



SFC Guidance

University Outcome Agreement Guidance for AY 2014-15 to 2016-17: Refresh

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Foreword

Scotland's 19 higher education institutions, supported by the Scottish Funding Council, continue to have a significant role to play in delivering on the Scottish Government's priorities as outlined in the Programme for Government and Scotland's Economic Strategy. Through *investing* in their staff and in their infrastructure, Scotland's universities will provide their students with the best possible experience, challenging them and equipping them to think, to act, to contribute in their workplaces and in their communities. Through *innovation* in research and teaching, universities will be at the cutting-edge of knowledge creation and application, growing Scotland's economy and improving the well-being of its citizens. Through actively promoting *inclusivity*, universities will transform lives by breaking down barriers and enabling social mobility. Through *internationalising* the curriculum and fostering an outward-looking and engaged academic community, universities will develop globally aware and responsive graduates with the skills to compete at home and abroad.

Introduction

1. This guidance explains the process of negotiating an Outcome Agreement (OA) with the Scottish Funding Council (SFC) for Academic Year (AY) 2016-17. It also explains how we will monitor previous years' Outcome Agreements.
2. SFC introduced university Outcome Agreements in AY 2012-13. They are intended to help Scottish higher education institutions¹ demonstrate their contribution to the Scottish Government's priorities as set out in the Scottish Economic Strategy and annual Programme for Governments. Outcome Agreements have become a powerful tool in demonstrating what universities deliver in return for public investment. They can help:
 - Individual universities to show how they are fulfilling Scottish Government priorities.
 - The overall university sector to improve its contribution towards Scottish Government priorities.
 - SFC to fund the university sector in ways that support the different missions of diverse, autonomous institutions.
3. As these Outcome Agreements are for the final year of the current three year OA period (2014-17), this year's Guidance contains only relatively minor changes and additions (see below for information); therefore, we anticipate that in many cases the agreements for 2016-17 will be refined versions of the 2014-17 agreement.
4. Institutions may wish to note that at the end of this three-year cycle, the OA Guidance will be more substantially revised to reflect the SFC's new Strategic Plan, recommendations from the Commission on Widening Access and any other modifications in Scottish Government and SFC priorities. This means that, although the majority of the national measures will remain as they are, there are likely to be some changes and additions from 2017-18.

Key Changes and Additions for 2016-17

5. Driven by the Equality Act 2010, Developing the Young Workforce and aiding the work of the Commission on Widening Access, we are asking institutions to report more specifically on gender and care experienced students. Therefore, we are now asking all HEIs to set out their ambitions clearly in relation to each

¹ Scotland has 19 higher education institutions of which 16 are universities and three are specialist higher education institutions. The term 'university' is used at times in this document with HEI as shorthand but should be understood to mean all 19 higher education institutions

and to ensure that they provide statements on how they are achieving (or how they plan to achieve) the following:

- An improvement in the gender balance of the total student population and in particular subjects where there is a severe imbalance.
 - An increase in the number and proportion of undergraduate entrants with care experience² (see measure 4). Table 2: SFC's national measures below
 - An increase in the retention rate of full-time undergraduate entrants with care experience (see measure 5). Table 2: SFC's national measures below
6. SFC has also revised its equality outcomes. We recognise that addressing the equality agenda requires individual institutions to respond to the General and Scottish Specific duties of the Equality Act (2010) and we aim to support institutions to demonstrate the ways in which they meet these responsibilities through the OA process. **Equality Outcomes and Mainstreaming reports** and statutory requirements for **equality impact assessments (EIAs)** in relation to the development of Outcome Agreements.
 7. For universities that received regional coherence funding we outline the changed arrangements for what will now be called the Widening Access and Retention Fund.
 8. For more information on the above, see the section, 'Additional information for the preparation of an Outcome Agreement' below.
 9. In our discussions with universities this year we want to discuss how they can better demonstrate their response to the skills needs and the Skills Investment Plans for key sectors published by Skills Development Scotland.
 10. Finally, under Aim 5, Research, we have asked HEIs to provide a statement reflecting on their performance in REF 2014 and how that will influence their research strategy; and a **statement of ambition in relation to equality and diversity issues identified by the REF 2014 Equality and Diversity Advisory Panel (EDAP)** report.

The Outcome Agreement process: relationships and reporting

11. The Outcome Agreement process is intended to complement and support an institution's autonomy and strategic ambitions. Achieving these ambitions is ultimately the responsibility of a university's court or governing body. An Outcome Agreement should align with an institution's strategy so that it

² Care experience is a term used to define people who have had experience of care. It is the term we are encouraged to use by Who Cares? Scotland.

enables the institution to negotiate its contribution toward sector level impacts according to its priorities and strengths.

