



SFC Guidance

Upskilling Fund 2019-20

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Summary: To provide guidance on funding for upskilling in AY 2019-20.

FAO: Principals/Finance Directors/Board Secretaries of Scotland's universities.

Further information: **Contact:** Sharon Drysdale
Job title: Assistant Director Outcomes, Skills
Department: Access, Skills & Outcome Agreements
Tel: 0131 313 6682
Email: sdrysdale@sfc.ac.uk



Scottish Funding Council
Promoting further and higher education

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

Upskilling Fund 2019-20

Purpose

1. I am writing to provide you with guidance on the Upskilling Fund for Academic Year (AY) 2019-20. This new stream of funding will develop the capacity of universities to offer short, flexible provision to allow people to upskill or reskill.

Background

2. In the foreword of SFC's latest Outcome Agreement Guidance, published in October 2018, we stated the following:
 - "Institutions will note that the Strategic Board's Strategic Plan sets a series of ambitious actions for the enterprise and skills agencies, and for SFC in particular. Clearly, we want to respond positively to the Strategic Board's thinking; to that end, we shall be considering with our Council the funding associated with new starts on our earmarked taught postgraduate skills scheme.... "
3. For AY 2019-20, as announced in both the Indicative (March 2019) and Final (May 2019) Outcome Agreement Funding publications, we have repurposed the funding for Taught Postgraduate (TPG) Skills places – apart from a small number of places (66.3 Full-time Equivalents (FTEs)) that are associated with students on part-time courses in 2018-19 whose studies are due to continue in 2019-20, which we will continue to support until the courses are complete.

Policy drivers

4. The Enterprise and Skills Strategic Board (ESSB) published its Strategic Plan, 'Working Collaboratively for a Better Scotland', in October 2018. The Plan is not just about looking at new areas or initiatives; it is also about doing what we do better – with business and learners at the heart – to create a system which is simpler and easier to navigate. The Plan seeks greater collaboration between public and private sector partners and recommends that funding for colleges, universities and training providers is used to provide more agile support for employees and employers to upskill and reskill, increasing provision of in-work learning using new models of provision.
5. This funding for upskilling supports the delivery of SFC's strategic outcome of greater innovation in the economy. It also supports the Scottish Government's strategic priority of high quality learning in a system which is seamlessly connected for the learner. This includes learning which prepares people well for the world of work and successful long-term careers, prioritising provision that meets known skills gaps in the economy.

Aim/purpose of funding

6. SFC wants to develop the capacity of universities to respond to the aspiration in the ESSB's Strategic Plan to utilise university funding to provide more agile support for employees and employers to upskill and reskill. This will enable the sector to be more responsive to local and national economic challenges.
7. We recognise that universities are already active in this area and will often have both the employer intelligence and established relationships with employers in order to be aware of potential needs. They will also often have the relevant curriculum content available as part of existing provision in order to meet those needs. The purpose of this funding therefore is to find new models to bring those things together.
8. We want to use the funding available in 2019-20 (which we intend to continue in future years subject to review of progress and availability of funds) to encourage the sector to explore a range of models for meeting this need, either building on existing models or developing entirely new ones.

Use of funding

9. We expect that universities will deliver a mix of existing and new material and acknowledge that, in this first year of operation, some funding will be used by universities to support the development of new provision. This is detailed further in paragraph 16.

Delivery of activity

10. SFC is aware that no single delivery model will address all the upskilling and reskilling needs that we are seeking to address with this funding. People seeking to change careers will have different needs and different levels of prior education, and different professions or sectors of the economy will have different requirements. Therefore for AY 2019-20 SFC would like the sector as a whole to develop a range of diverse delivery models, minimising duplication by geography, delivery method and curriculum area (where possible), subject to the following broad parameters:
 - (i) New provision should be shorter in duration – usually significantly shorter – than a full academic year. The rationale for this is that longer models already exist and that for some potential students the upskilling need might be a very specific one.
 - (ii) New provision should be flexible in terms of start dates, so that a potential student does not have to wait a whole year to access it.

