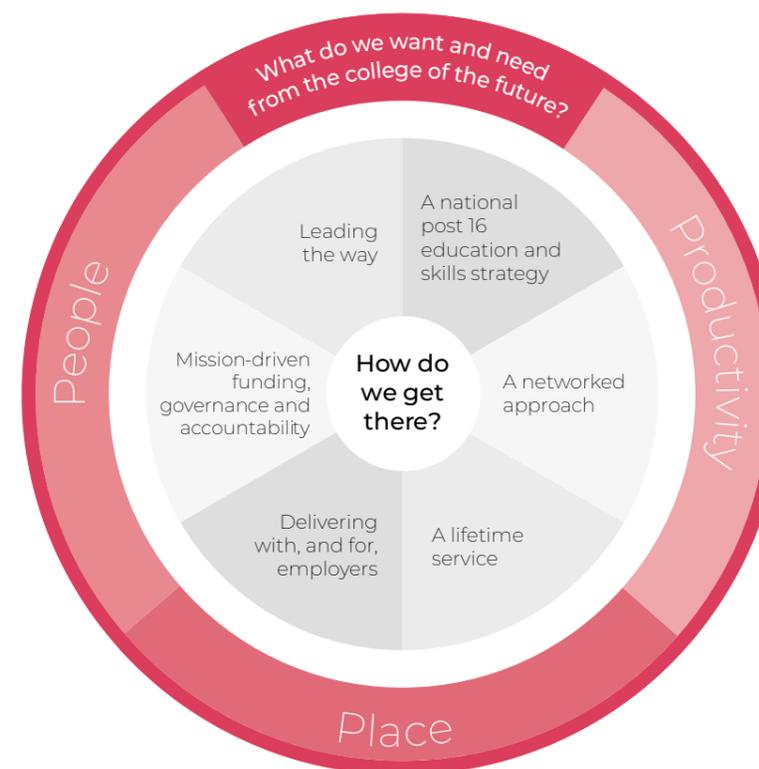
Across the UK, we suffer from poor levels of productivity – and key changes mean that employers of all sizes have big challenges and opportunities to respond to, including the climate emergency, industry revolution 4.0 and changing relationships across the world.

The college of the future will play an expanded role in innovation and knowledge transfer, whilst also equipping employees with opportunities to develop new skills.



**For place,** colleges will have the resources and funding to play an even greater role in fostering healthy and connected communities.

Colleges are important anchor institutions in communities across the UK, but this dimension is all too often not sufficiently supported or incentivised. The college of the future will position this role as a central part of their strategic mission, for example promoting public health and social inclusion.



**UK-WIDE RECOMMENDATIONS**

National strategies for education and skills to support economic growth, industrial change and lifelong learning.

College network strategies to meet local priorities across the tertiary education system.

Colleges as anchor institutions within the wider local and regional ecosystem.

A statutory right to lifelong learning.

Skills guarantee for a post-COVID economy and future labour market changes.

A new strategic partnership with employers.

A new support service to employers.

Stable funding and accountability frameworks for colleges.

A strategic relationship with governments and simplified processes.

An ambitious future college workforce strategy.

Diverse and representative systems leaders.

# THE SCOTTISH COLLEGE SYSTEM



**The succession of major public sector reforms and policy initiatives introduced by the Scottish Government over the past decade, and set in train with the regionalisation of the Scottish college system, provides a strong foundation on which to base the future role of colleges within a wider tertiary system.**

The succession of major public sector reforms and policy initiatives introduced by the Scottish Government over the past decade, and set in train with the regionalisation of the Scottish college system, provides a strong foundation on which to base the future role of colleges within a wider tertiary system. As set out below, all the recent policy reviews reinforce this same consistent direction of travel towards a coherent, integrated system.

## Enterprise and Skills Board

At a national level, the Scottish Government, through the work of its stakeholder-led Enterprise and Skills Board, has taken steps to create a more coherent national architecture for the oversight of the education and skills system. The Board's **Phase 2 Review: Skills Alignment** set a clear vision for ensuring closer alignment of the role and operation of its national agencies, Skills Development Scotland and the Scottish Funding Council

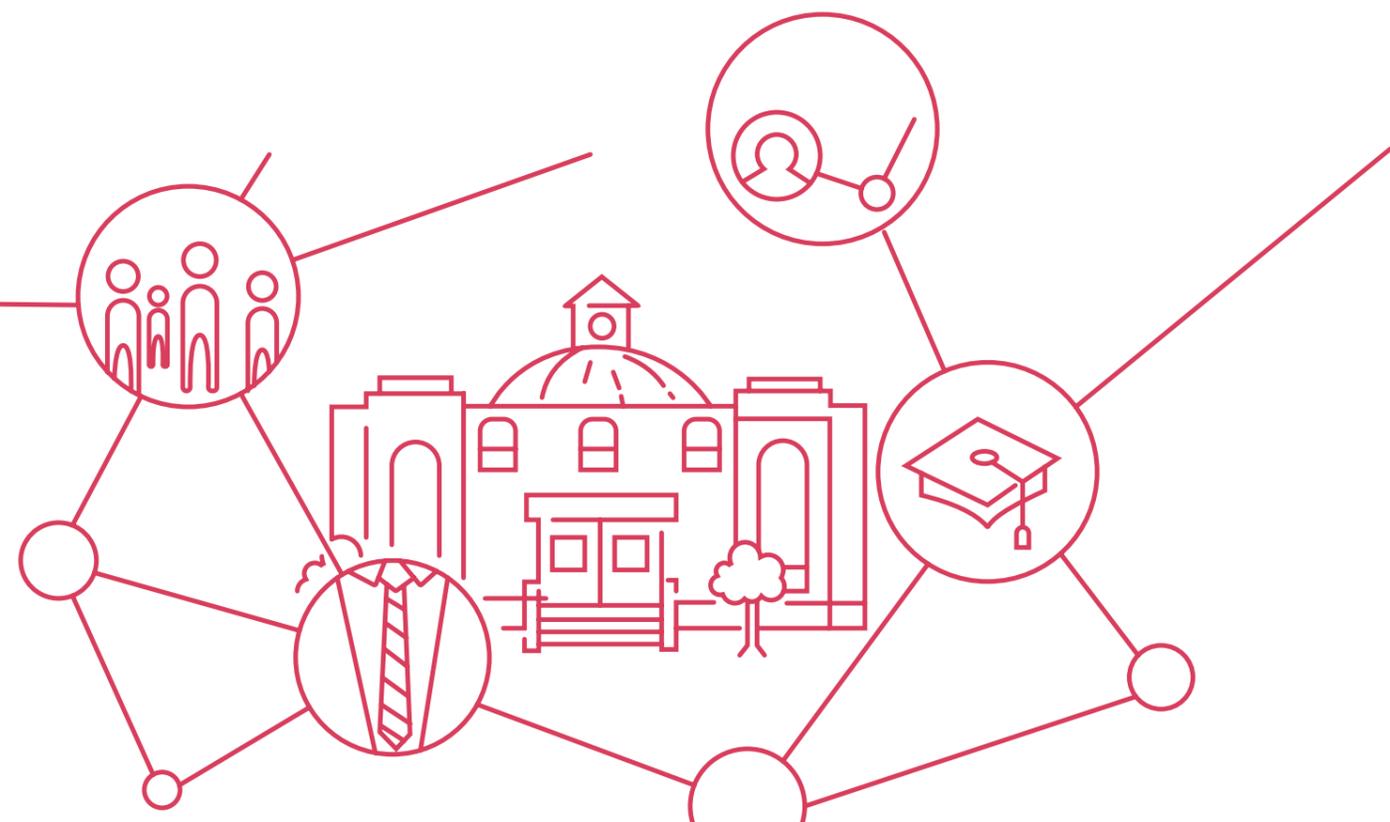
*"Our vision is for the skills services to be fully aligned to deliver the learning and skills necessary for sustainable and inclusive economic growth..(by aligning) the relevant functions of SFC and SDS to ensure that Scotland's people and businesses are equipped with the right skills to succeed in the economy...(and) the needs of learners and employers, as well as the capacity of providers, are taken fully into account to improve outcome delivery."*

More recently, in response to the pandemic, the Scottish Government commissioned two important reviews which provide an essential policy context for our own report.

