

Chief Executive's Report

Purpose

1. This paper provides the Board with an update on current issues.

Review of Coherent Provision and Financial Sustainability

2. The Phase 1 Report was published on 20 October. It reflects the feedback received from the call to evidence, the round table and advisory group discussions. It identifies ten key themes that emerged from the Phase 1 process and set out the priority areas for Phase 2. We had a full engagement programme in place to support the publication and it was well received across a wide range of stakeholders, including Scottish Government Ministers. We will discuss the response to Phase 1 and next steps under a separate agenda item.

Update on Sector Issues

3. **Scottish Government Strategic Framework:** At the time of writing, Scotland is operating within the five tier framework introduced by the Scottish Government and in force since Monday 2 November. Discussions continue on how best to align the different levels of teaching (face to face vs online) with the new framework and its levels 0-4. The Scottish Government is developing definitions of face to face/online under 'restricted blended' and 'blended' models, recognising the difficulty of defining generic levels of face to face teaching as this will differ for each course and for each institution, depending on the subjects offered. Planning for the Christmas break is a significant focus for institutions and Scottish Ministers: caring for student welfare, particularly those staying in student accommodation; staggered departure dates; advice on staying safe in order to integrate with home households; potential testing options; and having accessible public transport.
4. **Economic recovery:**
 - Guidance on the **Flexible Workforce Development (FWDF)** for colleges has been published. It is also understood that Phase 2 of the FWDF has been agreed and will be announced shortly, with colleges continuing to be the primary delivery agents. The priority will be addressing the impact of COVID-19 to provide upskilling and reskilling opportunities to the existing workforce, which many businesses will need as they adapt to a new way of working as sectors and our economy restart and recover. The key difference is a significant policy shift in FWDF eligibility rules which will offer support to SME non-Levy payers.

- An announcement is expected on the **Young Person's Guarantee**, following work between SFC and Scottish Government on funding arrangements and how best to profile funding over the rest of the academic year.
5. **International student numbers:** At sector level, numbers of international students seem to be slightly higher this academic year compared to last year. This masks significant variation at institution level and the following caveats apply:
- At least 10,000 out of the 37,000 international students who have enrolled at universities have not yet physically joined their institutions, and are still studying remotely from home. We have established a new return to capture real time information on recruitment this year.
 - We may see higher than usual level of student drop-outs this year, and the Christmas break is a point at which some students might return home and decide not to come back to their institution for a range of reasons.
6. **UK Research Partnership Investment Fund:** At the September meeting, in agreeing the allocation of £10.15m from BEIS as a proportional uplift to our existing Higher Education Research Capital Grant allocations in FY2020-21 (paper SFC/20/46), the Council board noted the possibility of a small uplift to existing UK Research Partnership Investment Fund (UK-RPIF) awards. This additional ring-fenced funding, which will be managed by SFC, has now been confirmed as totalling £1.7M.

Our People and Systems

7. In line with our plans on capability and capacity, we launched a modest Voluntary Exit Programme on 7 October. The deadline for applications has now passed and the process will be finalised on 23 December, with those staff who have successfully applied to the programme leaving at the end of March 2021.
8. We have experienced disruption to our IT systems due to a problem with the 'Direct Access' server that connects staff laptops to the office systems. Given that we had access to a backup system using a service called GoToMyPC, we were able to roll this out to all staff so that access problems were minimised as much as possible. We are examining our longer term resilience and ICT infrastructure.

Recommendations

9. The Council is invited to **note** the updates provided in the paper.

Karen Watt, CEO