(iii) Universities must be able to demonstrate that the provision addresses a particular unmet skills need; related to either an identified skills gap, or a blockage to individuals progressing their careers or meeting the needs of their existing employer.

11. SFC will engage with institutions to understand the range of planned provision.

12. For illustrative purposes we describe some possible models below, although there are potentially many others that would fit within the broad parameters set out above.

- **Short courses utilising parts of existing courses/provision.**

Such provision could be delivered alongside the existing delivery, but it may be more useful to learners to consider how they can be delivered several times a year with different start dates (throughout the calendar year) or a model which delivers in a shorter, more intense period of full-time study.

- **Provision aimed at career changers.**

Aimed at those individuals or groups who may be facing redundancy or a changing job market or already be well qualified but require a very specific upskilling input.

- **Specific academy model with the university in a specialist area of expertise offering flexible and intense training models.**

This model might learn lessons from existing examples such as 'CodeClan', 'TechMums', Return to Practice courses such as the Centre for Pharmacy Postgraduate Education course, The 'Returners to Financial Services Scotland' programme or 'Get Into Tech' run by Sky. These models could be used in different areas of specialism.

- **Work with specific employers or industry bodies to meet specific needs within their workforces.**

These could be delivered to employees in the workplace, where we would expect the employer to pay a fee.

- **Upskilling linked to existing interventions.**

These could include City, Region and Growth Deals or other projects and may be aimed at specific regional skills aspirations.

- **Provision linked to the ambitions of the SFC Gender Action Plan or other SFC policy areas.**

These may be in areas where there are existing or emerging skills gaps, such as the high numbers of women whose employment is at risk as a result of automation or career changers such as men under-represented in nursing, teaching or social work.

13. SFC would encourage universities to seek innovative and flexible models of delivery, including distance, online and blended learning, in order to make learning as accessible as possible to the broadest range of students. In addition, we would welcome collaborative models with other university, industry or third sector partners. We would expect universities that are receiving a greater proportion of funding to deliver or pilot more than one model type.

Course/provision eligibility parameters

14. The following eligibility parameters apply:
- **Level** - Upskilling funding can be used to deliver or develop courses/provision at either Undergraduate (UG) or TPG level (minimum of SCQF level 7).
 - **Mode of delivery** - Courses/provision can be full-time (short) or part-time and be delivered by day or evening and/or via distance learning/online/blended learning (as appropriate).
 - **Credit-bearing** – Courses/provision should normally be credit-bearing and have some form of appropriate assessment built in. If universities are planning activity which does not meet these criteria, this should be agreed with SFC in advance.
 - **Accreditation** - Universities should make every practicable effort to deliver/develop accredited courses/provision that leads to a nationally recognised qualification which meets the requirements of an appropriate professional/industry/employer standard. (We acknowledge that this may take time for universities.)
 - **Certification** - Universities must ensure that certification is provided for every learner.
 - Where possible, upskilling funding should not be used to substitute for an employer's **statutory obligations** (unless there are exceptional circumstances which are agreed in advance with SFC).

Student/learner eligibility parameters

15. The purpose of this funding is an investment in the skills base of the Scottish economy, therefore the following student/learner eligibility parameters apply:
- Courses/provision is open to all Scottish-domiciled/rest of EU students, which is consistent with SFC's policy for core funded student places. Students from the rest of the UK (rUK) are not normally considered eligible for SFC funding. If however a university is working with a Scottish employer which

has a physical presence in the UK, rUK employees of that employer would be eligible.

Course/curriculum development

16. In the medium term, SFC expects this funding to be used to meet the cost of delivering courses/provision to learners; supported, as appropriate, by tuition fees. However in the short term, particularly in this first AY 2019-20, we expect some of the funding to be used by universities in designing and establishing new models of delivery.
17. SFC is aware that, in this first year, the balance between set-up costs and delivery of activity will differ by university as some may require a greater input to development. However, unless there are exceptional circumstances, **universities should spend no more than 25% of their funding allocation in AY 2019-20 on development.** We will agree with universities the need for any continuing developmental costs in future years.