### Advisory Group on Economic Recovery

Its report “**Towards a Robust, Resilient Wellbeing Economy for Scotland**”, published in June 2020 included a key focus on the development of an integrated tertiary system “*It is vital that a more aligned tertiary system can be built. The Scottish Funding Council and Skills Development Scotland ....will need closer working and joint planning on a regional approach to develop further collaboration. This could incentivise colleges and universities to deliver an increasing number of integrated degrees and graduate apprenticeships.*”

Our work has also drawn very significantly on the recommendations of the **Cumberford-Little Report** – a seminal report which both in its commissioning reflects the Scottish Government’s clear recognition of the central role colleges play as critical element of the national infrastructure at the heart of Scotland’s economy, and through its content set out a clear roadmap of the steps needed to realise the potential for colleges to play an even greater role in economic development as anchor institutions at local and regional level.



### Scottish Funding Council – Review of Future Provision and Sustainability of Colleges and Universities

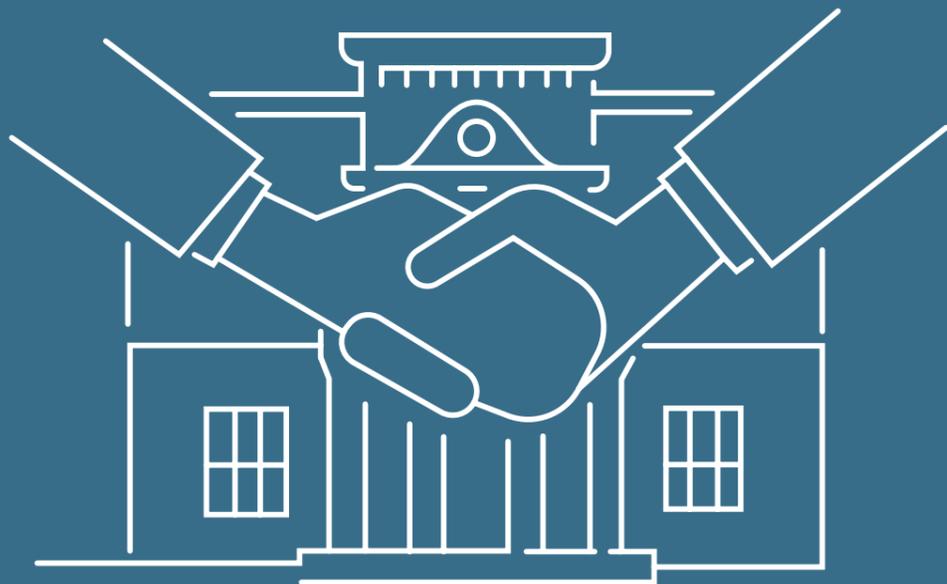
In its Phase One Report, commissioned by Scottish Government, the Scottish Funding Council set out a series of short and medium-term proposals, which, in turn, are intended to form the basis for the second phase of its review. Of particular relevance to the work of the Commission, it also includes “**a renewed framework**” for the Funding Council’s operation in its oversight and management of the tertiary system. In framing our recommendations for the future role of colleges and the college system in Scotland, we have sought to complement its key conclusions and contribute to the next phase of the Funding Council’s work. In particular, we strongly endorse the intent to move “**to take a whole-system view ....towards an integrated, connected tertiary education and skills system... articulating the distinctive roles of colleges and universities and the differentiation within the system, while incentivising closer collaboration**”. In practical terms, we also support the proposals relating to the Funding Council’s own role under the renewed framework which again, in large measure, mirror the Commission’s own conclusions.

### Scottish Government “Programme for Government – 2020-2021”

In the immediate COVID-19 context, the Scottish Government’s 2020-21 programme, with its critical focus on jobs and skills, has both short and, equally importantly, long term implications for colleges which the Commission must take due account of. This package of measures highlights the plan for a skills-led recovery, and includes

- a national mission to create new jobs, good jobs and green jobs – with a particular focus on our young people, supporting retraining and investing in its Green New Deal to tackle climate change;
- promoting lifelong health and wellbeing – by tackling COVID 19, remobilising and reforming the NHS and social care and tackling health inequalities;
- promoting equality and helping our young people fulfil their potential;
- support for those, in the next phase of the pandemic.... who may face redundancy or not have the job opportunities normally open to them.

# TAKING THIS FORWARD IN SCOTLAND



## A cohesive, connected tertiary system

### Recommendation 1

#### Creating an integrated and connected tertiary system

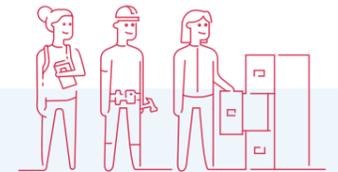
- SFC to define the respective roles and remit of colleges and universities in terms of the types of provision and levels/qualifications which they deliver and for which they are funded. Key to this will be to establish the distinctive and exclusive role of colleges in the delivery of higher level technical and professional qualifications up to SCQF Level 7 and 8 and/or HNC and HND. This will avoid unnecessary competition and duplication across the binary divide as well as widening access and facilitating progression for individuals to degree programmes.
- Scottish Government to enable the SFC to fulfil its strategic role in developing an integrated tertiary system through the creation of a single-line tertiary budget. This should include the integration of the budget for student support, providing the flexibility to maximise the available support to students across FE and HE.
- Establish a common quality assurance system for comparable higher education programmes/levels across colleges and universities.
- Develop a national campaign to promote the importance of higher technical and professional qualifications as highly valued career routes and as an integral part of colleges' purpose and brand.
- Based on the above, SFC in partnership with Colleges Scotland and Universities Scotland to set out an action plan and timetable to fully implement the recommendations of the **Commission on Widening Access** and the **National Articulation Forum** to create a National Articulation Framework. This should then be rolled out in the form of regional articulation agreements.
- Promote and embed regional partnerships between colleges and universities to maximise their collective contribution to regional economic development. SFC should introduce a single strategic framework which incorporates the complementary roles and performance criteria for colleges and universities. The development of regional articulation agreements should form an integral part of this.
- Scottish Government to consider a wider, longer term review of post-compulsory education, building on the strengths of current FE and HE integration with a view to developing a comprehensive tertiary system with a coherent progressive curriculum post National 5 or post-14 across schools, colleges and universities.

The regionalisation of colleges and the oversight of regional boards have established a more coherent system with colleges playing a much stronger role in the delivery of national social and economic policies and an enhanced role in local/ regional economic development. It has also strengthened collaboration and partnership working across the colleges, in particular through the role of Colleges Scotland bringing together college leaders and Chairs of regional boards in its governance structure. We believe the strengths of this system – which includes a breadth of provision from community to higher education, and colleges’ major role in extending access to university - could be utilised to further enhance the role of colleges.

