

Chief Executive's Report

Purpose

1. This paper provides the Board with a report on matters of current interest.

Our People

We are in relatively good shape, but with significant pressure across the senior team, and a drive to match resources to priorities.

2. We have continued to support colleagues throughout this crisis:
 - Our mid-May pulse survey shows that 89% feel we are making sufficient adjustments to the way we work to deal with the pandemic; 95% said they know where to access support and guidance on how to work remotely; and nearly 80% feel their current workload is about right.
 - We currently have six people with COVID-related absences, a further two with symptoms, and two more caring for dependents with symptoms. We have flexed our HR policies to support people during this difficult time, provided good practice guidance, are encouraging daily check-ins, have provided informal, "drop-in" platforms to stay in touch, and kept people in touch with Scottish Government and public health advice.
 - We are liaising with Unite representatives and sharing early thinking on re-opening the office. Given our ability to work remotely, the nature of our open-plan office, and a desire to reduce public transport travel to work, we are unlikely to be back in the office soon.
3. The Senior Leadership Group is now in place, as Donna MacKinnon and Martin Boyle have joined recently. We are dealing with the mismatch between our priorities and resource/capabilities. In particular, we are examining options to strengthen our financial analysis; policy development; analytical functions; research policy capacity; and project management. The stretch at senior team level has been considerable since the start of the crisis. The crisis has accelerated the need for the changes we socialised with everyone just before lockdown in March.

Our response to COVID-19

We have shown leadership as an organisation, but we will be challenged as the complexity of the issues we face is enormous.

4. We should be proud of what we have achieved during the crisis:
 - A rapid pivot of business and people on-line.
 - Early stabilisation and flexibilities for universities and colleges.
 - Visibility in the college and university sectors and with governments.
 - Good reach into UK counterparts.
 - Early added value material, such as our assessment of financial impact.

Key Areas of Priority Interest

The focus of our work through the crisis is becoming clearer and we can better anticipate next steps.

5. Our priorities over the last two months and for the foreseeable future relate to these issues:
 - Allocating resources to help stabilise the situation for students and institutions and deciding the right balance between accountability and flexibility.
 - The immediate and longer term financial sustainability of colleges and universities, including budget setting with colleges for 2020-21.
 - Maintaining our focus on the interests of students and learners (e.g. hardship support, issues in residencies, mental health & wellbeing, the move to online learning, assessments, recruitment and returners).
 - Ensuring colleges and universities are at the heart of policy-making and interventions for economic recovery.
 - Supporting the Scottish Government with advice and input on a wide range of policy issues (e.g. student numbers, EU fees, employer links, targets etc). We were not involved in the initial guidance on the phased relaxation of lockdown restrictions, but are now actively involved in the development of further guidance, working alongside colleges, universities and government.
 - Influencing the policies and interventions of the UK Government and counterpart agencies, as they impact on Scottish colleges and universities, particularly in research and student controls.
 - Ensuring the equality impacts of COVID-19 remain a focus for all, in particular, in terms of gender and race, and widening access, working with the Equalities and Human Rights Commission.
6. Over the last two months we have been active in new forums that have led to

particular areas of focus and resource:

- The **Scottish Government**'s priorities are being shaped by Minister, Richard Lochhead's Leadership Group, which is meeting frequently and has considered topics including financial sustainability, student hardship, international trends, the government's phased approach to relaxing lock-down. The Group involves the sectors, unions, student representative bodies, quality assessment, skills and funding agencies. It has provided a forum to exchange views and help government prioritise issues for further development. It has led us into a greater focus on work on student hardship, digital poverty and learning platforms, fair work commitments, exam and assessment disadvantage. As a result of the group we are providing survey information to understand term start arrangements, student accommodation issues, on-line learning , and mental health and wellbeing support. The Scottish Government is developing an action plan that it aims to publish in early June. We have contributed to its early development, particularly around the greater flexibility in the use of Financial Transactions and additional capital underspend that might benefit colleges and universities.

- The **UK Research Sustainability Task Force**, chaired by two UK Government Ministers, is trying to assess rapid action to stabilise and sustain the UK's research and science base:
 - The rUK support package announced on 4 May did not result in any consequential for Scotland and we see no general rescue packages under consideration. Any support for individual institutions that face sustainability challenges in England is likely to come with conditions, including possible reconfigurations of provision and mergers.
 - While the UK Government is expected to support the research base, they will want it to be targeted (not going into general sustainability deficits); to reach into the place and levelling up agenda; to go into high quality research while avoiding capture by the golden triangle; and to protect the pipeline of talent and early career researchers. So, the UK Gov is likely to want more ability to direct the focus of research, and get greater accountability for the funding.
 - The group has been asking for clarity about whether UKRI will consider costed extensions to UKRI research contracts.

This is all very important for research in Scottish universities. Some of the conversation echoes the considerations we will have later in this agenda in terms of distributing the additional £75 million research funding from the Scottish Government. The way the UK Government chooses to channel and prescribe the use of any additional research money may affect the role SFC

plays in resource distribution. We are pushing for a relationship that ensures full participation and recognises our devolved interests.

- **UK-wide Higher Education CEO Group**, with the Office for Students and equivalent Welsh and N. Irish bodies, has met on a regular basis throughout this crisis, covering a range of topics of mutual interest.
 - The OfS has introduced a cap on student numbers for English students which means that they can only recruit 5% more than the number of students they would normally recruit. This measure is intended to prevent destabilisation of the system and universities will be penalised with a reduced fee cap in the following academic year (AY2021-22) if they exceed limits in AY2020-21). The number cap was not intended to apply to Scottish institutions. However, at the time of writing this paper, we are supporting the Scottish Government as news breaks that the UK Government is considering introducing caps on the number of English students able to receive loans to study in Scotland. There was little warning and very limited time for consultation or discussion. This could affect colleges which provide higher education as well as universities.
 - **The Enterprise & Skills Board Sub-Group** on immediate labour market and skills interventions that should be recommended to the Scottish Government. Our Chair, Mike Cantlay, covers this in his report to the Board.
 - **Scottish Government's Advisory Group on Economic Recovery**, chaired by Benny Higgins, and reporting by the end of June, again, covered in Mike's report.
7. The **Scottish Parliament's Education and Skills Committee** held a public session with me and subsequently with the Minister, Richard Lochhead. Key areas of interest were:
- How are we supporting colleges and universities to move to online teaching?
 - How are we supporting universities to put in place fair, robust, reliable and valid assessments for their students? What was our position on students being able to repeat years or receive refunds for fees paid this year?
 - What were we doing about student hardship and mental health support?
 - What is our assessment of the funding needed to support university and college sustainability? What outcomes would we want to see for any additional funding? What did we think of the sustainability of the funding model in light of the reliance on international students, and the likely impact of Brexit?

- Student numbers next year; and learning & teaching, and research, in a social distancing world.
- Will the strategic aims of the system be reconsidered and what would it look like?

Reviewing Coherent Provision and Sustainability

An opportunity to bring it all together!

8. The request by Scottish Ministers that we review coherent provision and sustainability across further and higher education provides us with the opportunity to bring relevant strands together, alongside the existing Cumberford-Little and Muscatelli reports, to consider immediate actions and longer term directions of travel. You will see the agenda includes a paper on the review.

Equality and diversity assessment

9. There are no equality and diversity issues arising from this report.

Financial implications

10. There are no direct financial implications arising from this paper.

Recommendations

11. The Council is invited to note this report.

Publication

12. This paper will be published on the Council website, with some deletions to remove sensitive material relating to the conduct of government relations.

Further information

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