

Annex A- Scottish Government’s Response to the Recommendations

Theme 1: Emergency Years		
1. Continues to fund additional places at university for Scottish domiciled students into AY 2022-23, recognises the impact of school assessments on grades and expectations, and enables young people to engage in productive learning, tailored for a challenging labour market. This commitment should recognise that these learner will be in the system for several years.	page 31	The Scottish Government will consider the funding settlement for future years as part of the forthcoming Spending Review.
2. Recognises, in funding settlements into 2022-2023 and beyond, the role of colleges in school partnerships, for local school-leavers, and with local employers.	page 31	The Scottish Government will consider the funding settlement for future years as part of the forthcoming Spending Review.
3. Provides appropriate funding to support Foundation and Graduate Apprenticeships, to maximise places into 2022-23 (recognising the displacement that might otherwise occur in courses for young people in colleges and universities), while assessing how public funds should support the development of apprenticeships as a valued core part of provision.	page 31	The Scottish Government provided transitional apprenticeship funding for AY 2021-22. Funding for 2022-23 will be determined as part of the forthcoming Spending Review.
4. Introduces a new one-off scheme to provide learners completing their studies with the opportunity to gain an internship or short employment to moderate the impact of a difficult labour market and to build experience for the future.	page 31	The SFC is already addressing the recommendation for a new one-off scheme to provide students completing their studies with the opportunity to gain an internship or short employment. We welcome the activity that is underway.
Theme 2: Towards a more responsive, coherent education and skills system		
1. We recommend the introduction of a revised approach to strategic provision planning and skills alignment, which would include SFC convened Tertiary Provision Pathfinders.	page 12	The Scottish Government accepts this recommendation and expects the SFC and partners in the selected pathfinder areas to act with pace, to focus on practical improvements, and to share lessons that can lead to improvement more widely across the sector.

2. We recommend the development of shorter, sharper courses to support learning throughout life.	page 12	The Scottish Government supports this recommendation.
3. SFC will develop and deepen strategic relationships with NES.	page 41	The Scottish Government supports this recommendation.
4. We recommend the development of a more strategic and comprehensive Economic Recovery and Employer Engagement Investment Programme for colleges and universities.	page 43	The Scottish Government accepts this recommendation.
5. We recommend the establishment of an SFC Employer and Industry Advisory Group.	page 43	The Scottish Government supports this recommendation.
6. We also recommend the Scottish Apprenticeship Advisory Board (SAAB) invites SFC representation at Board level and SFC's inclusion in its secretariat.	page 43	The Chair of SFC is now sitting on the SAAB. We welcome this development and recognise the opportunity this presents for better alignment of provision between the SFC and SDS.
7. We recommend piloting a National Micro-credential framework and delivery plan working with the sectors to develop a comprehensive approach to upskilling and reskilling that spans sectors and works across the tertiary system.	page 44	The Scottish Government are content for the SFC to explore further the development of a national micro-credential framework and would expect the sector and students to be closely engaged in this.
8. We recommend the Scottish Government explores with SFC and stakeholders the consequences of the rising school leaver population and the need to provide greater opportunities to deliver learning throughout life, by reviewing the current approach to existing targets and our underpinning policy assumptions.	page 45	The Scottish Government accepts this recommendation.
9. We recommend that SFC undertakes work this year to ensure these expectations [re Fair Work] are clear for the bodies we fund or procure, and will assess the progress the sector is making towards Fair Work First criteria.	page 47	The Scottish Government remains committed to the implementation of the Fair Work First agenda and accepts this recommendation.