- Scottish colleges deliver a substantial volume of higher technical qualifications primarily in the form of HNCs and HNDs. This presents the opportunity to strengthen the national base of higher-level skills through the development of specialist networks with a collective responsibility for a single coherent plan for curriculum and college workforce development (Cf Northern Ireland’s Curriculum Hubs).
- Colleges have also filled a critical gap in supporting businesses, especially SMEs, with practical, hands-on assistance in the introduction of new technologies and processes through the Innovation Fund, an initiative budget funded through the Economic Development Directorate. This budget/responsibility should be transferred to SFC and form an integral part of the mainstream college budget. This would, in turn, facilitate the development of college/ university innovation partnerships at a local/ regional level providing an integrated package of support combining high-level research and innovation through the universities with practical support for the implementation through colleges.
- Much work has been done by the SFC and through the National Articulation Forum and the Government’s “Learner Journey” project to establish clearer pathways of between colleges and universities. The SFC Review provides the opportunity to establish a fully integrated tertiary system through a national framework implemented through individual regional articulation agreements. It is important to note that this should not undermine the value of HNC and HND as critical distinctive qualifications with strong links to key high-skill technical and professional occupations and an area in which Scotland’s colleges have a justifiably proud record (OECD “*Skills beyond School*”).

**Colleges should be incentivised and funded to support the roll-out of digital access, in particular, in the most disadvantaged communities as well as maximising their facilities as a community resource.**

- The creation of a national network of specialist “Hubs”, as proposed by the Cumberland-Little Report, building on the model of the Southern Scotland Digital Learning/STEM hubs would address critical skills shortages and extend access to learning opportunities, in particular in areas of population sparsity
- In a post-COVID context, as set out in the **Programme for Government** there will be a need to accelerate the development of on-line, blended learning, technology enabled teaching, learning and student support. Tackling digital poverty will be a key priority within this context building on the reach of the college sector to those individuals and groups most disadvantaged. Colleges should be incentivised and funded to support the roll-out of digital access, in particular, in the most disadvantaged communities as well as maximising their facilities as a community resource.



## CASE STUDY

### Improving articulation and securing student success

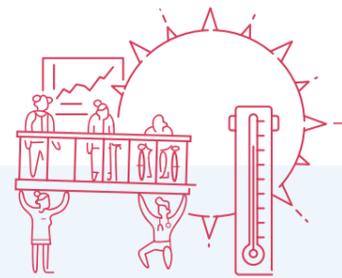
The introduction of the HNC/D Legal Services at South Lanarkshire College (SLC) has opened up opportunities to students living in South Lanarkshire to study Law and progress to university to follow a number of specialist routes to employment. Following conversations with the University of the West of Scotland, Glasgow University and Stirling University, the college created feeder courses.

Legal services courses and the HNC Police Studies have consequently been growth subjects for the Faculty of Business. They have increased opportunities in an area of deprivation and high unemployment, creating new opportunities for articulation to university and delivering fair access to future student success.

The work placement element of the courses is an important opportunity for students to see what a real working environment looks and feels like before they go onto university, with both students and employers benefitting. Employers can keep on students in placements and could offer jobs eventually should a vacancy arise.

*“I cannot describe the benefit of coming to SLC... My personal skills improved at SLC. I came for one year to do the HNC but it was so good, I stayed to complete the HND”.*

**Dilara Monasipova – former SLC student now studying LLB in Scots Law at University of Glasgow, and the only Scottish student in the Inter-University Mooting.**



## CASE STUDY

### Dumfries and Galloway – a green region

Dumfries and Galloway College is leading the fight against climate change in their region and is a leading actor in the college sector's approach to addressing the climate emergency. Through its Green Energy Hub the college is working with employers and community groups to focus on current and future green energy opportunities and skills needs, ranging from vocational and curriculum courses to potential community outreach training. Staff got involved in the work through the climate emergency group, setting the direction of travel for the College as well as developing new course areas concentrating on Green Skills.

Working with business, they have examined how they baseline their carbon emissions with a view to making reductions. To support the wider community they have worked with Scottish Power Energy Networks (SPEN) to help them create the Zero Carbon Communities tool have joined regional working groups who are looking to make the required changes to turn Dumfries and Galloway into a green region. We have also worked with Scottish Council for Development and Industry (SCDI) to highlight the collaborative approach required to tackle climate change.

They are now looking at creating the skills routes to ensure Dumfries and Galloway has sustainable green jobs to aid the post-COVID economic recovery. This will bring benefit to local employers who will have access to the most up to date and modern training for green skills.

*"It's great to see Dumfries and Galloway College taking the lead and really encouraging to see the strategies being put in place by the college to embed the culture of sustainability in to its business model and future skills."*

**Gary Robertson, South of Scotland Manager at Scottish Council for Development and Industry (SCDI)**

*"It is fantastic to see the work being carried out by Dumfries and Galloway College to embed climate issues across the College curriculum, as well as developing new facilities on campus to help students gain the skills required for the new net zero economy."*

*"By focussing on the strategic and economic needs of the south of Scotland region, the College is equipping students to become active contributors in their communities."*

**Minister for Further Education, Higher Education and Science, Richard Lochhead**

# Governance – Multi-College Regions

***"We have reviewed the role of the RSBs in the three multi-college regions... (and) conclude that the status quo is not tenable for reasons that are particular to each RSB, but often involve tensions in governance and accountability structures, contested costs and funding authority, and unclear outcome gains for students and tax payers."***

**Scottish Funding Council Review**

## Recommendation 2

### Building on regionalisation

- In line with the SFC Review, review the individual multi-college regions taking due account of their respective contexts to further improve overall coherence addressing any anomalies and confusion in accountability, governance and funding authority.
- Facilitate greater pan-regional partnership between individual colleges and college regions using greater funding flexibility and incentives to enhance the role they can play in economic recovery and wider regeneration.

The regionalisation of colleges has, overall, created a much more coherent system and structure enabling colleges to play an enhanced role, individually and collectively, in supporting the development of the Scottish economy and the prosperity of local communities. In the specific context of multi-college regions, the reforms have resulted in multi-layered governance arrangements with the aim of securing a coherent system across those regions.

However, as highlighted by the SFC Review, notwithstanding the overall success of the regionalisation process, it will be worth reviewing these structures, as recommended by Audit Scotland, to further improve coherence addressing any anomalies and confusion about the respective roles of individual college governing bodies and the regional boards. We therefore fully support the review process proposed by the SFC Review, whilst also recognising the very different contexts in which the individual multi-college regions operate.

In the context of the economic recovery and the enhanced role colleges can play in wider economic development, the Commission believes that further encouragement and incentives should be given to pan-regional partnerships using the proposed funding flexibilities and aligned with major regeneration programmes (e.g. City Deals), exploiting the respective and collective expertise and capacity of colleges across the governance boundaries.



**CASE STUDY**

**Supporting regional economic growth**

Colleges have adapted quickly to the unprecedented challenges posed by COVID-19. The Ayrshire College Business Growth team offers a one-stop-shop for skills training across the region, delivering virtual, face-to-face, accredited and non-accredited courses. The team is offering new skills for a new world, aimed at different abilities and levels and all focussed on providing employees with the essential tools to manage effectively in a changing world.

COVID-19 has dramatically changed the world of work. The pandemic has shone a spotlight on the need to upskill, reskill and boost digital skills. Tools that the Business Growth team seek to develop include those that can lead to better productivity, better analysis of data and decision-making and better ways to engage and communicate with teams, wherever they are located.

Working with a range of local employers, covering everything from the aerospace industry, to healthcare, STEM recruitment and global engineering, Ayrshire College provides a range of upskilling and reskilling opportunities through the Flexible Workforce Development Fund (FWDF). Now in its fourth year, the FWDF is supporting up to £15k of training support for Scottish Apprentice Levy paying organisations. Ayrshire College’s recent virtual FWDF event attracted 24 companies from across Ayrshire, with the College set to provide skills training to support the recovery in the months ahead.