12. The Outcome Agreement process combines two elements:
 - A **relationship** with a specified SFC Outcome Agreement manager who acts as the main contact for the HEI. Outcome Agreement managers and their teams advocate on behalf of universities and *support* and *challenge* them to make effective contributions to Scottish Government priorities.
 - Outcome Agreement **reporting**. This is how HEIs demonstrate their commitment to meeting Scottish Government priorities through their stated ambitions.

The Outcome Agreement process: relationships

13. Outcome Agreement managers are expected to engage with a range of people across an institution. This includes those with strategic oversight and responsibility, such as planners, and those with a detailed understanding of the policies and processes being discussed. This breadth of engagement is intended to help develop relationships and build understanding between SFC and institutions.
14. To build effective relationships and to support HEIs to achieve their ambitions, Outcome Agreement managers will work with universities in three ways:
 - They will meet institutions to discuss the Outcome Agreement process, including an initial discussion on interpreting this guidance. This will be followed by meetings to discuss the development, completion and submission of the Outcome Agreement.
 - They will discuss progress with universities. The focus of these discussions will be around evidence of impact. This also provides an opportunity to discuss any issues of uncertainty, help explain particular progress challenges, and support institutions in their interactions with stakeholders.
 - They will support HEIs to achieve ambitions in a variety of ways, including sharing good practice, encouraging and facilitating cross-institutional collaboration, and brokering relationships with relevant stakeholders. They will also invite universities to discuss strategic funding for projects which are aligned closely with SFC key priorities.
15. Another aspect of relationship building involves **Strategic Dialogue Meetings** which take place on a three year cycle. Their purpose is to enhance the relationship between the HEI and SFC and to give SFC board members direct contact with university court or board members, senior managers, staff and students. These meetings are kept as informal as possible and are an

opportunity for institutions to demonstrate their impact and highlight their ambitions as detailed in their Strategic Plan and Outcome Agreement. One of their key functions is as a learning experience for SFC board members. SDMs are not held in lieu of Outcome Agreement meetings but are complementary to the Outcome Agreement process.

The Outcome Agreement process: reporting

16. Outcome Agreements should be concise documents focused on SFC's key priorities as outlined in the section on Outcome Agreement priorities and national measures. If possible, they should be multi-year (three-year) documents.
17. Whether HEIs have developed a single-year or multi-year OA, they should expect to be asked to add to or change their OA in response to additions or changes to SFC Guidance. It is inevitable that there will be changes year on year as SFC seeks to respond to the annual letter of ministerial guidance issued by the Cabinet Secretary for Education and Lifelong Learning.
18. For institutions that have already produced a multi-year Outcome Agreement, only limited revisions and additions will be needed for 2016-17. These revised agreements should update the commitments in the previous version of the agreement based on progress and developing Scottish Government priorities as described at the beginning of this guidance. This is also an opportunity for HEIs to refine their agreements based on the changing context within their own institutions.
19. In recognition of the diversity of the sector, SFC encourages universities and SSIs to interpret the Guidance in the context of their institution's mission.
20. HEIs should use the national performance measures (see below), as well as locally selected indicators, to help capture their ambitions and progress in their Outcome Agreements. Where appropriate, they should use SMART indicators, particularly in relation to the national measures. Qualitative information is also necessary to convey achievement in many cases. We therefore encourage institutions to provide a brief account of ambitions and achievements through qualitative information where it enhances understanding.
21. The level of ambition in an OA should be reviewed on a yearly basis. This is to reflect the progress made and the fact that things may happen that are beyond an institution's control, or the contents of the agreement may be overtaken by events.

22. In recognition of the diversity of the higher education sector in Scotland, we do not have a standard template for Outcome Agreements; however, we do expect all Outcome Agreements to refer to each of SFC's key priorities and to provide a summary table for the national measures. We encourage institutions to view the presentation and format of Outcome Agreements used by others to help build good practice across the sector.
23. Please contact your Outcome Agreement manager for more information on the process, and to discuss the details of your institution's agreement.

Monitoring

24. Outcome Agreements for AY 2016-17 will be informed by the monitoring of progress and achievements from previous years. This will focus on the AY 2013-14 and 2014-15 agreements, and very early progress from the AY 2015-16 agreements.
25. We will discuss progress with institutions throughout the year. The monitoring process includes a number of key stages, which are set out below.

Self-evaluation

26. All universities are accountable annually for the funding they received in the preceding year and submit an annual self-evaluation progress report in late October. This applies regardless of the period covered by the Outcome Agreement, which may be one or three years. This self-evaluation will be used by Outcome Agreement managers in their monitoring of, and negotiations with, institutions.
27. Further information on how to complete a self-evaluation report is contained in **Annex A**.

