



Scottish Funding Council  
Comhairle Maoinachaidh na h-Alba

## University Upskilling Fund AY 2021-22

# SFC Guidance

Issue Date: 8 September 2021

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Reference: SFC/GD/23/2021

Summary: Guidance for universities on the Upskilling Fund for Academic Year 2021-22.

FAO: Principals and Finance Directors of Scotland's universities.

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## University Upskilling Fund for AY 2021-22

### Purpose

1. I am writing to provide you with guidance on the Upskilling Fund for Academic Year (AY) 2021-22. This funding should build on the first two years' activity and continue to develop the capacity of universities to offer short, flexible provision to allow people to upskill or reskill.

### Context

2. The Upskilling Fund was launched in July 2019 to provide shorter, more flexible provision to enable institutions to respond to the needs of learners and business.
3. Universities have responded at pace to develop new provision focused on meeting the needs of employers. Over the past year much of this provision has been brought online by universities as they faced huge disruption to their operations through the pandemic demonstrating their commitment to meet the aims of the fund.
4. This guidance for AY 2021-22, the third year of the Fund, continues to be set within the context of the COVID-19 pandemic, our exit from the European Union (EU), and the need to focus efforts on recovering from the health and economic impact. We recognise that different parts of Scotland and particular sectors of the economy will face their own specific challenges and that particular groups have been impacted more significantly than others. This guidance aims to provide universities with sufficient national-level direction, coupled with the flexibility to respond to the needs of learners and business and to align provision and activity to the recovery mission.
5. SFC's [Review of Coherent Provision and Sustainability](#) recognises that learning throughout life will become increasingly important and the pace of change in the jobs market will require people to undertake more frequent reskilling and upskilling. The Upskilling Fund plays a key role in providing skills interventions that can be flexed to address the very significant employability and skills needs we know employers and employees will have over the coming period.
6. Our Review of Coherent Provision and Sustainability also commits SFC to review the upskilling fund in AY 2021-22 to assess how the fund has supported the recovery mission and future skills needs.

## Policy drivers

7. Proposed Upskilling Fund activity across the sector should build on activity undertaken by the sector in the first two years of the Fund and **facilitate and focus on economic recovery**. In AY 2021-22 the Upskilling Fund should support a number of different actions:
  - **Emerging from COVID-19 to a 'new normal'** – helping sectors that are disproportionately impacted by the pandemic and those that will see growth to adapt to the new labour market conditions facing them.
  - **The future skills transition to net zero** – providing opportunities for upskilling and reskilling to support the development of green skills in support of the ambitions in the Climate Change Plan, Just Transition and Digital Strategy.
  - **EU Exit** – helping sectors that are experiencing skills gaps or shortages as a result of the UK's exit from the EU to access talent and ensuring growth sectors are supported.
8. Upskilling Fund activity should:
  - Support identified needs **for higher level skills** in the existing workforce and for those who are seeking employment.
  - **Tackle inequality**, supporting those with protected characteristics who are most likely to be in sectors affected by COVID-19 and/or the EU Exit to further promote the Fair Work agenda.
  - **Support sectors that have been disproportionately impacted by the pandemic and EU Exit**, through upskilling and reskilling interventions and the movement of workers into sectors where we are most confident of a strong recovery, or where demand has increased.
9. Funding for Upskilling continues to support the delivery of the Enterprise and Skills Strategic Board's strategic outcomes, the Scottish Government's Advisory Group on Economic Recovery's recommendations and 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**

10. We recognise that universities were already active in this area and, having had two years of development and delivery through the Upskilling Fund, will have further improved their employer intelligence and relationships in order to respond to upskilling needs. They will also often though not always - 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 continue to innovate in finding new models to bring those things together and to ensure provision and the means of delivery meets need in a rapidly changing economic situation.

## **Delivery of activity**

11. As with the previous two years, 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 or coping with redundancy and unemployment will have different needs and different levels of prior education, and different professions or sectors of the economy will have different requirements.
12. Therefore for AY 2021-22 SFC would like the sector as a whole to continue to develop a range of provision and delivery models, whilst also taking the opportunity of collaborating where possible to minimise duplication by geography, delivery method and curriculum area, subject to the following broad parameters:
  - Upskilling provision should be shorter in duration – usually significantly shorter – than a full Academic Year. The rationale for this is that more traditional models of provision over a longer period already exist and that for some potential students the upskilling need might be a very specific one.
  - Upskilling 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.
  - Universities must be able to demonstrate that all provision clearly addresses and is strategically aligned to:
    - (i) Enterprise and Skills Strategic Board (ESSB) Strategic Plan.
    - (ii) ESSB Coronavirus (COVID-19): measures to mitigate the labour market impacts report.
    - (iii) Advisory Group on Economic Recovery COVID-19 Economic Recovery plan.