**CASE STUDY**

**Colleges collaborating to deliver for the future of East Central Scotland**

A four-college collaboration between Edinburgh College, Fife College, Forth Valley College and West Lothian College is being established to support young people, adults, businesses and schools through the post COVID-19 recovery. The Our Futures Programme is being designed to fully exploit the value and the resilience of the Scottish skills system and provide high quality SCQF levelled qualifications and skills training.

Aligning with the economic need of the wider region and using innovative and flexible methods of delivery, the programme includes a range of products and interventions. This includes fast track HN qualifications, pathways to apprenticeship programmes, National Progression Awards, Professional Development Awards and bespoke training for upskilling and retraining. This response also compliments and supports the Partnership Action for Continuing Employment (PACE) agenda. A particular priority for the Colleges is launching their Skills Boost Academies, including Digital skills development.

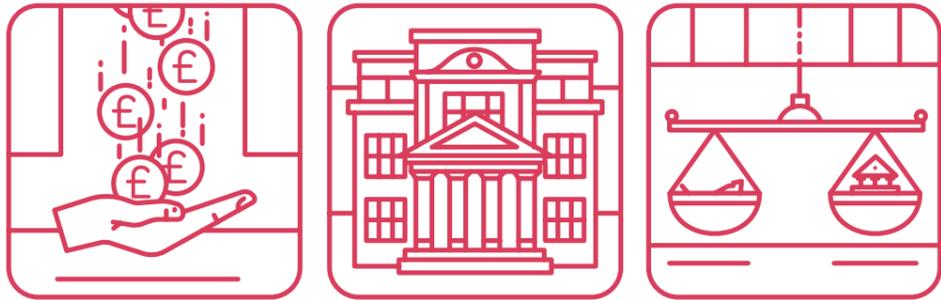
The design of this comprehensive skills programme offers a coherent portfolio of training to individuals and employers who are adversely impacted by the economic downturn, underpinned by a robust economic evidence base and analysis spanning the footprint of all four colleges. Responding to the immediate economic shock and resulting need is key as is identifying the potential opportunities for economic growth. Local and regional economic intelligence includes labour market, levels of furlough, projected unemployment rates and growth sectors.

This skills programme aligns with many of the skills-related commitments set out in the Programme for Government and areas of economic priority for Scotland, including the green economy, health and care sector, data innovation, digital, construction, manufacturing and engineering.

The deep collaboration between the four colleges working together across East Central Scotland will maximise resources in the Scottish skills system, creating greater scope for co-production and co-delivery.

Priority groups jointly identified with SDS as groupings with different needs and intervention requirements:

- |   |   |
|---|---|
| 1. Young people still at school but at risk of transitioning to a negative designation          | 5. Recent college and university leavers                              |
| 2. Young people leaving school in 2020 (including data on their preferred routes / occupations) | 6. Young people unemployed (or at risk of unemployment)               |
| 3. Apprentices in training  | 7. Other workers unemployed (or at risk of unemployment)              |
| 4. Redundant/ furloughed apprentices  | 8. Data on those accessing PACE support and other redundancy insights |



# Mission-driven funding and accountability

## Recommendation 3

### A coordinated approach to outcome agreements.

- Simplify the current accountability regime replacing it with a holistic plan-led approach with colleges' performance reviewed against a framework of high-level impact measures reflecting national and regional priorities. As proposed above, the process and measures should fit within a regional tertiary strategy enabling colleges and universities to work closely together and with other regional partners, playing a full part in wider economic partnerships (eg City Deals). This would be predicated on a matching simplification of the funding system.
- Establish a common reporting regime for universities and colleges under any new outcome agreement.
- End the ringfencing, initially, of the capital/infrastructure budget(s) linked to joint infrastructure planning at regional level between colleges and universities to further the development of shared facilities and the wider integration of the system.

## Recommendation 4

### A balanced and streamlined approach to funding

- Fund colleges through a single-line, flexible budget, including all current "initiative" funding (e.g. Flexible Workforce Development Fund) and apprenticeship funding, based on their strategic plan linked to a series of high-level impact measures (see above). Simplification and streamlining reporting along with embedding flexibility are key to supporting regional responsiveness and clarity of accountability. A review of historically based funding approaches, such as premiums, should be undertaken.
- Funding should also be uncoupled from the headcount of individual students and qualifications to enable them to maximise their potential contribution to business support and innovation as well as providing personalised re-skilling and career change support in a much more volatile labour market.
- In line with the Commission's UK-wide report, funding and student finance to be equitable whatever route an individual chooses to take, at whatever time in their life ensuring everyone is able to fulfil their potential by introducing a new statutory free lifetime entitlement to studying or training up to Level 6.
- Equalise funding across further and higher education routes so that people can always access the maintenance support they need to engage in education and training. This should be based on the following principles:
  - i) Equal maintenance support is available for individuals in full-time further and higher education and advanced skills training that is adequate to an individual's needs, drawing on the evidence from the **'Independent Review of Financial Support for Students'** (2017).
  - ii) Flexibility in the use of the entitlement and any associated maintenance support in grants and/ or loans through a 'Lifetime Skills Account', enabling individuals to build up their skills over time to match both their career development needs and their personal circumstances.
  - iii) The right of unemployed people to use their entitlement to reskill/ retrain full-time in areas of identified job opportunities and skills shortages without loss of welfare benefits.
- Scottish Funding Council to take immediate steps to align funding rates for HNC/HND and Years 1 and 2 of degree programmes.

The reforms initiated by the Scottish Government have aligned colleges much more closely to the Scottish Government's education and skills priorities and its overall economic strategy. However, if colleges are to play their full part in the economic recovery, the accountability, performance and funding systems should be substantially streamlined, with a renewed focus on impact and outcomes.

## Outcome Agreements

As highlighted in the Cumberford-Little Report, there is a need to return to the original intended focus on high-level, strategic impact measures rather than the current focus on volumes of student numbers/qualifications. In advancing this goal we strongly endorse the proposals in the SFC review to explore "A new National Outcome and Impact Framework for colleges and universities, for a proportionate and targeted reset of our Outcome Agreement process, with clear expectations and indicators of success, and a focus on improving student and stakeholder experiences and outcomes across all progression pathways."

On the ground, separate outcome agreements between individual institutions (e.g. Edinburgh Region – 4 universities and Edinburgh College), with the current focus on activity inputs and outputs, create unnecessary barriers to collective leadership and wider collaboration. This approach should be reviewed with the clear aim of establishing a single framework for the collective delivery of outcomes, both regionally and nationally and, in turn, increase the scope for wider cohesion across the tertiary system. In furtherance of this approach, the Commission endorses the proposal in the SFC review to explore "a fully integrated tertiary funding model with whole system targets and outcomes" ... supporting "closer collaboration, more efficient learner journeys, and more equitable approaches to funding."

## Funding

The fragmentation and 'one year' funding systems for colleges limits their ability to maximise their potential role, especially in relation to productivity improvement and business support and innovation with an unhelpful reliance on small scale, initiative budgets (e.g. Flexible Workforce Development Fund; Innovation Fund).

**The fragmentation and 'one year' funding systems for colleges limits their ability to maximise their potential role, especially in relation to productivity improvement and business support and innovation with an unhelpful reliance on small scale, initiative budgets.**

**Colleges could significantly enhance the utilisation of their physical assets and their business support role, if funding were uncoupled from volumes and based on their overall strategic role linked to high-level impact measures.**

If the aspirations of the Advisory Group's report are to be met where people "accumulate knowledge, skills and health/wellbeing throughout their lives", this should be reflected in a flexible funding regime which promotes and facilitates lifetime learning. In its UK-wide report, the Commission proposed the introduction of a Lifetime Entitlement based on a lifetime allowance of funding up to a Level 6 (English Level 3) qualification delivered through a Personal Learning Account. In the dual context of economic recovery and the wider demographic profile of its labour market, we believe this should be a high priority for Scotland.