On-going monitoring and early data returns

28. Building on this evidence base, we will provide an assessment of progress for each institution, which will then be discussed with the HEI.
29. We will continue to ask universities to report on take-up of additional funded places through the Early Statistics Return.
30. We also require an in-year **Early Access Return** for the end of October and should be submitted, if possible, along with the Self Evaluation. This is separate from the Early Statistics Return, as suggested by practitioners in the sector, and will look beyond the take-up of additional funded places to consider trends in

widening access more generally. Given the statutory nature of the widening access elements of Outcome Agreements (following the Post-16 Education (Scotland) Act 2013) this in-year data is crucial to meeting some elements of SFC’s duties under the Act, and will also be part of a wider effort to ensure we have the right data at the right time. It will also be helpful to SFC and universities in better judging the success of interventions. We expect that over time this exercise will develop in collaboration with the sector as our understanding of this area improves.

Quality arrangements

31. We will update the guidance related to quality once the current review of the Quality Enhancement Framework has concluded. The review is taking account of opportunities to improve alignment between quality assurance and enhancement processes and reporting with Outcome Agreements. New guidance is likely to be published in AY 2015-16.

Timeline

32. We intend to begin discussing the content of AY 2016-17 Outcome Agreements in September 2015 with a rough draft due in December and a final OA submitted by the end of February.
33. Mindful of the fact that our final timeline will be influenced by a range of external factors outwith the control of SFC which will include the timing of the UK Government’s 2015 Spending Review and its impact on the timing of the Scottish Government Budget, the indicative timeline is as follows:

Table 1: Key dates for Outcome Agreements AY 2016-17	
Guidance updated and published	September 2015
Negotiations start	September 2015
Self-evaluation progress report on AY 2014-15 submitted Early Access Return due	31 October 2015
Well-developed draft Outcome Agreement submitted	8 December 2015
Final Outcome Agreement submitted	29 February 2016
Outcome Agreements and funding allocations published	April 2016

Outcome Agreement priorities and national measures

34. Building on Scottish Government priorities and Ministerial letters of guidance, the priority areas for Outcome Agreements for the three year period starting from AY 2014-15 are set out below. These are structured around the strategic

aims in SFC's Strategic Plan and now include areas underpinned by legislation associated with the delivery of the Post-16 Education (Scotland) Act 2013.

35. The key priorities for the three-year period from AY 2014-15 are to see (new areas added for 2016-17 are in bold):
- An increase in the retention rate of full-time Scottish domiciled undergraduate entrants.
 - An increase in the number of college students articulating from college with advanced standing.
 - An increase in the proportion of Scottish-domiciled undergraduate entrants from the 40% most deprived postcodes.
 - A more representative proportion of entrants from different protected characteristic groups.
 - **An improvement in the gender balance of the total student population and in particular subjects where there is a severe imbalance.**
 - **An increase in the number and proportion of undergraduate entrants with care experience.**
 - **An increase in the retention rate of full-time undergraduate entrants with care experience.**
 - An increase in the percentage of Scottish-domiciled graduates entering positive destinations.
 - An improvement in the sector's performance in REF 2014 compared with RAE2008 (*achieved*).
 - Leverage of investment at the UK and European level maximised to enhance HEI/industry collaboration particularly for Small and Medium sized Enterprises.
 - Universities contribute to the delivery of Scotland's targets for significantly reduced greenhouse gas emissions.

National measures

36. When setting out aspirations, HEIs are asked to use SFC's national measures (set out in Table 2), which build on existing well-defined data sources. Where appropriate, we encourage institutions to supplement these with their own measures (for example, to provide supporting evidence of progress and outcomes in relation to access, equality and diversity).
37. We will not ask institutions to express their aspirations in relation to every one of the national measures. We will ask institutions to tell us about their aspirations for achievement (by 2016-17) against those key measures starred in Table 5. Aspirations for the key measures are expected to cover the period up to 2016-17. For other measures, SFC will continue to monitor institutional

progress using HESA and other existing data sources, against the baseline we agreed with institutions in the 2014-15 round, and institutions can choose whether or not to set specific numeric aspirations against these measures.

38. Where progress on the measures is reported, for all measures this should be reported consistently with reference to the baseline agreed with SFC. **Current progress and future ambition should be reported by year in terms of absolute numbers and by proportion, unless otherwise indicated in the table. It would be helpful if institutions would provide a summary table of the measures in their OA.**
39. Where the table refers to an institution-level measure or commitment, a university can provide its own outcome measures and/or narrative to demonstrate success (in addition to the national measures). In certain cases, both types of measures will apply. However, this should also outline an agreed baseline, current progress and a future ambition by year (both in absolute and proportion terms). We expect HEIs to discuss with their Outcome Agreement manager which commitments and measures are appropriate to their institution.
40. Institution-level measures can refer to existing measures produced by other agencies, if appropriate e.g. HESA. As outlined earlier, we will encourage institutions to use their own measures to supplement the national measures, particularly in relation to access.
41. Further information for reporting on certain measures is provided below. **Further information on all national measures is provided in Annex C published on our website.**
42. Finally, we recognise that not all of an individual institution's priorities will fit neatly into the aims and measures identified below, and that the HEI may want to include these in their Outcome Agreement document. While this is not obligatory, we want to continue to encourage this and invite universities to raise these ambitions in their discussions with their Outcome Agreement manager and to outline them in their Outcome Agreement.

