



Scottish Funding Council

Promoting further and higher education

# STRATEGIC FRAMEWORK 2019-2022

**LEADING, INSPIRING, INVESTING:**  
MAKING SCOTLAND THE BEST  
PLACE IN THE WORLD TO LEARN,  
EDUCATE, RESEARCH AND INNOVATE

**INCLUDING OUR OPERATING PLAN 2019-2020**

## Our ambition

is for Scotland to be the best place in the world to learn, educate, research and innovate, so that all of our nation can flourish.

## Our purpose

is to create and sustain a world-leading system of tertiary education, research and innovation that changes lives for the better, enriches society and supports sustainable and inclusive economic growth.



Over the last ten years we have invested £1.8bn in college and university estates.



Six of our colleges are in the top 10 – and two ranked in first place for the last five years – for Worldskills UK.



# £1.8BN

We invest £1.8bn a year in Scotland's 17 universities, 26 colleges and 2 small, specialist institutions, from which they generate total income of £4.5bn.



Our investment in teaching supports approximately 500,000 students each year.



# £800M

Our investment in research, through the Research Excellence Grant, helps to generate almost £800m of additional research income.



We have established eight world-leading Innovation Centres.



We have four universities in the top 200 in the world.



We will contribute to a more equal society by embedding equality and diversity across all our functions, supporting participation, tackling prejudice, and by placing good relations at the heart of our organisation.





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**Mike Cantlay OBE**  
Chair

**Karen Watt**  
Chief Executive

## FOREWORD

Scotland is one of the most highly educated countries in the world, renowned for our science and research excellence, and our ability to attract talent and investment. We are an ambitious nation, keen to translate our learning, knowledge and skills into sustainable and inclusive economic growth – creating opportunity, prosperity and wellbeing for everyone.

We are also the birthplace of the Enlightenment, and a nation with a long and proud tradition of valuing learning and education as an essential part of a thriving social, cultural and civic life, and fundamental to our ability to flourish as individuals. Our leading thinkers, researchers, inventors, writers, artists and performers continue to influence others across the globe, and to interpret, shape, and improve the world around us. And our creative industries are themselves generating increasing economic impact. We are rightly proud of our well-educated people, and our tertiary education and research capabilities. The Scottish Funding Council (SFC) plays an important and leading role by investing around £1.8 billion each year to nurture, sustain and challenge our 26 colleges, 17 universities and two small, specialist institutions to be successful. Through them we support learners and transform lives, we invest in Scotland’s human capital, and we support the student voice and representation.

However, we face significant challenges. The combination of multiple changes that will disrupt industries, sectors and careers; the likely scale of that change and the uncertainty it will bring: increasing learner expectations; Brexit, immigration policies and international competition; pressure on public budgets; persistent inequalities across our communities; fragile island and rural areas; demographic challenges, including a reduced working-age population; and climate change.

These challenges call for renewed ambition and collective action. They will need strong public, private and third sector partnerships. And they require a step change in expectations of public bodies entrusted with significant public funds and leadership roles. We will take our place alongside other enterprise and skills agencies to unite around a shared vision, to seize opportunities together, to share information and evidence, and to maximise our impact.

For a knowledge-based economy like ours, human capital and know-how will be even more vital. Alongside our partners, and our colleges, universities and specialist institutions, SFC will help secure learning and skills provision that is fit for the future, and a research and innovation system that makes knowledge useful and productive.

The Strategic Framework is clear-eyed about the challenges, founded in partnerships with others, and ambitious for the impact we must make for our future.



SCOTLAND’S LEADING THINKERS, RESEARCHERS, INVENTORS, WRITERS, ARTISTS AND PERFORMERS CONTINUE TO INFLUENCE OTHERS ACROSS THE GLOBE, AND TO INTERPRET, SHAPE, AND IMPROVE THE WORLD AROUND US.

## INTRODUCTION

This Strategic Framework sets out our ambition for the future and is rooted in working with others and transforming the way we work. It covers:

- Our purpose and objectives.
- The context within which we operate and future challenges.
- What will be different about SFC in future.
- Our operating plan.