More generally, colleges could significantly enhance the utilisation of their physical assets and their business support role, if funding were uncoupled from volumes and based on their overall strategic role linked to high-level impact measures. Targeted capital investment in appropriate industry leading equipment and facilities together with shared capability and capacity in on-line learning across the tertiary sector could also make a major contribution to the rapid development of the digital economy.

The imbalance of funding between universities and colleges again inhibits colleges from making a full contribution to national and regional skills and productivity needs. In particular, urgent action should be taken to address the disparity in funding between HNC and HND and Years 1 and 2 of degree programmes respectively. Apart from the issue of equity, this creates a perverse incentive diverting people away from highly valued programmes in areas of critical labour market demand and skills shortages.

In a post-COVID context, consideration should be given to implementing the recommendations of the "**Independent Review of Financial Support for Students**", targeting key areas of the economy (eg Green jobs) to accelerate the reskilling of older workers and their return to the labour market. This would reinforce the proposals for mitigating the labour market impacts of COVID as set out in the report of **Enterprise and Skills Board Sub-group. In purely practical terms, the move to a fully integrated funding model as proposed in SFC Review (see above) should include integration of the budget for student support, maximising the available support across FE and HE and any unintended underspends caused in the current system.**

# A new service with, and for, employers

## Recommendation 5

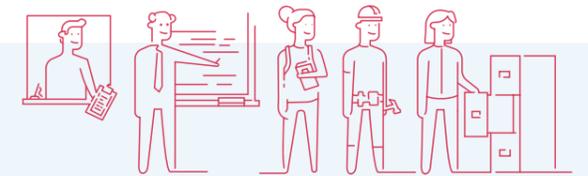
### Amplifying the role of colleges as a strategic support to employers across innovation and skills

- Establish the role of colleges in business support and innovation as a core part of their remit with a particular focus on SMEs utilising greater budget flexibility (see below) to provide services as well as education and training. This will practically embed the deeper strategic partnership between employers and colleges, that the wider report reflects.
- SFC to facilitate the integration of complementary and relevant innovation support and funding at a regional/local level through partnerships between colleges and universities which drives greater coherence and impact of innovation activity, including the support of business innovation.
- Establish a national network of specialist “Hubs” to address critical skills shortages, especially in relation to higher level technical skills (e.g. STEM/digital) and acting as a focal point for employer partnerships as well as extending access to learning opportunities in areas of population sparsity.
- Hubs should also be responsible for establishing specialist networks of practitioners to support a coherent, common approach to curriculum development and accreditation. This would include, for example, a lead role in college workforce development, co-ordinating a programme of skills updating, industry/business placement and peer exchange.
- Hubs would work closely with employers and employer representative bodies, including Industry Leadership Groups.
- In the wider context of the future development of the workforce, consideration should be given to specialist networks having responsibility for accrediting expert practitioners.

**The college of the future will play a key role in offering strategic support to employers across innovation and skills. This will be delivered through specialisation across the college network, with the development of new ‘employer hubs’.**

The Scottish college network allows for the ongoing development of a much more expansive, strategic support offer to employers. The college of the future will play a key role in offering strategic support to employers across innovation and skills. This will be delivered through specialisation across relevant college networks within appropriate economic geographies – with the development of new ‘employer hubs’.

Employer hubs will be sector or occupation-focused, and will convene and coordinate strategic support for employers and innovation and skills. This will involve working collectively across the college education and skills system, with economic/employment agencies and employer networks to identify and meet the skills and productivity needs of the wider economy. Employer hubs will reflect both existing specialisms across the college network, and the needs and priorities of employers, the workforce and the community.



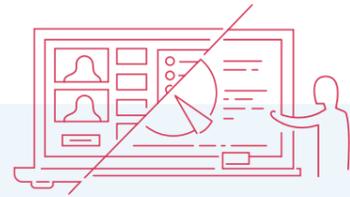
## CASE STUDY

### Fuelling the workforce pipeline

A partnership between South Lanarkshire College (SLC) and industry is creating skills academies to meet the current and future needs of particular specialisms. As part of its role driving local and regional economic growth and renewal, SLC is partnering with key employers and organisations to recruit and train a skilled workforce with recognised qualifications.

SLC works closely with industry to support recruitment and training. It has direct involvement with individual companies like AC White, GMG Contracts, C Hanlon, and the Linear Group, which take on work placements with a view to employing these students as apprentices. This approach underpins the development of the new Skills Academies of Insulated Rendering and Dry Lining to respond to the emerging need for a trained and certificated workforce to undertake the specialised work.

The Insulated Render Academy will train a mixture of new entrant and upskilling students. The certification of this workforce may gain increased importance as contractors and clients may have to demonstrate compliance to access Government grants and incentives. SLC has received support from the Green Economy Fund administered by ESP to construct the academy. Meanwhile, the students that will participate in the Dry Lining Academy will progress to employment with the Linear Group, which views this development as transformative in relation to how it recruits and instils its own quality culture into its workforce.



## CASE STUDY

### Supporting cyber security skills development

A partnership to deliver an innovative new programme in Cyber Security Skills Development to autistic learners is being delivered at Perth College UHI. The programme is designed to give learners the opportunity to develop the appropriate technical skills to consider the cyber security industry, whilst also enhancing their meta-skills and employability.

There are currently more than 13,000 job opportunities in the tech sector and creating a pipeline of talent specifically within cyber security was a skills gap the college was looking to address. The programme is being funded through Skills Development Scotland and the Scottish Government and was one of four successful projects in Scotland.

A key benefit to the learners is the opportunity to develop confidence and resilience. Some learners have disengaged with education elsewhere and the programme provides re-engagement with education and greater opportunities for them in the future.

Knowing that some of the learners can find making the transition to college daunting and challenging, the Computing team worked with Perth Autism Support (PAS) to introduce them to studying at Perth College UHI in a supported way. The project has stimulated the conversation about how longer-term opportunities and support to help these young learners develop are sustainably provided.

*“From the start a partnership approach to delivery has taken place between Perth College UHI staff, PAS Staff, and the learners. This has resulted in a more relaxed environment which is more accepting and helps make this new context less challenging to the neurodiverse young people, giving them time to adapt to their new context”*

**Ian Turnbull, Computing Lecturer**

*“I was really nervous about going to college but for the first time in education, I feel like I belong.”*

**Learner**

# National leadership and oversight

## Recommendation 6

### Deepening strategic alignment

Scottish Ministers to commission the Enterprise and Skills Strategic Board to review the extent to which the original vision of the Skills Alignment report has been met in achieving the goal of full alignment of skills services with the aim of

- simplifying the oversight and funding regimes to remove unnecessary duplication and bureaucracy;
- further strengthening the economic and labour market focus of the college and the wider tertiary system by combining the demand and supply side roles of the SFC and SDS within a single planning and accountability system.

We recommend that the review consider the following specific options with a recommended timescale of 2022 for implementation.

#### Option 1 – A Joint Remit

- Further consolidate and accelerate work to deepen joint working arrangements and strategic integration between SDS and SFC. This should include:
  - i) Continuing and accelerating work to develop strategic alignment between the respective roles through a joint remit letter to SFC and SDS with a single protocol including joint planning processes and a common business cycle to be endorsed by the Enterprise and Skills Strategic Board and ministers;
  - ii) Transfer responsibility for both planning and funding of all apprenticeships to SFC;
  - iii) Incorporate apprenticeship funding to colleges into a single line budget with apprenticeship priorities set out in an overall outcome agreement (see below).