Table 2: SFC's national measures

*Institutions are asked to provide a **summary table** with the measures in their Outcome Agreement if they do not already have one.*

Aim 1: Improve access to higher education for people from the widest possible range of backgrounds		
Outcome	National measure	Institution measures and commitments
<p>More even patterns of participation by different groups of learners, including those from areas of deprivation, from protected characteristic groups and care backgrounds.</p> <p>An increase in the number of students articulating with advanced standing from HNC/HND to degree level study.</p> <p>More institutions applying best practice in contextualised admissions.</p>	<p>(1)* The number and proportion of Scottish-domiciled learners articulating from college to degree level courses with advanced standing.</p> <p>(2)* The number and proportion of Scottish-domiciled undergraduate entrants from the 20% and 40% most deprived postcodes.</p> <p>(3) The number and proportion of Scottish-domiciled undergraduate entrants from the Schools for Higher Education Programme - SHEP (i.e. schools with consistently low rates of progression to higher education).</p> <p>(4)* (where under-represented) The number and proportion of Scottish-domiciled undergraduate entrants by different protected characteristic</p>	<p>(a) Evidence that steps are being taken to address any barriers to recruitment and progression for learners from deprived/ disadvantaged backgrounds including those with care experience This could include:</p> <ul style="list-style-type: none"> • Contextual information, e.g. SAAS, EMA, first in family, care leaver, carer • Institution data on protected characteristic groups and ambitions for any area of under-representation • Promoting access and equality and diversity legislation in a way that is consistent with the HEI's mission • HEI's approach to contextualised admissions including measures and evidence of impact. <p>(b) We are particularly interested in the steps being taken by institutions to promote access to high demand courses such as medicine.</p> <p>(c) The Buttle Quality Mark ceased in July 2015. Institutions are asked to provide a specific statement in their Outcome Agreements about how they recruit and support care leavers/young people in care. This should include the transitional arrangements the university has in place as well as support arrangements during their course and to assist them once they have completed their qualification. It should also outline what processes the university has in place to re-engage these students should they be at risk of dropping out, or have dropped out, of the course.</p> <p>(d) Evidence that institutions (particularly those that are part of the articulation hubs and/or in receipt of additional places for articulation) are maximising</p>

	groups and with care experience (5)* The number and proportion of full-time first year Scottish-domiciled entrants from different protected characteristic groups and with care experience returning to study in year two.	opportunities for guaranteed progression from partner colleges. (e) Institutions in receipt of these and other additional funded places for widening access should refer to the contribution that these places will make to achieving their institutional targets under aim 1.
Aim 2: High quality, efficient and effective learning – learner journeys are short, efficient and effective as possible and learners experience the highest quality of learning and teaching and achieve successful outcomes		
Outcome	National measure	Institution measures and commitments
An improvement in the retention and success rates of learners. Greater flexibility in entry and exit points, where appropriate, to reduce potential inefficiencies in the learner journey where this is of benefit to the learner. Quality of learning provision and learner outcomes assured and enhanced.	(6)* The number and proportion of full-time first year Scottish-domiciled undergraduate entrants returning to study in year two. (7) The difference from the individual institution’s UK benchmark figure for students satisfied with the overall quality of their course of study in the National Student Survey.	(f) Evidence that institutions are identifying significant barriers to retention, and have in place strategies to reduce those barriers, drawing on good practice in their institution and elsewhere. (g) Statement of assurance that the institution has achieved ‘effectiveness’ judgment in QAA enhancement-led institutional review (ELIR) and is appropriately engaged in institution-led internal reviews (self-evaluation of quality).
Aim 3: Right learning in the right place – secure coherent provision of higher education in Scotland in line with SFC’s statutory obligation		
Outcome	National measure	Institution measures and commitments
Universities are responsive to current and future skill requirements of employers. More targeted recruitment to courses of national and regional economic significance.	(8) The number and proportion of Scottish-domiciled undergraduate entrants to STEM courses.	(h) Statement outlining how the institution is responding to evidence of current and future skills requirements of employers, as outlined in the Sector Skills Investment Plans and other available labour market information. (i)* Statement outlining what efforts the institution is making in relation to gender balance within their curriculum e.g. STEM, nursing etc.

