

Chief Executive's Report

Purpose

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

Our people

We are continuing to face significant pressures, but are supporting colleagues, and reshaping capacity to match priorities.

2. We continue to invest significant energy in ensuring the health, safety and wellbeing of our colleagues:
 - Our July Pulse Survey shows that 89% feel we have appropriate support structures in place to deal with the pandemic; and 93% said they know where to access support and guidance on how to work remotely.
 - The survey highlights particular workload pressure points, due to the COVID-19 response, our review, and childcare and other caring responsibilities. We have put in place immediate measures, including short-term internal transfers and recruited a small number of additional temporary staff members. We are currently recruiting to six posts to support our strategy and recovery work.
3. Our annual performance review exercise is providing all colleagues with a formal opportunity to reflect on their work and the impact of COVID-19. We have introduced a new interim format for individual objective-setting ("My Work Plan"), to create flexibility and agility. We are making wellbeing conversations and weekly 1-2-1 catch-up meetings with line managers a priority.
4. We are developing plans to re-open our office by Phase 4 of the Scottish Government's route map (we are currently in Phase 3). This should allow up to 20% of our workforce to work in the office at any one time. We will be discussing these with Unite representatives and our Health and Safety Committee. The use of our meeting space in Apex 1 will be subject to discussion and agreement with Scottish Enterprise.

Our review of coherent provision and sustainability

Our review is taking shape, with early work well established but being balanced by the responses required from other commissions and groups.

5. Our work on the review is gathering pace and this Board workshop on future scenarios will help focus the review. In summary:
 - The Chair formally accepted the commission on 1 July.
 - A [briefing note](#) has been widely circulated.
 - A call for evidence will shortly launch.
 - An engagement strategy is in development
 - Early intelligence gathering has been undertaken by our own teams on changes to provision within the sectors.
 - The work-streams on funding models and outcomes are underway.
 - Sector advisory groups are now in place
 - The Review Programme Board will meet before end July
 - A Programme Manager has been appointed
 - Financial returns will be back from all institutions by end July
 - We are pursuing consultancy work to provide some early research and analytical capacity.

6. Our phase one priority will be to focus on the responses, flexibility and collective effort needed for sustainability, and social and economic recovery in academic year 2020-21 – while starting the consideration of longer term change. We are also considering the Cumberford-Little, Muscatelli, Benny Higgins, and Enterprise & Skills Strategic Board sub-group findings in this first phase.

7. In relation to the Enterprise and Skills Strategic Board sub-group [report](#), the Deputy First Minister has written to the Chair to ask for some urgent expert advice. A copy of the letter is attached.

Our continuing response to COVID-19

We are engaging on a wide range of fronts to support the sectors and Scottish Government

8. We have provided you with email updates outlining some of the key COVID-related developments. The summary below picks up on some of the recent developments and provides further details.

9. Our priorities remain:
 - Financial sustainability of the sector.

- Ensuring students are supported.
- Supporting the sectors' adaptation to COVID safety measures.
- Considering the sectors' and our contribution to economic recovery.
- Engaging with the Scottish and UK Governments, and UK counterparts.
- Monitoring the impact of COVID on equalities work.

10. Since our last update we have undertaken detailed work on the following:

- **Lifting campus restrictions** – We have worked with colleges, universities, unions and the Scottish Government to develop sector-specific guidance on the lifting of restrictions on campus activity. This guidance aligns with the Scottish Government's general route-map for lifting lockdown restrictions and is aimed at helping institutions prepare for the commencement of the new term. Separate guidance has now been published for colleges, universities, research facilities and laboratories, and student accommodation.
- **Student recruitment** – We are closely monitoring data on student recruitment. UCAS data is showing an increase in the overall number of student applications, including international (non-EU) students, although there has been a slight decrease in applications from EU students. We are also engaging with institutions to gather intelligence on applications from students applying outside the UCAS system, including college students and some international students, and to monitor other signs of students' commitment to studying in Scotland.

We will have a better idea of the position by August/September. We expect that the progress of the virus, and perceptions around Scotland's ability to deal with it, will strongly influence student decision-making and that the next few months will be critical.

We are contributing to a Scottish Government short-life working group on international student recruitment which is seeking to tie in college and university overseas recruitment with Scottish Government's *Scotland is Now* campaign, which aims to promote Scotland as a welcoming nation and a safe, clean and green study destination.

- **UK Government funding support** – Following discussion by the UK Research Sustainability Task Force on the sustainability of the UK's research and science base, the UK Department for Business, Energy & Industrial Strategy (BEIS) announced a package of support for UK universities on 27 June.

The announcement outlines a stabilisation fund, which will begin operation in autumn 2020. This will contribute up to 80% of a university's losses from international student income, capped at the level of its non-public research income. The overall balance between loans and grants will be at least 75:25 in favour of loans. The devil will be in the detail. We are working with BEIS to help shape the arrangements and explore the role SFC will play in resource distribution.

The same announcement also confirms there will be a fund to support costed extensions to UK Research & Innovation (UKRI) research projects, which have been paused as a result of COVID-19 restrictions. This funding will be allocated direct to institutions by UKRI.

- **Further and Higher Education Sustainability Plan** – On 9 July, the Scottish Government published its [COVID-19 Further and Higher Education Sustainability Plan](#). This plan provides a summary of the actions taken and those to be implemented, to help address the immediate issues that colleges and universities in Scotland are facing as a result of the COVID-19 pandemic.

The plan also sets out the Scottish Government's decision that free university tuition for new EU students studying in Scotland will end in 2021-22. The Minister has given assurances that resources freed up by this change will remain within the college and university sectors for two academic years (SFC resources are estimated to be around £10m p.a.); and that these resources will be used to support additional Scottish students and to establish scholarships for EU and international students. The detail of how the resource associated with EU students will be repurposed requires detailed consideration and discussion with the sector and other stakeholders.

The Sustainability Plan also includes the additional allocations of funding for the sector for estates maintenance and digital inclusion being discussed at this Board meeting.

- **UK Government scheme to support English universities at risk of insolvency** On 16 July a new restructuring scheme was launched for English universities (the material also suggests it may apply to English colleges). The press release is [here](#). We are exploring, alongside the Scottish Government, what this might mean in terms of consequential funding, joint working or access to expertise.

Equality and diversity assessment

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

Financial implications

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

Recommendations

13. The Council is invited to note this report.

Publication

14. 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

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