#### Option 2 – Single National Agency

- Bring the respective strategic economic development/labour market planning, oversight and funding functions of SDS and SFC into a single agency should be pursued. This will serve to ensure a comprehensive alignment of the whole tertiary education and skills system with the Scottish Government’s wider economic development policies and priorities, and to deliver significant savings and efficiency gains at both national and delivery levels.
- Explore the scope and value for bringing the Student Awards Agency Scotland (SAAS) into a single integrated structure.

It is clear that considerable strides have been made towards simplifying the national skills architecture (see above: Enterprise and Skills Board Phase 2 Review), in particular, in establishing much closer joint working between the national agencies. However, this remains a work-in-progress with the oversight and strategic leadership of the system remaining unduly complex with a degree of overlap and confusion in relation to the respective roles and responsibilities of the Scottish Funding Council (SFC) and Skills Development Scotland (SDS). We would highlight the following:

- the separation of demand and supply side functions at a national level inhibits the critical economic role Scottish Government expects colleges to play
- It blurs accountability and, at agency level, also risks creating an unhelpful tension between perceived educational/institutional and economic/skills priorities.
- the division of funding responsibilities between “mainstream” college programmes and apprenticeships and other workforce development programmes seems somewhat arbitrary. The funding/commissioning model for apprenticeships not only undermines a holistic approach to 14-25 policy, but inhibits colleges from developing a coherent response to the needs of local and regional economies/communities where apprenticeships play an increasingly important part;
- operationally, split funding responsibilities are inevitably reflected in duplication of management costs and bureaucracy, both at the agency and, critically, at college level taking away resources from the front line;
- in relation to the recent additional programmes to be funded under the 2020-21 Programme for Government, whilst clearly a very positive immediate response to the pandemic, there is a similar risk that, if adopted, the commissioning/contracting approach involved will lead to unnecessary bureaucracy and potential delays in implementation.

**It is clear that considerable strides have been made towards simplifying the national skills architecture, in particular, in establishing much closer joint working between the national agencies. However, this remains a work-in-progress.**

**“Colleges are vital to our economic growth and success, providing students with skills to help them into jobs and creating the highly trained workforce that employers need”**

*(Business, Industry and Innovation Strategy)*

These issues should, in the view of the Commission, be urgently addressed as part of the next phase of this process, if the goal of the **Skills Alignment** report of achieving “full alignment of skills services” is to be met. Given its remit, Ministers might usefully commission the Enterprise and Skills Board to review progress against their original recommendations applying the following criteria:

- Has it simplified funding for colleges and increased the wider sustainability of the funding system, best enabling colleges to deliver on long-term strategic priorities?
- Has it led to the development of a deeper and more strategic relationship between employers and colleges, as a genuine ‘two-way street’, including enabling colleges to play a proactive role in stimulating demand and developing growth sectors?
- Has it led to a more coherent and responsive skills system, allied to a more agile and better-connected tertiary system?

As part of this review, we believe that the more radical option of bringing together the respective strategic economic/labour market planning, oversight and funding functions of SDS and SFC into a single agency. Apart from the obvious efficiency gains, this would ensure a comprehensive alignment of the whole tertiary education and skills system with the Scottish Government’s wider economic development policies and priorities. Were this to be implemented, it would also be worth considering bringing the Student Awards Agency Scotland (SAAS) into a single integrated structure.

# Opportunities for tertiary integration

**“Scotland is in a better position to develop a truly flexible tertiary education system than any other UK nation...The case for an integrated tertiary education system, rather than discrete university and college, higher education and further education, education and training sectors, should be vigorously promoted in Scotland.”**

*Sir Professor Peter Scott, Commissioner for Fair Access*

As the SFC review indicates, there are a number of areas in which changes to funding, oversight and governance would further advance this process of tertiary integration.

- Separate functional responsibilities for colleges and universities within the SFC with separate performance regimes and ring-fenced budgets militate against the development of an integrated system and risk unhelpful duplication and competition at the interface between colleges and universities;
- This is mirrored in the artificial “ring-fencing” of the respective budgets for colleges and universities which further inhibits the development of a fully integrated tertiary system. Apart from the inherent inefficiencies, this will also act as a barrier to partnership working at local/regional level.
- The University of the Highlands and Islands (UHI) represents, in microcosm the opportunities for a **more** integrated system. We would not propose that the unique model of a single institution for further and higher education addressing the particular demographic and geographical challenges should be replicated in the rest of Scotland. However, in the context of the SFC review, we believe it could provide a valuable case study in identifying/removing barriers to tertiary integration in **the wider system** in terms of funding, outcome measures and accountabilities and the unnecessary bureaucracy resulting from these different systems.

**Given the potential for much closer FE and HE integration, the Commission believes that, over the long term, Scotland is uniquely placed to develop a comprehensive tertiary system with a coherent progressive curriculum post National 5 or post-14 across schools, colleges and universities.**

We would highlight the following:

- separate quality systems for comparable higher education programmes/levels Education Scotland for FE and QAA for HE;
- the fundamental anomaly in the funding regime (see above) with inequitable funding between HNC/HND and Yr1 and 2 of degree programmes based solely on institutional status with the lower rates paid to colleges compared with universities;
- different reporting regimes/processes compounded the separate management and oversight functions in SFC;
- the complexity arising from very different governance regimes in the form of University Courts and College Boards of Management again compounded by the separate funding systems and SFC management structures.

## Wider tertiary integration

Given the potential for much closer FE and HE integration, the Commission believes that, over the long term, Scotland is uniquely placed to develop a comprehensive tertiary system with a coherent progressive curriculum post National 5 or post-14 across schools, colleges, universities and other providers. In this context, it may be helpful for Scottish Government to consider the Welsh Government’s draft legislation proposing a single Post Compulsory Tertiary Education System. We also believe that the “Learner Journey” project would provide a valuable platform on which to commence this work. The current suspension of National 5 examinations caused by the pandemic provides a potential window of opportunity for a wider review.



# A coherent and efficient approach to procurement

## Recommendation 7

### A systems-wide approach to procurement

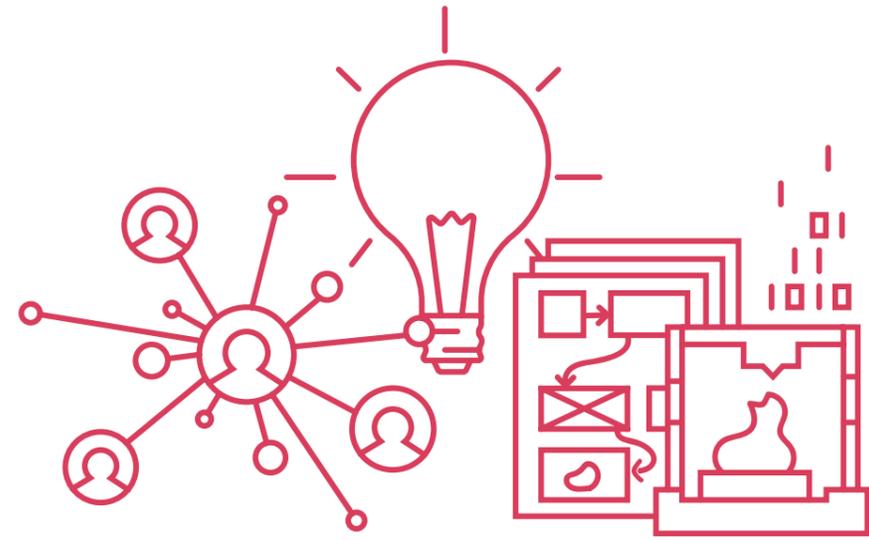
In the context of the SFC's review of further and higher education support, SFC to initiate

- A review of the potential for shared services across the college network

A review of the scope for shared services at national and, in particular, regional level between colleges and universities drawing the experience of the APUC organisation and UHI including a specific focus on any conflicting processes at the interface with SFC which may inhibit any move towards shared services and/or closer joint working.

