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Dear Professor Brown

SCOTTISH FUNDING COUNCIL (SFC) – LETTER OF GUIDANCE 2016-17

When I wrote to you on 8 February, I indicated that I would write again to the SFC setting out my expectations for the Further Education sector. I am now writing, both to respond to the advice I sought on FE provision for 2016-17, and also to reinforce my views around the importance of widening access to higher education and the absolute commitment of this Government to making further and faster progress.

Further Education

My previous Letter of Guidance for 2016-17 asked the SFC, officials, and the college sector to work together to advise on how best to set a framework for further improvement in the college sector, including in both learner outcomes and support, in light of the changing economic and demographic context.

I was grateful to receive your advice, which set out a number of important areas for future reflection. These areas, including the future impact of demographics on FE provision and potential to introduce new measures of success for the FE sector, are important ones. However, the matters you address - including demand, supply, and shifting patterns of participation - are ones that clearly apply to, and affect, our wider learning system. I should therefore like to see them explored further as part of our forthcoming work to examine and improve the learner journey.

I would ask you to maintain the current volume of provision. In doing so, you should work with the sector to identify ways in which to maximise the funding available to secure appropriate, high quality and sustainable provision across the country. Additionally, I would ask that you continue your changes to ensure the distribution of activity more closely reflects regional need, taking account of colleges' capacity to deliver. Moreover, in the light of the financial pressures outlined in your paper, in deciding on institutional allocations, I would ask that you consider a modest increase in the unit of resource for colleges.

College Governance Task Group

I was grateful for the SFC's participation in this work. As you will know, we published my Task Group's report last week: the SFC will play a crucial role in the implementation of the Group's recommendations, and I would ask that you take these forward as a priority.

Additional Places for Widening Access and Articulation

I want to reinforce the highest priority that the Scottish Government places on widening access and our unequivocal desire to drive further and faster progress. The Commission on Widening Access made clear that access should be seen as part of the sector's core mission. I share that view but, as stated in my earlier Letter of Guidance, I want to see no diminution in efforts to widen access. The Commission has highlighted the value of articulation in supporting fair access and outlined ambitious targets for equal access for students from deprived areas. We accepted these immediately and wholeheartedly.

In that context, and as part of our commitment to meeting those targets, I believe it would be appropriate for SFC to support the fourth and final tranche of the additional places scheme for access and articulation in academic year 2016-17, as previously anticipated. This will support the transition to an embedded approach.

In doing so, I expect the SFC to maintain the unit of resource for core teaching and the protection of core research funded through the Research Excellence Grant as set out in the indicative allocations. Given the tight financial climate we find ourselves in, I expect SFC to manage the costs associated with supporting the final year of additional places for access and articulation in academic year 2016-17 over the coming two financial years (2016-17 and 2017-18).

I am encouraged by the positive responses from the higher education sector to the Commission's report and the commitment universities have given to making progress on access. I would ask SFC to harness this commitment working closely with the sector to secure maximum progress

As we enter the election period, may I take this opportunity to thank the SFC for its continued efforts to ensure that the further and higher education sectors in Scotland are well supported and remain the source of educational opportunities that all of Scotland can be proud of.



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