<p>10. We recommend that there should be a national vision and strategy for the college and university estate that prioritises areas for collaboration (between institutions, and potentially with industry) and between regional partners.</p>	<p>page 49</p>	<p>The SFC will develop, and publish later this year, a medium-term estates strategy and infrastructure investment plan for Scotland’s colleges later this year. We expect the SFC, working in partnership with the sector and government, to ensure that this estates strategy takes full account of the digital and net zero priorities we have set out across all sectors and policy areas.</p>
<p>11. Reviews its current funding for low carbon estates projects to support colleges and universities (e.g. funding for low carbon district heating, implementing projects under the Non-Domestic Energy Efficiency Framework or Transport Scotland’s EV funding) and considers multi-year funding.</p>	<p>page 49</p>	<p>The Scottish Government, will explore the inclusion of colleges and universities in low carbon estates projects, where appropriate, and work with the SFC and other partners to explore other capital funding vehicles.</p>
<p>12. Works with SFC and the finance industry to investigate new funding vehicles for capital funding (e.g. through mutual investment models and the Scottish National Investment Bank).</p>	<p>page 49</p>	<p>The Scottish Government, will explore the inclusion of colleges and universities in low carbon estates projects, where appropriate, and work with the SFC and other partners to explore other capital funding vehicles.</p>
<p>13. Supports incentives for collaboration activities between colleges and universities.</p>	<p>page 49</p>	<p>The Scottish Government, will explore the inclusion of colleges and universities in low carbon estates projects, where appropriate, and work with the SFC and other partners to explore other capital funding vehicles.</p>
<p>14. We will use our convening and strategic capability to drive change in the sector and work closely with our institutions to deliver their own ambitious strategies [on net zero].</p>	<p>page 51</p>	<p>The Scottish Government, will explore the inclusion of colleges and universities in low carbon estates projects, where appropriate, and work with the SFC and other partners to explore other capital funding vehicles.</p>

<p>15. We will embed climate action and the just transition to net-zero in our forward strategies, our accountability framework and our investments. We will seek to work with our wider stakeholders, Scottish Government and industry to accelerate climate action and bring the wide-ranging expertise of our universities and colleges to the table to deliver a prosperous, low-carbon future for Scotland and the world.</p>	<p>page 51</p>	<p>The Scottish Government, will explore the inclusion of colleges and universities in low carbon estates projects, where appropriate, and work with the SFC and other partners to explore other capital funding vehicles.</p>
<p>Theme 3: Protecting and promoting students' interests</p>		
<p>1. We recommend working in partnership with students to further develop a National Impact Framework, alongside institutions and other partners, and to build on early work to define the outcomes we expect for students from colleges and universities and a more detailed set of expectations.</p>	<p>page 61</p>	<p>The Scottish Government supports this recommendation.</p>
<p>2. We recommend the SFC develops a National Schools Programme for Scotland to enhance access to the tertiary system for pupils in the Senior Phase of school working closely with experts across universities, colleges and schools, and taking account of recent reviews.</p>	<p>page 64</p>	<p>The Scottish Government supports this recommendation and expect the SFC to engage fully in the review work being led by Professor Ken Muir.</p>
<p>3. We recommend we work with the Scottish Government on how we can take our widening access work further, including the way we measure and invest funds, set targets and track widening access, and the role of a commissioner for the future.</p>	<p>page 66</p>	<p>The Scottish Government supports this recommendation. As part of this agenda the role of the Fair Work Commissioner has been extended for an additional year.</p>
<p>4. We recommend that we work with students and institutions to develop a refreshed set of institutional expectations on fair access pathways.</p>	<p>page 67</p>	<p>The Scottish Government supports this recommendation.</p>
<p>5. We recommend that SFC develops a one year funded intervention to support graduating students into a productive bridging employment opportunity.</p>	<p>page 68</p>	<p>The Scottish Government supports this recommendation which is being delivered in the Young Person Guarantee programme.</p>

