

Chief Executive's Report

Purpose

1. This paper provides the Board with an update on current operational issues, for noting, and requests delegated authority to finalise our Gaelic Language Plan.

Current Operational Issues

Our People

2. Since the last Board meeting the Scottish Government has maintained its advice that non-essential offices should remain closed. As we are unlikely to open the office soon, or at least to any significant extent, we are conducting risk assessments of homeworking across our workforce, to address any further requirements or adjustments.
3. We continue to be stretched in terms of resources but we have been encouraged by the response to a recent recruitment exercise.

Our response to COVID-19

4. **Financial impacts and funding:** We have completed the analysis of the most recent financial forecasts for both sectors and there is an agenda item which covers this in more detail. We have also announced additional funding for capital estates maintenance (£10m across both sectors) and additional capital funding to address digital poverty (£4.75m across both sectors). We will continue to engage with those institutions that have indicated plans for voluntary or, in some cases potentially, compulsory redundancies.
5. **Health & safety:** We have a strong focus on supporting colleges and universities as they plan their return to on-campus learning. Guidance has been published for colleges, universities, labs and student accommodation. We will be requesting more assurance from institutions about readiness; and the Scottish Government has asked us to provide intelligence to support their decision making and invited us to a short-life working group.
6. **Economic recovery:** Given the economic impact of COVID-19 and in response to the reports from the Advisory Group on Economic Recovery and the ESSB Sub-Group on labour market and skills interventions, we are playing our part in addressing the challenges of growing unemployment:
 - Supporting reprioritisation within existing allocations (eg our recent credit

guidance aimed to enable colleges to prioritise upskilling and reskilling activity; and the university upskilling fund is supporting responses by universities).

- Ensuring enhanced labour market data from SDS helps shape skills alignment planning at local and regional level.
- Taking forward key actions from the Scottish Government's Further and Higher Education Sustainability Plan (eg refocusing our Financial Transactions programme).
- Ensuring the Scottish Government considers the role of colleges and universities in any additional funding programmes or responses.
- Exploring specific proposals with the sectors that might benefit the economic recovery endeavour.
- Continuing to work with UK counterparts on research sustainability and institutional interventions.

Review of Coherent Provision and Sustainability

7. The Programme Team is now in place and a full-time Programme Manager has been appointed. The first meeting of the Programme Board was held in early July. In addition our call for evidence has elicited around 100 responses which are now being analysed. We are also engaging widely with a range of organisations. A presentation on the Review forms a separate agenda item.

SQA Exam Results 2020

8. We are working with the Scottish Government, UCAS, SAAS and other stakeholders following the statement by the Deputy First Minister that Scottish student results will be based on teacher and lecturer assessment. The issues for SFC are:
 - Estimating the number of school leavers who may now take up a university place, assessing the funding implications and possible pressures on SFC funds, and working through potential allocation methodologies where further funds are required.
 - Understanding the impact on colleges and shifts across the whole tertiary system.
9. This work will be impacted by decisions across the rest of the UK. Given the urgency of this work, a verbal update will be provided at the meeting.

Gaelic Language Plan

10. Under the Gaelic Language (Scotland) Act 2005, SFC is identified by Bòrd na Gàidhlig as a body with significant “potential for developing the use of the Gaelic language in connection with the exercise of [our] functions” and is required to produce a Gaelic Language Plan. SFC’s second Gaelic Language Plan (GLP) expires in 2020. SFC is now required to present a refreshed Gaelic Language Plan to Bòrd na Gàidhlig.
11. A draft refreshed plan, with less operational detail but with broad direction of travel and high-level actions, has been prepared for submission to Bòrd na Gàidhlig in September and for wider consultation.
12. As this is a straightforward process of updating an existing plan, I recommend you delegate to me the task of taking the draft plan through consultation and to finalisation.