Foreword	Understanding the future	Annexes: 1-6
Introduction	People and ideas	
<b>Our unique role</b>	Building on our strengths	
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WE BELIEVE SCOTLAND HAS A TRULY WORLD-LEADING EDUCATION SYSTEM.

## OUR UNIQUE ROLE

### Our purpose

We want Scotland to be the best place in the world to learn, educate, research and innovate, so that all of our nation can flourish.

Our purpose is to create and sustain a world-leading system of tertiary<sup>1</sup> education, research and innovation that changes lives for the better, enriches society, and supports sustainable and inclusive economic growth.

### Our core objectives

1. To invest in education that is accessible to learners from all backgrounds, gives them a high-quality learning experience, supports them to succeed in their studies, and equips them to flourish in employment, further study and fulfilling lives.
2. To invest in excellent research and innovation that adds to current knowledge, delivers economic and societal value, enhances Scotland's international reputation and attractiveness, and makes the world around us prosperous, healthier and more sustainable.
3. To ensure colleges, universities and specialist institutions form part of a successful, world-leading, coherent and sustainable system of education that responds effectively to the future needs of learners and the skills needs of the economy and society, enhances our rich cultural life, and strengthens Scotland's international connections.
4. To be an excellent, outcome-focused public body that provides leadership, inspires confidence, models collaborative working, is committed to continuous improvement, and stewards public resources well.

<sup>1</sup> We use "tertiary" to include all further and higher education courses provided by Scotland's colleges, universities and two small specialist institutions.

“CREATING A MORE SUCCESSFUL COUNTRY, WITH OPPORTUNITIES FOR ALL TO FLOURISH”



## OUR UNIQUE ROLE

### Our ways of working

In delivering these objectives, we will be ambitious and work collaboratively to deliver the best outcomes for Scotland. We will:

- Champion as well as challenge the role and performance of our tertiary institutions as together we tackle future pressures and challenges.
- Value the diversity of Scotland’s tertiary institutions and the importance of autonomy and academic freedom to their success.
- Be a constructive and collaborative partner with colleges, universities and specialist institutions, enterprise and skills agencies, Government, and others, recognising that a whole system approach – connecting school to post-school learning – is essential to the design of, and investment in, future learning provision.
- Share our insights, knowledge and data to help decision-makers in Government and in our colleges, universities and specialist institutions to develop future teaching, and to research and innovate.
- Value the pursuit of excellence, and the wider social and cultural impact of the institutions we fund.
- Invest public money wisely and strategically, attract match-funding where possible, and adapt funding patterns and methods to achieve desired outcomes, while managing transitions and change successfully.

### Our values

These values guide our working lives. We:

- Are passionate about our purpose and proud to make a difference for Scotland.
- Are outward-looking, connected and forward-thinking.
- Focus on learners and our customers.
- Work well together, internally and with partners, and are kind to each other.
- Value our people, and champion inclusion, creativity and wellbeing.
- Are committed to excellence, delivering good outcomes with our partners and continuous improvement.
- Listen and communicate effectively.

These values align with those of our enterprise and skills agency partners with whom we work closely.



WE WILL BE AMBITIOUS AND WORK COLLABORATIVELY TO DELIVER THE BEST OUTCOMES FOR SCOTLAND.

## DELIVERING AS PART OF TEAM SCOTLAND

### Scotland's National Performance Framework Our partners – who we work with

This framework and operating plan is set within the context of Scotland's National Performance Framework (NPF) and the Scottish Government's objectives for tertiary education, science, research and innovation. We have provided an initial mapping of our activities to the NPF in Annex 1 and will keep this under review as the NPF develops.

### The Enterprise and Skills Strategic Board

We have also built this framework on the foundations of the Enterprise and Skills Strategic Board's vision of an inclusive, sustainable economy, in which Scotland moves towards the top of the OECD rankings for productivity and for equality, wellbeing and sustainability.