6. We will work with SQA and its successor qualifications body to advance work to further develop HNs.	page 68	The Scottish Government supports this recommendation.
7. We will work with CDN and Colleges Scotland to explore curriculum resource development in the first instance.	page 68	The Scottish Government supports this recommendation.
8. We recommend developing a single quality assurance and enhancement framework for tertiary education, to uphold academic standards, and enhance the learning experience of all students.	page 70	The Scottish Government supports this recommendation. We expect the SFC to work in consultation with all interested parties, and to strike the appropriate balance between assuring and enhancing the quality of tertiary provision.
9. We recommend the Scottish Government explores further with all interested parties – SDS, SFC, SQA and colleges – how a relationship with World Skills UK aligns with Scottish ambition, standards and approaches.	page 71	The Scottish Government is sympathetic to this recommendation and we will explore it with stakeholders.
10. We recommend that we work with sector partners to develop a Scottish level standard for online and blended learning to support institutions deliver an excellent experience for learners.	page 73	The Scottish Government supports this recommendation.
11. SFC will work with sector agencies to re-align its investments in educator development and digital to ensure they support the advancement of digital skills of educators.	page 73	The Scottish Government invite the SFC, building on this recommendation, and where there is a corresponding recommendation for government, for example, in the provision of equitable digital connectivity on and off campus to support learners, we will work with the SFC to explore options for the future.
12. We recommend the Scottish Government considers further how to improve the provision of equitable digital connectivity, on and off-campus, to enable learners in Scottish post-16 education to take up the technology-enhanced learning opportunities available.	page 74	The Scottish Government invite the SFC, building on this recommendation, and where there is a corresponding recommendation for government, for example, in the provision of equitable digital connectivity on and off campus to support learners, we will work with the SFC to explore options for the future.

<p>13. We will work with JISC to explore the creation of a national digital consultancy service for senior leaders in tertiary education, reflecting institutions' own plans for development and SFC's investment, to inform future decisions and investment priorities.</p>	<p>page 75</p>	<p>The Scottish Government invite the SFC, building on this recommendation, and where there is a corresponding recommendation for government, for example, in the provision of equitable digital connectivity on and off campus to support learners, we will work with the SFC to explore options for the future.</p>
<p>Theme 4: Sustaining Research and Enhancing Knowledge Exchange</p>		
<p>1. We recommend creating an SFC position to be based in Scotland House, London, to work closely with UKRI and other stakeholders relevant to Scottish interests.</p>	<p>page 80</p>	<p>The Scottish Government are supportive of the SFC exploring a base within Scotland House, London, in order to work more closely with UK Research and Innovation (UKRI) and other stakeholders in pursuit of Scottish interests, recognising that the timing of this position will be determined by future resource commitments.</p>
<p>2. We recommend that the Scottish Government continues to protect and sustain the research and science base in Scotland through continued long-term investment; and considers the potential to use additional capital resource for research when it becomes available.</p>	<p>page 81</p>	<p>The Scottish Government accepts this recommendation which provides clear action for SFC within their remit and current resources. The Scottish Government expect to give strategic direction to the process and SFC to promote links to the wider research landscape in Scotland.</p>
<p>3. We recommend that we introduce reporting on the impact of basic research investment and associated spillover benefits, and share good practice and case studies.</p>	<p>page 83</p>	<p>The Scottish Government supports SFC in taking forward this this recommendation.</p>
<p>4. SFC will commission the sector to develop a blueprint for establishing a positive research culture in Scotland and instigate a broader debate that explores and defines good practice.</p>	<p>page 84</p>	<p>The Scottish Government supports SFC in taking forward this recommendation.</p>
<p>5. We recommend developing better ways to support the postgraduate research student experience.</p>	<p>page 84</p>	<p>The Scottish Government supports SFC in taking forward this this recommendation.</p>