The APUC organisation (Advanced Procurement for Universities and Colleges) is an impressive example of a shared service spanning the two sectors. It would seem timely, in the context of the current financial pressures to look to a wider strategy for the development of shared services within the college network and across the wider tertiary system. In particular, given the public sector status of colleges and the high degree of collaboration within the network and with the Scottish Government, there should not be any practical, legal or regulatory barriers to developing a comprehensive shared services strategy. It would clearly also be facilitated by the streamlining and alignment of processes within the SFC as proposed above.

In relation to a joint approach across universities and colleges it may be worth reviewing the experience of UHI where the nature of the institution has inevitably led to the creation of an integrated/ shared services model as well as highlighting the bureaucratic barriers in the separate SFC processes for colleges and universities which get in the way of the smooth running of the organisation.



# Digital transformation of the Scottish college network

## Recommendation 8

### Colleges leading the way in digital transformation

- Create a national network of digital community hubs in colleges to accelerate the roll-out of digital access and, in particular, to tackle digital poverty in disadvantaged communities. Hubs should provide flexible open access with college facilities and resources available in the evenings and weekends.
- Scottish Government should create a national fund for the development of online learning materials and digital infrastructure in response to changing working and social behaviour patterns. This fund would be predicated on a collaborative effort across the national college network requiring a collective commitment to the development and utilisation of learning materials.

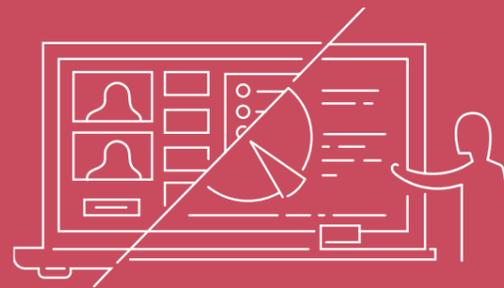
Being accessible to more people and employers will require ongoing focus on digital transformation (Colleges Scotland 2020), moving towards more advanced blended and modularised learning and digital platforms for employers. Much of this should be coordinated at the national level rather than within college networks, for cost and efficiency reasons. Significantly, the online offer cannot be seen as a cost-saving measure, and is in no way cheaper to deliver than in-person learning and it will have to be supported by dual professional teaching staff to ensure resources are up-to-date and that there is quality engagement throughout with learners. Digital transformation also critically includes coordinated ongoing investment in the digital skills and capacity of the college workforce.

Colleges must have a recognised role as key anchor institutions in the local community, supporting wider community action and services as well as providing education and learning. This will seek to ensure a more coherent and connected approach not only on skills and learning but in relation to colleges' wider civic role, adding value to the existing ecosystem in a range of areas including – including an explicit role in eliminating digital exclusion and supporting social integration, working with key partners including local authorities, CDL providers, schools and universities.

## Virtual School, virtually anywhere

An innovative and sustainable tri-partnership initiative is supporting pupils from across the UK's largest council area to access college curriculum through interactive online-classrooms. Senior Phase pupils in rural Highland schools previously had a limited choice of curriculum compared to pupils elsewhere in Scotland, particularly urban areas. Many pupils would have to travel huge distances to college campuses across the Highlands to access courses.

Virtual School was developed in a partnership between West Highland College UHI, North Highland College UHI and Inverness College UHI, along with 29 High Schools and the local authority. The provision not only gives choice of curriculum to pupils in tiny high schools, but also provides progression pathways, building a regional curriculum from lower levels up.



Across 29 schools, every senior phase pupil has the same choice of 27 subjects ranging SCQF 5-7. This model provides the only sustainable way to offer a choice of Foundation Apprenticeships and senior phase curriculum across multiple schools in very remote and rural areas.

Schools and the authority benefit by having a consistent approach and access to a school's website for guidance teachers, parents and pupils. There is no loss of time and cost of travel, reducing the local authority travel expenditure and helping towards a greener Scotland.

# Qualifications

## Recommendation 9

### Qualifications for the workforce of the future

- SFC in Phase 2 of its Review to work with SFC, SDS, the Scottish Credit and Qualifications Framework (SCQF), the Industry Leadership Groups and the college sector to:
  - review its post-16 portfolio of approved qualifications, including work-based qualifications with a specific focus on meeting the needs of business for relevant and flexible forms of accreditation, in particular addressing the demand for short, focused or bite-sized learning interventions including the embedding of meta-skills and skills excellence within qualifications. This will be of vital importance in the context post-COVID economic recovery where new flexible forms of accreditation will be essential in the reskilling and retraining of an increasing proportion of the population. Funding levels should also mirror any new flexible delivery of qualifications (eg HND/2-year college-based degrees).
  - establish a programme giving colleges the powers/ authority, in conjunction with awarding bodies, to design and develop their own qualifications and ensuring public validation and recognition, including the increasing use of 'micro-credentials' and recognition of meta skills (see above);
  - work with awarding bodies to establish a project-based and more holistic system of assessment, relevant to an all-age work-related environment and moving away from traditional outcome-based approaches.
- Undertake a wider review of qualifications as an essential part of the development of an integrated tertiary system
  - to develop, in line with the **Commission on Widening Access (2016)** recommendations, multiple entry and exit routes within the qualifications system, ensuring recognition of prior knowledge and learning and avoiding duplication of learner journeys;
  - to work towards an integrated qualifications system with parity of esteem for vocational and academic qualifications;
- Work with regulatory bodies across the four nations to create a simplified accreditation and regulatory framework to facilitate mobility of labour/skills for both individuals and employers.

As indicated above, a substantial amount of work has been done in Scotland to create a more progressive and fairer tertiary system. Building on the original report of the Commission on Widening Access (2016), a succession of national policy initiatives including the Learner Journey project and the National Articulation Forum, have led to the creation of much clearer pathways for the individual learner as well as removing some of the duplication and inefficiencies in the system as a whole. However, there is some evidence that the qualifications system has not kept pace with these wider changes. The Commission believes that this should be a key priority for the next phase of the SFC Review. In line with the Commission on Widening Access recommendations, the key principle in any future review should be the development of multiple entry and exit routes within the qualifications landscape, avoiding duplication of learner journeys and ensuring recognition of prior knowledge and learning.

In practical terms, a helpful starting point would be to address the following issues raised in the Cumberland-Little Report:

- “the need to meet the tests of industry-related currency, credibility, and agility, and accommodating employers’ wish for short, focused or bite-sized learning interventions;”

“how colleges might secure wider recognition for the value of accreditation provided by a range of other awarding bodies, and industry”;

“how to enhance the use of college certified qualifications, and more use of ‘micro credentials’;

All the above have been given an added urgency in the wake of the pandemic with the anticipated growth in need and demand for flexible reskilling and retraining:

- SQA/SCQF to work with colleges to explore “how colleges might secure the freedom to design and develop their own qualifications”;
- consideration be given to “the development of a two-year college degree, based on the Higher National Diploma, with additional work-placement content.”