<p>Nationally coherent and regionally aligned nursing provision.</p> <p>Implementation of the National Gaelic Language Plan.</p> <p>An increase in the number of students with practical skills in modern foreign languages and Gaelic</p>		<p>(j) For Nursing providers: provide evidence of their plans to respond to the six strategic aims set out in “Setting the Direction for Nursing and Midwifery Education in Scotland”. In particular, evidence of plans to develop an infrastructure to deliver an efficient, responsive and sustainable education through collaboration or other means.</p> <p>(k) Statement on steps being taken to grow the number of graduates with practical modern foreign language skills.</p> <p>(l) Statement outlining activities in support of the National Gaelic Language Plan.</p> <p>(m) Statement outlining any other potential major changes to provision.</p> <p>(n) Institutions in receipt of additional funded places for undergraduate and/or taught postgraduate skills should make reference to the contribution that these places will make to achieving their institutional ambitions under aims 3 and/or 4.</p>
<p>Aim 4: A developed workforce – learners who have the skills, knowledge and entrepreneurial spirit to get a job and progress their career; and institutions that respond to the skills needs of the economy locally and nationally</p>		
<p>Outcome</p>	<p>National measure</p>	<p>Institution measures and commitments</p>
<p>An increase in the proportion of graduates in work or further study six months after graduating, and of those in work, a reduction in the proportion in Non-Graduate (as opposed to Graduate) occupations, where these proportions appear to be particularly high.</p> <p>Graduates are well prepared for work and can utilise their skills effectively in the increasingly</p>	<p>(9)* The number and proportion of Scottish-domiciled graduates entering positive destinations.</p>	<p>(o) Evidence provision of work related learning, demonstrated by:</p> <ul style="list-style-type: none"> • Providing baseline of current provision in relation to placements and expressing ambitions for growth • University strategy for enhancing skills development and skills utilisation, particularly relating to groups of students with statistically fewer chances to progress into graduate level work. <p>(p) Enhanced provision focused on internationalising the student experience demonstrated by providing baselines and expressing ambitions for growth in:</p> <ul style="list-style-type: none"> • Opportunities to study abroad • Tackling barriers, perceived and real, to students taking up the opportunities offered abroad.

international labour market.		(q) Statement outlining strategies/goals for reducing the proportion of graduates entering 'non-graduate' occupations (for those institutions with a high proportion of graduates in this category).
Aim 5: A research base that is internationally competitive and improving its reputation and standing in the world		
Outcome	National measure	Institution measures and commitments
<p>An improvement in the sector's performance in REF 2014 compared with RAE2008 was a key measure in previous years and SFC would propose that performance in a future REF exercise would continue to be a key outcome. SFC along with the other UK funding bodies are currently consulting on the nature of a future REF exercise.</p> <p>Scotland maintaining its share (relative to the UK) of Research Council and research charity income; and increasing its share of income from European Commission programmes.</p> <p>Enhanced research and KE collaboration.</p> <p>An increase in the number of institutions and departments securing Athena Swan awards.</p>	<p>(10) Ratings of submissions to the Research Excellence Framework, relative to UK competitors. <i>(N.B. We are not expecting HEIs to provide this information for 2016-17).</i></p> <p>(11) Number of research postgraduate students</p> <p>(12) Amount and percentage share (Scotland and UK) of income from the Research Councils, major research charities and the European Commission.*</p> <p>*SFC has a particular interest in income from the three sources listed above and will continue to monitor income from these sources. Reflecting the different circumstances within different institutions, HEIs are welcome to indicate their institutions' aspirations for total research income, research income from</p>	<p>(r)* Statement reflecting performance in REF 2014 and how that will influence research strategy in the coming years</p> <p>(s) Statement outlining commitment to collaboration across the sector and in particular institutional level plans to enhance research excellence through support for the continuing Scottish research pools.</p> <p>(t) Statement of assurance that the institution has in place processes and structures to implement the principles and commitments in the Research Integrity Concordat.</p> <p>(u)* Statement of ambition regarding how the institution will address equality and diversity issues identified by the REF 2014 Equality and Diversity Advisory Panel (EDAP) report</p> <p>(v) Statement of ambition, including targets, addressing the recently expanded Athena Swan awards scheme.</p> <p>(w) Statement outlining how the institution will continue to invest in the environment for high quality research training and development, and enhance the contribution of postgraduate research students to the research base in Scotland</p>