6. We recommend the Scottish Government champions a 'missions-based' approach, to harness the power of research, Knowledge Exchange and innovation in tackling big societal challenges.	page 88	The Scottish Government is supportive of arguments around adopting inter-disciplinary, missions-based approaches to research, knowledge-exchange and innovation.
7. We will recommission Research Pools, creating next-generation networks that build on our sustained investment in the Research Pooling Initiative with a focus on interdisciplinary challenge-oriented research collaboration, leveraging additional funding and fostering early career researcher communities and training.	page 91	The Scottish Government supports SFC in taking forward this recommendation.
8. As Scottish universities and colleges are such important actors in the green economic recovery, we will use our convening and connecting power to support their integration in the innovation and economic strategies of Scottish Government and UK Government agencies such as UKRI.	page 97	The Scottish Government accepts this recommendation.
9. That Scottish Government continue to support SFC to provide an appropriate level of University Innovation Fund and support SFC to create a College Innovation Fund.	page 97	The Scottish Government strongly support the greater involvement of colleges in innovation and knowledge exchange and look forward to understanding the SFC's further plans in this area, working closely with the college and university sector.
10. That the university and college sectors join SFC in repositioning Innovation Centres and Interface as stable long term infrastructure investments, helping to maximise their contribution to the economy and the relationship between the sectors and society in these challenging but opportunity-rich times.	page 97	The Scottish Government supports SFC in taking forward this recommendation.
11. We recommend that SFC rapidly develops a co-owned and co-designed Entrepreneurial Campus Strategy, building on existing successful activity in colleges and universities, and with an ambition to dramatically	page 101	The Scottish Government supports SFC in taking forward this recommendation, which pays attention to the recommendations in the review led by Mark Logan on the Scottish Technology Ecosystem.

increase the flow of entrepreneurs into technology and other ecosystems consistent with the STER report recommendations.		
12. We recommend continuing to develop, in partnership with our academic consortium, the capacity for our Scottish academic community to train entrepreneurs and business leaders to themselves teach the entrepreneurs of the future how to scale up successful businesses.	page 101	The Scottish Government accepts this recommendation.
Theme: 5 International		
1. We recommend the Scottish Government works with stakeholders and considers the issues we raise in the International chapter and more widely across this Review – in particular: a) International education as an intrinsic part of Scotland's economic and social b) recovery strategies. c) The importance of positioning Scotland as a primary destination for international students and staff, maximising education and research as exports, promoting d) Scottish interests and enabling partnerships in particular countries and markets. e) The inclusion of colleges within all aspects of the international education strategy. f) The need to found the strategy in an analysis of trends in competing destination g) countries, major student exporting nations, transnational education, reliance on h) particular countries for international students and possible diversification strategies. i) Enhancing the international student experience.	page 111	The Scottish Government will take SFC's assessment and recommendations 1-6 into the development of our International Education Strategy for Scotland, which aims to promote Scotland's education offer globally, increase the number of international students, and maintain our links with the European Union.

<p>j) The development of a strong, competitive marketing strategy with urgency for the Scottish tertiary education and research brand, particularly across prime digital channels, that showcases our beacon research institutions, and emphasises Scotland as a safe, welcoming, supportive, socially progressive, environmentally aware destination.</p> <p>k) The development of a web presence that highlights virtual, blended and in-person international programs on offer across Scotland's colleges and universities.</p>		
<p>2. Maximising connections with alumni to build and strengthen global connections and secure ambassadors for Scotland through mutually beneficial activity. This should link to the work of the Scottish Government's external network of offices, SDI, trade envoys and Global Scots.</p>	page 111	
<p>3. The opportunity to tackle significant missions across the spectrum of science, global and industrial challenges and innovation through international partnerships and collaborations.</p>	page 111	
<p>4. An assessment of the outcome of the UK Turing scheme, the new Welsh international learning exchange programme, and how best to secure existing networks and enhance mobility from a Scottish perspective.</p>	page 111	
<p>5. The ability to boost European research and innovation ties through Saltire research exchange schemes and multi-disciplinary projects.</p>	page 111	
<p>6. Maximising the impact of Ministerial overseas visits for the further and higher education sectors, when those engagements resume post-pandemic.</p>	page 111	