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**In line with the Commission on Widening Access recommendations, the key principle in any future review should be the development of multiple entry and exit routes within the qualifications landscape, avoiding duplication of learner journeys and ensuring recognition of prior knowledge and learning.**

# Workforce and leadership

## Recommendation 10

### Leading the way: an ambitious workforce strategy, with diverse and representative systems leaders

- Institute a comprehensive review to establish the structure and diversity of the future workforce and its development needs over the medium to long term, taking account of:
  - the impact and implications of digitisation and rapid increase in on-line and blended learning;
  - the need for a range of new support and advisory functions, in particular in specialist technological functions and career and employment advisory functions to support the growing number of people undergoing career change;
  - the growing demand for higher level technical and professional skills across all parts of the Scottish economy.
- Establish a national workforce development programme for teaching, learning and support professionals including
  - opportunities for continuous skills updating in both individual specialist subject areas and in the use of digital pedagogy;
  - the development of regional/ national specialist occupational networks providing opportunities for peer exchange and joint curriculum development programmes;
  - a national business/industrial placement and secondment programme for all staff working in higher level/specialist technical areas;
  - develop a recognised accredited “**Advanced Skills**” career role in recognition of specialist occupational and pedagogical expertise;
  - professional body registration, ensuring meaningful CPD and evaluation of practice.
- Undertake a feasibility exercise on a possible National Leadership Centre building on the current programmes run by CDN and linked to a Four Nations virtual staff college;
- Support the development of the Four Nations College Alliance on a permanent basis as a UK-wide and international practice and policy exchange network for both college leaders and senior government officials as well as providing a vehicle for joint research and development projects;
- In order to address stark issues in terms of diversity across executive and non-executive college leadership, Colleges Scotland and CDN must work closely with Scottish Government to review representation in leadership structures - with a focus on systematic, mandatory data collection on college leaders and governors by protected characteristics, including across race, gender, sexuality and disability. This data must be used to identify gaps in diversity, to develop targeted recruitment and development programmes in under-represented groups.

## Workforce

The increasing pace of technological change and its impact on the economy and labour market will lead to fundamental changes in the nature and range of a college's work. The Covid health emergency has accelerated the demand, as acknowledged by the Advisory Group on Economy Recovery, for a more flexible and adaptable tertiary system.

This will necessitate a more flexible, personalised and employment-related curriculum offer impacting on all aspects of the system, including more flexible access to learning and an exponential rise in the use of on-line and blended learning.

The increasing focus on lifetime learning and individual support for career change and reskilling will also need a much more diverse workforce, with career/employment advisory and specialist technological functions complementing the core cadre of teaching professionals. The workforce as a whole will need to match the growing demand for higher level technical and professional skills in all parts of the Scottish economy with staff who have an up to date industry knowledge and are proficient in the use of technologies and digital pedagogy. Embedding sustainability in both college practice and the curriculum offer will be equally critical in the years ahead, as colleges play their part in the national effort to achieve to Net Zero.

College learning and teaching staff will need to maintain high levels of expertise in their chosen occupational/professional area of practice as well as growing skills in pedagogy and assessment through a variety of contexts. This will necessitate continuing growth in professional development activity, and more opportunities for secondment and exchange with partner industries. Exchange activity should be organised on a collective basis with lead colleges/employer hubs developing a coherent CPD/skills updating programme with and for all the colleges within a region, supported by national agencies and partners.

## Leadership

At leadership level, we believe there should be further growth building on the peer exchange network developed by partners in the Four Nations College Alliance. Greater collaboration in leadership development programmes and online training opportunities for the college workforce will also be critical as the workforce develops to meet future challenges.

And as set out in our UK-wide report, there is a serious issue of equality and diversity, with leadership teams and governing bodies disproportionately male and white, and failing to reflect the diverse student population that colleges serve. Concerted work is needed to address these failings, including through the setting of targets for leadership, and through a focus on developing new pathways into working in the college system and progression routes within the system.

**The ever-increasing pace of technological change and its impact on the economy and labour market will lead to fundamental changes to the nature and range of a college's work.**

## Students' associations

Students' associations are a particular strength of the Scottish system - and have benefited notably from the Scottish Funding Council-funded project, the Development of Strong and Effective College Student Associations - delivered by NUS Scotland and Sparqs to develop SAs within colleges. As we note in our UK-wide report, students' associations are critical not just in embedding student voice at the heart of the system, but also in building healthy, connected communities and in empowering a new generation of future leaders.

### SYSTEMS LEADERSHIP

*"Systems leadership is a set of skills and capacities that any individual or organization can use to catalyze, enable and support the process of systems-level change. It combines collaborative leadership, coalition building and systems insight to mobilize innovation and action across a large, decentralized network."*

*(Dreier et al, 2019)*

## Four Nations College Alliance

The Four Nations College Alliance was established in 2017, and brings together college leaders, college representative bodies and senior civil servants from across the four nations of the UK - to seek to learn from the different policy contexts and institutional practices that exist and to champion systems leadership across the sector. The alliance has received support from the Gatsby Foundation, Edge Foundation and the Education Training Foundation.





## CASE STUDY

### Preparing future executive leaders

The CDN Preparing for Executive Leadership (PEL) Programme seeks to support emerging senior leaders in colleges in reaching their potential as systems leaders to ensure the sustainability of the sector, which has an ageing workforce. Targeted at Tier 2 (Executive) level, the year-long programme offers the opportunity to engage in deep personal learning as well as the chance to co-create strategic initiatives that will have an impact system wide.

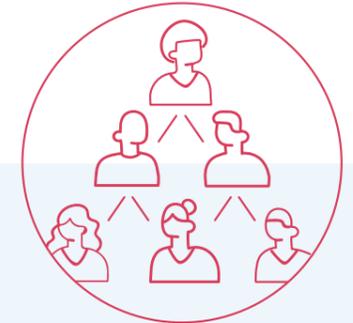
Participants undertake collective strategic initiatives that have national impact, while being supported by leadership and executive coaching experts and subject specialists. They also develop skills in high stakes communication, crisis leadership, influencing external stakeholders, and developing a solutions-focussed approach to college finance.

The Programme is collaborative and delivered in partnership with Police Scotland, which provides a workshop on managing a crisis. Additionally, Know You More, a social enterprise provides expert executive coaching, gifting the same level of executive coaching to one young person for every PEL participant.

Since the programme started in 2019, one of the participants has already secured a Vice Principal role. The programme has also received interest from colleges across the UK as this is the first programme of this kind in the UK for this level of leader.

*“With much of the course based on the principles of reflective practice, sharing and professional dialogue, it was great to be able to learn more about my fellow college leaders, and to understand their aspirations, challenges, roles and responsibilities so as to establish a high level of honesty, openness and trust from the outset.”*

**2019 PEL Participant**



## CASE STUDY

### Getting more diverse governance

The Get into Governance (GiG) programme is an initiative launched in 2020 to secure the future good governance of colleges while offering benefits to the wider community. It aims to encourage people from diverse backgrounds and experience to join boards, both within colleges and across the third/public sectors.

There have been early positive results in participants gaining confidence in the value they can bring to a board. With increasing diversity on boards an area of huge importance to the Scottish Funding Council and the Scottish Government, the programme's link with CDN's existing National Board Induction Programme provides a development pathway for new board members. Its partnership with Changing the Chemistry provides access to board opportunities promoted by them across the public, education and third sectors.

Particular targets are women and young people (between the ages of 25-35) and there has been early engagement from college student associations. The programme consists of an introductory workshop and six self-paced online modules introducing the various aspects of being on a board from organisation and finance issues to culture and effectiveness.

The programme is an example of how the FE sector contributes collaboratively to the wider public realm in Scotland and emphasises the role of colleges as anchor institutions supporting and developing their communities.

*“[I found it useful to] learn about the board journey from the guest speakers, the benefits each speaker described, and how I could potentially benefit and bring benefits to the organisation.”*

**A programme participant**

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