

UNIVERSITY UPSKILLING FUND AY 2022-23



UNIVERSITY UPSKILLING FUND AY 2022-23

ISSUE DATE:	11 August 2022
REFERENCE:	SFC/GD/17/2022
SUMMARY:	To provide Universities with the updated guidance and updated allocations for AY 2022-23
FAO:	Principals / Finance Directors of Scotland's universities, and the general public.
FURTHER INFORMATION:	CONTACT: Sharon Drysdale JOB TITLE: Assistant Director of Skills & Economic Recovery DIRECTORATE: Access, Learning & Outcomes TEL: 0131 313 6682 EMAIL: sdrysdale@sfc.ac.uk

TABLE OF CONTENTS

UNIVERSITY UPSKILLING FUND FOR AY 2022-23	4
Purpose	4
Context	4
Policy drivers	4
Upskilling Activity 2022-23	5
Aim/purpose of funding	6
Delivery of activity	6
Course/provision eligibility parameters	7
Student/learner eligibility parameters	8
Curriculum/course development	8
Upskilling Fund allocations for AY 2022-23	8
Timeframe for delivery of funded activity	8
Further information	8
ANNEX A	9
Breakdown of Upskilling funding allocations for universities in AY 2022-23	9
ANNEX B	10
Monitoring use of funds / reporting to SFC	10
ANNEX C	11
Teaching subject prices	11

UNIVERSITY UPSKILLING FUND FOR AY 2022-23

PURPOSE

1. I am writing to provide you with guidance on the Upskilling Fund for Academic Year (AY) 2022-23. This funding should continue to develop the capacity of universities to offer short, flexible provision to allow people to upskill or reskill in strategically important curriculum areas to facilitate continued economic recovery and transformation.

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 two years much of this provision has been brought online by universities as they faced huge disruption to their operations through COVID-19, demonstrating commitment to meet the aims of the Fund and outcomes for learners.
4. This guidance for AY 2022-23, the fourth year of the Fund, continues to be set within the context of the 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 updated 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.

POLICY DRIVERS

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 also commits SFC to review the Upskilling Fund in AY 2022-23 to assess how it has supported the recovery mission and future skills needs. We will continue to work with the Upskilling Strategic Reference Group on the future direction of the Upskilling Fund.
7. The National Strategy for Economic Transformation (NSET) published in March 2022 sets out a vision for 2032 for Scotland to be a thriving, inclusive and entrepreneurial country delivering a just transition to a net zero, nature positive, wellbeing economy. This will mean that Scotland is on course to become a net zero economy by 2045 founded on an economic model in which the benefits are shared more equitably, and we have significantly reduced poverty in general and in particular, child poverty.

8. NSET aims to ensure that people have the skills they need at every stage of life to have rewarding careers that meet the demands of an ever-changing economy and society. It commits specifically to support and incentivise people, and their employers, to invest in skills and training throughout their working lives.

UPSKILLING ACTIVITY 2022-23

9. The Upskilling Fund activity across the sector should facilitate and focus on economic recovery in line with the priorities identified in SFC's Review of Coherence and Sustainability, the SFC Ministerial Letter of Guidance and the NSET.
10. In AY 2022-23 the Fund should support several different actions:
 - Emerging from COVID-19 to a 'new normal' – helping sectors who have been 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 Scottish Government's 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.
 - National Strategy for Economic Transformation – supporting and incentivising individuals and employers to invest in skills and training throughout their working lives, developing entrepreneurial people and culture, and helping to create a fairer and more equal society through the work of anchor Higher Education institutions.

11. 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 and Just Transition to Net Zero.
 - 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.
 - Be focused on HE-level provision and not be used to support intakes onto degree provision.

AIM/PURPOSE OF FUNDING

12. We recognise that universities were already active in this area and, having had three 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 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

13. As with the previous three 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 unique needs and distinct levels of prior education, and different professions or sectors of the economy will have different requirements.
14. Therefore, for AY 2022-23 SFC would like the sector 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 AY. 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 an extremely specific one.
 - Upskilling provision should be flexible in terms of start dates, so that a potential student does not have to wait a full year to access it. This should include delivery over the summer/autumn period where there is demand. To enable this SFC will provide flexibility on the use of funding between AYs and details of this planned activity should be included in monitoring and reporting throughout the year and at year end reports.