	these specific sources, or income from other specific sources such as government or industry.	
Aim 6: University-industry collaboration – deliver a step-change in the engagement of business and industry with universities, removing any barriers to the exploitation of research for economic and wider societal benefit		
Outcome	National measure	Institution measures and commitments
<p>In line with the Scotland CAN DO Framework, a step change in the engagement of business and industry through significantly enhanced HEI/industry collaborations including Innovation Centres and the Innovation Scotland Forum.</p> <p>Maximise the potential for leverage of further investment at the UK and European level to further enhance HEI/industry collaboration, particularly for small and medium sized enterprises (SMEs).</p>	<p>(13) * Range of established Knowledge Transfer Grant (KTG) metrics⁺ and the Higher Education and Business Community Interaction Survey (HEBCI).</p> <p>(14) The number of SFC innovation vouchers (IVs), Follow-on IVs and H2020 IVs.</p> <p>⁺ SFC is currently consulting on the outcomes of a strategic review of the KTG. The outcome of this review may result in substantial changes to the allocation of KTG. Metrics will be collected in Autumn 2015 but the full set may not be collected in future years. Additional targets and measures around innovation and engagement may be introduced. Further guidance will be issued following the consultation period.</p>	<p>(x) Statement of ambition in this area, including commitment to the delivery of the sector led Universities Scotland rolling 5 point action plan and to support the strategy of Innovation Scotland and its implementation.</p> <p>(y) Priorities and goals for engagement with SMEs – in particular through the vehicle of innovation vouchers (IV), Follow-on IVs and the upcoming H2020 IVs.</p> <p>(z) Plans and ambitions for:</p> <ul style="list-style-type: none"> • Engagement with UK and European initiatives (e.g. Innovate UK catapults) • Actively promoting opportunities for engagement with and development of Innovation Centres. • Public and cultural engagement and public policy development and innovation.

Aim 7: Sustainable institutions – ensure high quality of governance and management for institutions delivering long-term and financial and environmentally sustainable interactions

Outcome	National measure	Institution measures and commitments
<p>Institutions contribute to the delivery of Climate Change (Scotland) Act 2009 targets for reduced greenhouse gas emissions.</p> <p>Institutions meet the principles of good governance set out in the Scottish Code of HE Governance.</p> <p>Institutions’ governing bodies have clear ownership of institutional sustainability.</p> <p>Institutions have in place robust and coherent plans and processes for performance management and monitoring institutional sustainability</p> <p>Institutions explore and exploit opportunities to improve efficiency and effectiveness through collaborations and shared services.</p> <p>Institutions invest in their estates for teaching and research at a sustainable level.</p>	<p>(15) * Gross carbon footprint (3 year period).⁺</p> <p>(16) Annual capital and maintenance spend on estates and buildings as a proportion of value of estate.⁺⁺</p> <p>⁺ From November 2015 it will be a legislative requirement for publicly funded bodies to use this measure to report directly to Government on progress with reducing their carbon emissions.</p> <p>⁺⁺ SFC’s formula capital maintenance grant must be used for estates build, or maintenance and debt servicing associated with capital developments. As a general guide, best practice suggests that investing somewhere between 4-6% of total asset value is required to maintain the estate in good order. All capital spending must be aligned to each university’s estates strategy.</p>	<p>(aa) Institutions should provide a narrative:</p> <ul style="list-style-type: none"> • Outlining progress with their Climate Action Plan targets • Describing their engagement with the EAUC or other networks to learn from best practice • Evidencing their efforts to reduce greenhouse gas emissions. <p>(bb) In AY 2013-14 SFC allocated £20m under the HE Carbon Reduction Programme to three projects to support a step change in university carbon emissions. Institutions in receipt of this funding are expected to provide evidence of progress against the specified outcomes for their respective projects.</p> <p>(cc) Statement evidencing efforts to reduce greenhouse gas emissions including efforts to explore and exploit opportunities to improve efficiency and effectiveness through collaboration and shared initiatives.</p>

Additional information for the preparation of the Outcome Agreement

Improving access to higher education

43. The Commission on Widening Access was established to advise ministers on how to best meet the Scottish Government's ambition for fair and equal access to higher education. The Commission will draw preliminary conclusions and recommendations this autumn and produce a final report for Government in spring 2016.
44. The report of the Commission may lead to significant change in the content of Outcome Agreements for future years. For 2016-17 universities should reflect on their existing access targets and consider whether these should be revised in the light of the Scottish Government's long term aspirations on widening access or in the light of progress on previous aspirations.

Learners with care experience

45. SFC's vision is for there to be no difference in the outcomes of care experienced learners comparative to their peers. Currently, 4% of young people brought up in care go from school to university compared to 38% of school leavers as a whole. To achieve this vision, we have set out a national ambition for care experienced learners that contributes towards the Scottish Government's ambitions for those in or with a care experienced background.
46. Our national ambition for the sector is to, by AY 2018-19, increase the intake of Scottish domiciled under-graduates with care experience from 266 students to 400 and increase the number that progress to year 2 of their course to within 5% of the sector average. See Annex E, National Ambition for Care Experienced Students for further information.
47. This year, we expect each OA to evidence support and outcomes for care leavers and where under-represented make a commitment to increase intake. We will set up a governance group to assist in holding ourselves to account for these ambitions and to help us achieve them. We will send out the details of how this group will work in autumn 2015.

Additional places

48. In 2015 we carried out interim reviews of the additional places schemes: widening access; articulation and post graduate, to determine the effects of this investment on the sector so far and to assess the progress we are making

towards government priorities. As a result of the reviews, we have decided to continue to support the schemes to their completion in AY 2016-17.