Revised Operating Plan – Annex A

13. When we published our Strategic Framework document last June, we included an Operating Plan setting out our organisational priorities for Financial Year (FY) 2019-20. We have provided you with reports on our progress in taking forward these activities; the last report was to the Board meeting on 30 January (Council paper SFC/20/04).

The impact of COVID-19 on our plans

14. Since the early part of the year, the COVID-19 crisis has had a significant impact on our plans and organisational priorities, in particular to move quickly to support colleges and universities through the crisis and to reprioritise key tasks and look after our staff and our capacity to deliver. Nevertheless, we have made progress in many key areas:
 - The publication of our annual report on widening access.
 - The agreement of a Memorandum of Understanding with the Equality and Human Rights Commission, and a joint Action Plan to tackle the most pressing inequalities in further and higher education.
 - Progress with the key workstreams of our skills alignment project with Skills Development Scotland.
 - Announcements about Phase 2 of our Innovation Centre programme, including for the Precision Medicine Scotland Innovation Centre, and seven new college-led innovation projects.
 - The development of Financial Transactions for the university sector.
 - The Ministerial announcement of two climate emergency projects by the Universities of Edinburgh and Glasgow.
 - The development of our third Gaelic Language Plan.

- The establishment of a new Directorate for Policy, Insights and Analytics at SFC.

15. However, we have had to pivot rapidly to a whole new set of priorities and re-focus our resources in response to the crisis, with significant attention in recent months being given across a range of fronts to:

- Managing all our business online and remotely, and supporting our staff to work at home.
- Reassessing our regulatory, data and reporting requirements to enable funded bodies to focus on the emergency. (A summary of the flexibilities that have been provided to institutions is attached at **Annex B**.)
- Providing significant input and analyses to a various working groups and advisory groups responding to the impact of the crisis on colleges and universities, and on the economy.
- Addressing the impacts of the crisis on student support, including liaison with DWP to secure changes to benefit rules.
- Reviewing our regulatory and accountability framework.
- Undertaking extensive financial analyses and modelling of the impact on college and university finances, publishing new material, and addressing cash-flow issues in several colleges.
- Advising the Scottish Government in various fora and on a range of policy issues.
- Participating in the membership of the UK Research Sustainability Taskforce and extensive liaison with UK counterparts on stabilisation funding and measures.
- Allocating and monitoring new COVID-response funding programmes.
- Responding to the commission from the Scottish Government that we undertake a review of coherent provision and sustainability.

Looking ahead to the next eight months

16. The emergency will continue to have a major impact on colleges and universities – although the nature of some of the impacts is still impossible to predict fully – and on the economy, particularly the labour market. We also need to anticipate that this may be compounded by the UK’s withdrawal from the EU and the end of the transition period.

17. We will play an important role in supporting the economic recovery, continuing to help shape responses, and taking forward recommendations in recent reviews. In that context, we have revised radically our Operating Plan priorities and drafted a new plan for the next eight months, with a strong focus on

- Continuing to support colleges and universities through the crisis.

- Working to support the economic recovery, and mitigating the impacts of the crisis on young people.
- Taking forward our review of coherent provision and sustainability.
- Working closely with other partners, including Skills Development Scotland.

18. A copy of the draft Operating Plan is attached at Annex A for information.

Risk Register – Annex C

19. *This paper will be withheld from publication on SFC’s website under the Freedom of Information (Scotland) Act 2002; Section 30: Prejudicial to the effective conduct of public affairs.*

[] x 5 paragraphs

Equality and diversity assessment

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

Financial implications

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

Recommendations

22. The Council is invited to note: the update on current issues; the draft Operating Plan for the next eight months at Annex A; the flexibilities introduced to the sectors at Annex B; and the current Risk Register at Annex C.

23. The Council is invited to delegate authority to the Chief Executive to finalise the next version of the SFC Gaelic Language Plan.

Publication

24. This paper will be published in edited form on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

Further information

25. Contact: Karen Watt, Chief Executive (tel. 0131 313 6646; email: kwatt@sfc.ac.uk).