Theme 6: Sustainability		
1. We believe there is merit in SFC continuing to act as a national co-ordinator of learning, training and upskilling funded activity in universities and colleges and the Scottish Government makes the case for SFC's continued strategic oversight of replacement European funds from the UK Government that affect the delivery of programmes in colleges and universities.	page 117	The Scottish Government accepts this recommendation and support the SFC, in making the case for funding to the UKG.
2. We recommend greater flexibility is offered to colleges around the March financial year-end, to support re-profiling income and expenditure to end July.	page 119	The Scottish Government will consider this as part of the forthcoming Spending Review.
3. We recommend Scottish Ministers consider whether they wish to explore the ONS classification of incorporated colleges, with a careful assessment of associated benefits and risks.	page 120	The Scottish Government have considered this issue and have decided we will not explore it further. We believe that colleges should remain part of the public sector, fulfilling their invaluable public service missions in this context. That said, we are keen to explore what other financial flexibility can be achieved under the current model.
4. We recommend that the Scottish Government engages with us on our recommendations for multi-college regions, receives an update on progress since our Phase One Report, and works with us and key stakeholders on next steps.	page 131	The Scottish Government agrees with the direction of travel and recommendations the SFC has set out for the Lanarkshire Regional Strategic Body, the Glasgow College Regional Board and the University of the Highlands and Islands.
Theme 7: Ambition and frameworks for the future		
1. We recommend the Scottish Government sets out more clearly its overall strategic intent for tertiary education and research.	page 134	The Scottish Government accepts this recommendation and will consult with SFC, the sector and stakeholders to develop this further.
2. We recommend the development of a new National Impact Framework for colleges and universities, linked to Scotland's National Performance Framework.	page 135	The Scottish Government supports this recommendation and agree that SFC should lead the development of an associated National Impact Framework, that sets out the outcomes and impact we

		should expect from colleges and universities, and how they will be assessed.
3. We propose that SFC should operationalise the Scottish Government's strategic intent and the National Impact Framework through four interlinked and mutually reinforcing activities: Investment, Quality Assurance, Impact and Accountability, and Analytics and Insight.	page 136	The Scottish Government supports this recommendation.
4. We recommend that the Scottish Government enables SFC to provide more certainty for our investments, beyond one year.	page 145	The Cabinet Secretary for Finance and the Economy has confirmed her plans to publish a multi-year resource spending review framework for public consultation alongside Budget 2022-23 and the Medium Term Financial Strategy. Although there are dependencies upon UK Government fiscal events in order to publish multi-year financial plans, the framework should provide the catalyst to explore multi-year options for resource funding.
5. We recommend SFC convenes a working group, to include the Scottish Government and the college sector, to agree a plan to move towards a fairer distribution of investment across the sector.	page 147	The Scottish Government supports this recommendation.
6. We recommend exploring a greater realignment of our funding and targets for UHI and SRUC, to pilot a more integrated tertiary approach.	page 151	The Scottish Government supports this recommendation.
7. Our two proposed Tertiary Provision Pathfinders provide an opportunity to test and model how a more integrated tertiary model might work in practice. We recommend that the Tertiary Provision Pathfinders should explore the necessary conditions for a more integrated tertiary funding model in order to draw lessons for any wider policy development.	page 150	The Scottish Government supports this recommendation.
8. We will work with the sector to devise a fair and inclusive approach to WARF –taking account of related funding -	page 151	The Scottish Government supports this recommendation.

to ensure this funding is leveraged to best support student outcomes.		
9. We reviewed the purpose of access and inclusion fund and will revise the distribution of this funding based on less historic data.	page 152	The Scottish Government supports this recommendation.
10. Will review these expensive strategically important subjects premium to ensure its continued relevance and to consider our response to the recommendations of the Logan report on how we develop a world class technology sector in Scotland.	page 152	The Scottish Government supports this recommendation.
Theme 8: System Leadership		
1. We will explore the establishment of a National Leadership Programme that would bring together colleges and universities to invest in current and future adaptive leaders, who will need resilience and support to become the innovators we need to develop our system for the future.	page 157	The Scottish Government supports this recommendation and look to the sector to invest in those future leaders; to support them to look beyond their own institutions; and to work together to secure the future strength, resilience and adaptiveness of our brilliant colleges and universities.
2. The Scottish Government and the sector, together, need to invest in SFC and its capacity to be an agent of change that can hold in tension the often delicate dynamics of public policy, institutional autonomy, and pressured funding rounds.	page 158	The Scottish Government consider the SFC to be an important agent of change and will work with the organisation to explore the capacity it needs to fulfil its mission now and into the future.