49. For the AY 2016-17 OA, we would like institutions to:

- Show how they intend to build on SFC's investment of additional widening access places in AY 2013-14 to AY 2015-16 by outlining how they propose to increase recruitment of students from deprived backgrounds for AY 2016-17 over and above those recruited through the additional investment
- Continue to promote the postgraduate places and consider how they can use the places to support Scottish-domiciled students from widening access backgrounds particularly students in their third year who live in, or are from the SIMD20 and SIMD40 postcodes
- Build on the implementation of the Associate Student status and the collaborative working with articulation partners to continue to support articulation routes to degrees

Articulation

50. SFC is particularly keen to explore the scope for further increasing the level of articulation from colleges to universities in 2016-17. Outcome Agreement managers will discuss this with HEIs towards the start of the 2016-17 negotiations.
51. We are currently undertaking an extensive review of all articulation activity with a view to developing a strong vision and long-term strategy for articulation to strengthen and support this important route.

Contextualised Admissions

52. We need to improve our understanding of the data being used, the process and impact of contextualised admissions across the sector in order to assure ourselves that there is flexibility in admission systems that recognise talent regardless of background.

Equality and Diversity

53. SFC has revised its equality outcomes. We recognise that addressing the equality agenda requires individual institutions to respond to the General and Scottish Specific duties of the Equality Act (2010) including the statutory requirement for equality impact assessments (EIA) of new and revised strategies and policies, which includes individual published Outcome Agreements.

54. Institutions are expected to demonstrate their commitment to upholding the legislative duties for both staff and students in colleges and universities, by embedding information relevant to SFC's priorities from their most recent Equality Outcomes and Mainstreaming reports (published in 2015) within their Outcome Agreement. Information on the findings of the EIA of the OA, or indication of how EIA will be undertaken in future, should also be provided. SFC fund Equality Challenge Unit (ECU) to support institutions. ECU's guidance on embedding equality in Outcome Agreements is available here:

<http://www.ecu.ac.uk/guidance-resources/governance-and-policies/outcome-agreements/>

Information on the Specific duties for Scotland:

<http://www.ecu.ac.uk/publications/the-public-sector-equality-duty-specific-duties-for-scotland/>

Gender

55. We are committed to continuing our work with the sector to shift gender imbalances. Our focus is on those subject areas with the most severe gender imbalances (75%+ one gender). (These are Engineering; Technologies; Subjects Allied to Medicine; Computer Sciences; Education; Psychology; European Languages, Literature and related subjects; Architecture, Building and Planning; and Social Studies). Institutions are asked to outline how they are tackling gender imbalances within these subjects as well as/or (for those institutions without provision in these areas) in any other subjects in which there are severe gender imbalances within their institution.
56. Institutions are also asked to consider how their widening access activities can help to address both gender imbalances at a subject level and the lower rates of engagement of potential male students from socio-economically deprived backgrounds.
57. Our discussions with universities will be informed by our developing gender action plan. By the end of 2015 we will publish our interim plan which will set longer term ambitions for change in the areas outlined above. Our full action plan, considering broader issues of gender inequality, will be published in 2016.

High quality, efficient and effective learning

Retention

58. Sector commitments to improve retention have been successful and if we continue to meet OA commitments we will achieve our aspiration to increase retention of full-time undergraduate students (into second year) to 91.7% in AY 2016-17. This year we would like institutions to focus on students with care experience and students from SIMD20/40 postcodes. We would also like institutions to increase their awareness of the intersection of socio-economic deprivation and protected characteristic groups and how this can have an impact on their students.

Widening Access and Retention Fund (previously Regional Coherence fund)

59. In AY 2014-15 we carried out a review of Regional Coherence funding to ensure our approach is embedded into the Outcome Agreement process. The review concluded that the focus of the fund should be strengthened and that it be renamed the Widening Access and Retention Fund to reflect this. This fund is allocated to eight institutions and amounts to approximately £15M in total.
60. These institutions are expected to continue to demonstrate and maintain a significant commitment to the support, retention and successful outcomes of students from the most disadvantaged and deprived backgrounds. We also expect these institutions to deliver higher proportions and support cohorts of widening access students particularly in relation to those from the 20% most deprived areas than those who are not in receipt of these funds and it is on this basis that these institutions are receiving additional funds to support an inclusive approach for cohorts of these students.
61. SFC ask those institutions in receipt of these funds to:
- For institutions who are not currently maintaining a sector average retention rate for all students, SIMD20 and SIMD40, they will be asked to outline an improvement plan as part of their OA and they can use these funds to assist them with that
 - For institutions who are maintaining high retention levels for all students, SIMD20 and SIMD40, they are to use these funds to commit to maintaining and, where possible, growing these retention levels.
 - Sustain and grow their SIMD20 intake and retention rates with particular regard to the low participation areas outlined above
 - Make steps towards sustaining and grow their care experienced intake and retention rates
 - Target male retention rates for improvement.