- Universities must be able to demonstrate that all provision clearly addresses and is strategically aligned to key sectors such as Engineering; Computing, Digital; Education and Care, providing a more rapid response to industry needs in specific areas such as Software Development, Data Skills, Cybersecurity, Engineering, Science and Care. The priorities for Scotland's economy are outlined in [Scotland's National Strategy for Economic Transformation](#).
15. In this the fourth year of Upskilling Funded activity, SFC's expectation is that there is greater collaboration between institutions and also between institutions and employers. This should support - by design - provision coherence and the meeting of local, regional, and national higher-level skills needs. This collaboration should be led by institutions and should be evidenced in mid-year and end of year reporting.
 16. SFC will continue to engage with universities to understand the range of provision in AY 2022-23 and how it fits within the national picture of provision. We expect 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.
 17. 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

18. The following eligibility parameters apply:
 - Level - Upskilling funding should be used to deliver or develop courses/provision focused 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).
 - 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).
19. Courses/provision should normally be credit-bearing and have some form of appropriate assessment built-in. However, this is not a necessary eligibility criterion and is at the university's discretion, based on the nature of the particular course/ provision and the needs of students.

STUDENT/LEARNER ELIGIBILITY PARAMETERS

20. 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. However, if 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 under this Fund.

CURRICULUM/COURSE DEVELOPMENT

21. 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 fourth year (AY 2022-23), we expect universities to build on their progress from the previous three years, therefore we would expect development costs to be allocated only to new models of delivery. In AY 2022-23 this should be no more than 15% of each institution's funding allocation.

UPSKILLING FUND ALLOCATIONS FOR AY 2022-23

22. A breakdown of the funding for Upskilling available to each university in AY 2022-23 was published as part of the University Final Funding Allocations for AY 2022-23 in [Table 4 – Grants for Teaching](#) (column 6). **These allocations have now been updated for a small number of universities following engagement with institutions.**
23. Revised allocations are shown in [Annex A](#) of this guidance.

TIMEFRAME FOR DELIVERY OF FUNDED ACTIVITY

24. SFC expects provision to be delivered by universities within AY 2022-23. 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 outwith that 12-month period and span AYs.

FURTHER INFORMATION

25. 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.

ANNEX A

BREAKDOWN OF UPSKILLING FUNDING ALLOCATIONS FOR UNIVERSITIES IN AY 2022-23

University	Allocation for AY 2022-23 (£)
Aberdeen, University of	620,211
Abertay University	225,977
Dundee, University of	351,339
Edinburgh Napier University	252,156
Edinburgh, University of	813,131
Glasgow Caledonian University	302,703
Glasgow School of Art	-
Glasgow, University of	896,790
Heriot-Watt University	596,265
Highlands and Islands, University of the	104,336
Open University in Scotland	253,201
Queen Margaret University, Edinburgh	238,452
Robert Gordon University	381,015
Royal Conservatoire Scotland	359,541
SRUC	186,366
St Andrews, University of	192,660
Stirling, University of	283,480
Strathclyde, University of	681,753
West of Scotland, University of the	230,637
Total	6,970,013

ANNEX B

MONITORING USE OF FUNDS / REPORTING TO SFC

1. 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.
2. As a condition of grant, universities are required to submit two monitoring reports to SFC; an interim report at the end of February 2023 detailing progress on the use of their AY 2022-23 Upskilling funding allocation and a final report at the end of October 2023. In AY 2022-23 templates for these reports will be based on HESA reporting fields, for both credit-bearing and non-credit-bearing activity. These reporting templates, which will gather both qualitative and quantitative data, should be sent to upskilling@sfc.ac.uk and should include:
 - Details on the development and/or delivery of courses/provision and associated costs including the total amount spent and underspend. It is expected that institutions will be required to deliver content during the summer and early autumn period to meet student/employer demand, therefore this will not be treated as a normal 'carry forward' request, however we will require details of this planned activity and any projected underspend.
 - The uptake of activity, including the numbers of learners and details of protected characteristics.
 - The type of learners e.g. employer cohort, individual learners, Scottish-domiciled/'home fee' status or others.
 - The number/type/level of qualifications.
 - The hours/credits of learning provided.
 - Details of employer engagement including cohorts trained with employers, bespoke courses developed and courses where employers contribute a fee.
 - Lessons learned through development and delivery of provision, including details of where institutions have developed new capabilities or established new partnerships.
3. In addition, in line with normal HESA reporting requirements, all HE level credit-bearing activity completed using Upskilling funding should continue to be reported through HESA. However, a reduced set of fields will only be required to be returned to HESA.

ANNEX C

TEACHING SUBJECT PRICES

1. 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 full-time equivalent (FTE) student. This will be considered against our core teaching subject prices and tuition fee assumptions which are set out below:

Subject Price Group	1	2	3	4	5	6
Price per FTE	£17,673	£10,028	£8,887	£7,737	£6,840	£5,574
<i>Price per credit</i> (120 credits per FTE)	£147.28	£83.57	£74.06	£64.48	£57.00	£46.45

2. 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 teaching subject price group model.
3. 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.
4. 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. SFC has not set specific parameters on the fees that universities may charge individuals or employers, but 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.