- (iv) Other evidenced 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.
13. SFC will continue to engage with universities to understand the range of planned provision for AY 2021-22 and how it fits within the national picture of provision.
  14. SFC expects universities to continue to develop 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, recognising the importance and value of coherent provision, we would welcome further work on collaborative models with other university, college and industry partners.
  15. We expect universities that are receiving a greater share of Upskilling funding to undertake a greater range of delivery methods and collaborative working partnerships.

#### **Course/provision eligibility parameters**

16. The following eligibility parameters are unchanged from the last two years of the Fund and continue to apply:
  - **Level** - Upskilling funding can be used to deliver or develop courses/provision at either undergraduate or taught postgraduate 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 accredited courses/provision that leads to a nationally recognised qualification which meets the requirements of an appropriate professional/industry/employer standard.
  - **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**

17. The purpose of this funding is an investment in the skills base of the Scottish economy, therefore the following student/learner eligibility parameters apply (unchanged from AY 2019-20):
  - Courses/provision is open to all Scottish-domiciled/'home fee' 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/UK employer which has a physical presence or operating in Scotland, rUK employees of that employer would be eligible.

### **Curriculum/course development**

18. SFC expects Upskilling funding to be used to meet the cost of delivering courses/provision to learners; supported, as appropriate, by tuition fees. In this third year (AY 2021-22), we expect universities to build on their progress from the previous two years, therefore we would expect development costs to be allocated only to new models of delivery. In AY 2021-22 this should be no more than 15% of each institution's funding allocation.

### **Upskilling Fund allocations for AY 2021-22**

19. A breakdown of the funding for Upskilling available to each university in AY 2021-22 was published as part of the [University Final Funding Allocations for AY 2021-22](#) in 'Table 4 – Grants for Teaching' (column 7). For convenience, the individual allocations are also shown in **Annex A** of this guidance.

### **Timeframe for delivery of funded activity**

20. SFC expects provision to be delivered by universities within AY 2021-22. However, given the short, flexible nature of courses/provision that is being asked for, and the expectation that this funding will support individual and business needs, we are aware that delivery may fall out with that 12 month period and span Academic Years. In this case, activity which is delivered outside of the traditional Academic Year should be detailed in the interim and end of year reports. We are also aware that ongoing COVID-19 related social distancing restrictions may continue to impact on delivery timeframes.



## Monitoring use of funds / reporting to SFC

21. While there are no funded student places allocated as part of the Upskilling Fund, SFC will monitor the delivery and uptake of activity through specific reporting from universities as detailed below.
22. As a condition of grant, universities are required to submit two monitoring reports to SFC; an interim report at the end of January 2022 detailing progress on the use of their AY 2021-22 Upskilling funding allocation and a final report at the end of August 2022. These reports should be sent to [upskilling@sfc.ac.uk](mailto:upskilling@sfc.ac.uk) and include:
  - Details on the development and/or delivery of courses/provision and associated costs.
  - The uptake of activity, including the numbers of learners and details of protected characteristics.
  - The type of learners e.g. employer cohort, individual learners, Scots-domiciled/home fee status or others.
  - The number/type/level of qualifications.
  - The hours/credits of learning provided.
  - Lessons learned through development and delivery of provision, including details of where institutions have developed new capabilities or established new partnerships.

## Teaching subject prices

23. As part of SFC's ongoing consideration 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                          | £17,412  | £9,880   | £8,756   | £7,623   | £6,739   | £5,492   |
| Price per credit (120 credits per FTE) | £145.10  | £81.33   | £72.97   | £63.53   | £56.16   | £45.77   |

24. 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.

25. The above subject (gross) prices include the following assumed level of tuition fees for eligible Scottish-domiciled/home fee 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.
26. It is expected that most courses aimed at individuals will be fully funded from university Upskilling allocations. 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 contribution or fee. It is not proposed that SFC sets specific parameters on the fees that universities may charge individuals or employers at this stage. We expect universities to have due regard to public value for money in decisions on whether to charge fees and the level at which they are set.

#### **Further information**

27. If you have any queries or require any further information, please contact SFC's Upskilling mailbox in the first instance by emailing [upskilling@sfc.ac.uk](mailto:upskilling@sfc.ac.uk).



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