Staff and student engagement

62. Under the Post-16 Education Act, HEIs are now required to consult with the institution's student association and the representatives of any recognised trade union in entering into a widening access agreement.
63. In line with this, we expect universities to evidence how, from the outset of the process, their Outcome Agreements have been developed in consultation with students, the university's students' association, and with trade union representatives.
64. This does not replace any interactions with staff and student union representatives at Strategic Dialogue Meetings.

Right learning in the right place

Culture

65. Scotland's HEIs have a significant impact on the cultural life of Scotland and internationally. Universities and SSIs may wish to reflect on this important role and their aspirations towards enhancing this contribution in their Outcome Agreement. This is a cross-cutting theme and is therefore not specifically highlighted under any of the Aims above.

A developed workforce

66. In our analysis of current Outcome Agreements we think there is scope to provide greater evidence in Outcome Agreements of how universities are responding to skills needs, including those expressed in Skills Investments Plans (SIPs). Based on evidence this should include a reflection on those curriculum areas where the intention is to invest or rationalise provision.
67. Previous Outcome Agreements have not always demonstrated the extent and effect of employer engagement in course and curriculum design and delivery. For 2016-17 we want to discuss with institutions the level and extent of employer engagement within curriculum areas and outline how this engagement impacts on student experience and employability.
68. In discussion on Outcome Agreements Outcome Agreement Managers will ask institutions about their aspirations in relation to the proportion of graduates entering positive destinations. Whilst the measure does not differentiate between graduate level and non-graduate level employment we expect institutions to identify areas of provision in which high proportions of graduates fail to enter employment at graduate level; and provide an action plan identifying areas of skills development to improve graduate employability and

the actions that they are taking to enhance employability and entrepreneurship.

69. In the 2015-16 OA Guidance Universities were asked to provide a baseline of current provision in relation to placements and express their ambitions for growth. This continues to be a priority. Institutions should identify curriculum areas where there are few placements and state their aspiration for growth.

Gaelic

70. On Gaelic, we ask institutions to:

- Be explicit in their Outcome Agreements about their commitment and contribution to Gaelic (including recruitment and succession planning), giving consideration to what is known about the numbers and spread of Gaelic speakers in the general population and gaps in and demand for provision, and the wider contribution that they can make as workplaces/community facilities.
- Share their Gaelic language plans formally with SFC, where these exist.

Financial Memorandum

71. SFC introduced a new Financial Memorandum with universities from December 2014, which sets out the formal relationship between SFC and HEIs and the requirements with which HEIs are expected to comply in return for payment of grant by SFC. It is a condition of grant payment that a governing body and its designated officers comply with the requirements set out in the Financial Memorandum, which include the delivery of its Outcome Agreement with SFC.

Strategic funding

72. Institutions are invited to discuss with their Outcome Agreement manager proposals for priority projects and programmes that are closely aligned with, and aid in the delivery of, SFC's key priorities. There should be a clear rationale for such proposals and Outcome Agreement managers, as first point of contact for institutions, will take the decision whether the proposal ought to be developed fully for consideration by SFC's Strategic Funding Group. The Group, which is comprised of senior SFC staff, meets on a monthly basis to consider funding proposals. Institutions can expect to receive a decision, including feedback, from the Group via their Outcome Agreement manager.
73. The achievement of the additional places is closely tied to the goals outlined in this Guidance. Outcome Agreements for AY 2016-17 are expected to continue

to refer to the contribution they will make towards the targets outlined in earlier Outcome Agreements. We will continue to ask universities to report on take-up of additional funded places both through the self-evaluation and through the Early Statistics Return.

Outcome setting and funding

74. **Annex B** gives the full detail of the relationship between Outcome Agreements and funding.
75. In summary, Outcome Agreements set out the outcomes a university will deliver in return for public funding. We continue to expect institutions to set achievable but stretching aspirations.
76. SFC funding is dependent upon the establishment of an Outcome Agreement, and future funding could be varied depending on delivery against the agreement. A formula-based approach will continue to be used for the majority of our teaching, research and knowledge exchange funding. The outcomes laid out will, if necessary, be used to recover or reduce funding if progress towards these is not being made.
77. If we need to consider recovery of funding, we will work with universities to negotiate the related aspirations, timescales and funding. Any reductions or recovery of funds would be based on holistic considerations of an institution's performance rather than a mechanistic or formulaic reduction. Institutions will not be penalised for setting ambitious aspirations.

Outcome Agreement and Policy Contacts

Contacts for policy areas and Outcome Agreements can be found on our website at <http://www.sfc.ac.uk/aboutus/Staff/Staff.aspx>

At the time of writing, the contacts are as below.

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