Funding allocations

18. The funding for Upskilling available to each university in AY 2019-20 is shown in an Annex to this guidance. As previously set-out, individual allocations reflect the level of funding that was previously available to each university for the additional TPG Skills places (with some adjustments to recognise the smaller allocations of funding that a number of universities received). SFC recognises that this particular distribution of funding may not be the correct one in the longer term and for that reason we will consider the distribution of funding over the next 1-2 years based on the success of this programme.

Timeframe for delivery / funded activity

19. We expect provision to be delivered in AY 2019-20. However, given the short, flexible nature of courses/provision that is being encouraged, we are aware that delivery may span academic years.

Approval process / release of funding

20. In order to ensure that the proposed uses of the funding meet the Council's aspirations and to encourage a wide range of provision which meet the needs of the broadest range of employees and industries across Scotland, universities should report to SFC by 13 September 2019 detailing their intended use of their Upskilling funding allocation for AY 2019-20. This should include detail about how each proposal meets the parameters detailed in this letter. Reports should be sent to upskilling@sfc.ac.uk.

21. Subject to those reports being acceptable and meeting the terms of this guidance, SFC will endeavour to respond within two weeks. Funding will be paid to universities in line with SFC’s standard profile. We can discuss a potential variation of that payment profile if it is required and justified.

Monitoring use of funds / reporting to SFC

22. While there are no funded student places being allocated as part of the Upskilling funding for AY 2019-20, SFC will monitor the delivery and uptake of activity through its Early Statistics and Final Figures Returns, and through specific reporting from universities. More information and guidance on reporting through Early Statistics will be provided in due course.
23. As a condition of grant, universities are required to submit quarterly reports (at the end of October 2019, January, April and July 2020) detailing progress on the use of their Upskilling funding allocation in AY 2019-20. These reports should include details on the development and/or delivery of courses/provision, the uptake of activity, including the numbers of learners, the number/type/level of qualifications and the hours/credits of learning provided. Reports should be sent to upskilling@sfc.ac.uk.

Teaching Subject Prices

24. As part of SFC’s assessment of value for money, we will look at the volume of activity delivered by universities from their Upskilling funding allocations, including the cost per FTE student. This will be considered against our core teaching subject prices and tuition fee assumptions which are set out below:

<i>Subject Price group</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>
Price per FTE	£16,875	£9,575	£8,486	£7,387	£6,530	£5,323
Price per credit (120 credits per FTE)	£140.63	£79.79	£70.72	£61.56	£54.42	£44.36

25. SFC will look at how many learners have benefited to help inform our value for money assessment and wider evaluation of impact/success. We acknowledge that the new, innovative and flexible models of delivery that we are seeking to encourage may not fit or be applicable with SFC’s existing subject price group model. In such cases, we will consider any appropriate alternative from a university.

26. The above subject (gross) prices include the following assumed level of tuition fees for eligible Scottish-domiciled/rEU students, as applicable:
- Other/part-time undergraduate: £1,285 per FTE/£10.71 per credit.
 - Taught Postgraduate: £5,500 per FTE/£45.83 per credit.
27. We expect some courses aimed at individuals to be fully funded from our funding. Where bespoke courses have been developed with an employer to be delivered to their employees, we would expect an element of co-funding through a fee. We are not proposing to set specific parameters on the fees that universities may charge employers at this stage (though we may do so in future years based on the experience of the first years of this new approach). We expect universities to have due regard to public value in decisions on whether to charge a fee and the level at which it is set.

Further information

28. If you have any queries or require any further information, please contact Sharon Drysdale, Assistant Director Outcomes, Skills, tel: 0131 313 6682, email: sdrysdale@sfc.ac.uk, Gavin Bruce, Assistant Director, Funding, tel: 0131 313 6585, email: gbruce@sfc.ac.uk or John Kemp, Director, Access, Skills & Outcome Agreements, tel: 0131 313 6637, email: jkemp@sfc.ac.uk.