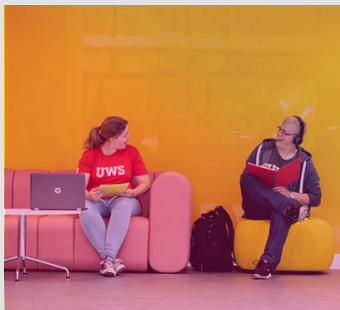
We have worked with our Enterprise and Skills partner agencies (Highlands & Islands Enterprise, Scottish Enterprise, Skills Development Scotland and the South of Scotland Economic Partnership) in the development of the framework, using common material and analyses where relevant. In Annexes 2 and 4 we have described how our work and performance link to the Strategic Board's four missions.

In addition, we will deliver our objectives and respond to future changes by collaborating with a wide range of partners, including:

- Colleges, universities and specialist institutions that we fund.
- College and university representative bodies.
- Scottish Government.
- Local government.
- Partner funding and regulatory agencies across the UK.
- Student representative organisations.
- Business representative organisations and Trade unions.
- College and university sector development agencies.
- Funded bodies, such as the Royal Society of Edinburgh.
- Third sector organisations.







SCOTLAND IS STILL ONE OF THE MOST ATTRACTIVE LOCATIONS IN THE UK AND EUROPE FOR INWARD INVESTMENT, DUE TO THE SKILLS, TALENT AND KNOWLEDGE OF OUR PEOPLE.

## UNDERSTANDING THE FUTURE

To ensure this plan delivers effectively, we have collaborated with our agency partners and others to develop a shared understanding of the environment in which we operate.

### The economy: productivity and inclusive growth

The Scottish Government's State of the Economy report highlights that growth in Scotland is expected to slow down because of low productivity and a decrease in the working age population. At the same time, economic growth is also expected to be slower or relatively weak in many of our key markets – including Europe, the USA and the rest of the UK. Increasing productivity is key to achieving sustainable economic growth and rising incomes, but Scotland's productivity would need to improve by 20% to match the best performing countries in the OECD.

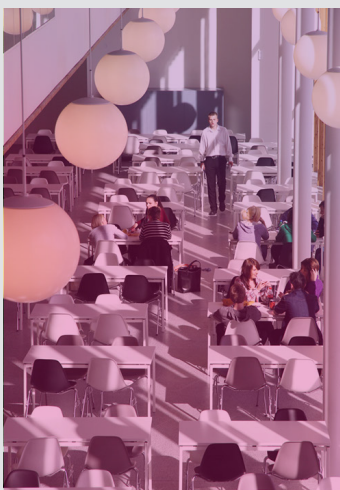
The labour market in Scotland is performing well. Employment is at a record high and unemployment at a record low. Despite that, there are still skills shortages in some areas. This is often exacerbated by gender inequality, which means we are not making the best use of the talents of all of Scotland's people. However, Scotland is still one of the most attractive locations in the UK and Europe for inward investment, due to the skills, talent and knowledge of our people, and the most successful location in the UK for Research and Development (R&D) projects.

### Disruption

Advances in technology will drive economic change. The fourth industrial revolution is disrupting existing business models and working environments, and it will cause changes in job roles and skills needs, and the way we live our lives. Automation and artificial intelligence will transform and replace many traditional occupations. There will be a premium on meta-skills; the higher order skills that help people adapt to change and help economies and countries succeed.

We will also see profound impacts from climate change over the next decade. We urgently need to achieve significant reductions in carbon emissions if we are to avoid damaging our fragile environment.

This is why our education system is so important to our future success – to prepare people for the changes to come, and to help people of all ages learn, re-skill and up-skill throughout their lives. It should challenge us to go beyond traditional intra-disciplinary alliances (for example, between science, technology and design) to stimulate more innovative and creative partnerships between different fields of study and research (say, arts and gaming). And it should help us to collectively exploit the research and innovation opportunities these changes provide, to address the dominant civic challenges of our times, and to remain at the cutting edge of new ways of doing things.



## UNDERSTANDING THE FUTURE

### Brexit, migration and talent

Preparing to leave the EU has brought uncertainty. For example, uncertainty about the ability for EU nationals to continue to work, teach or study here at undergraduate and postgraduate levels, and the funding for non-domiciled EU students; uncertainty around the continuation of existing EU research funding; and the ability to establish a new UK/EU partnership on future science and innovation funding, as well as participation in EU networks, infrastructure projects, policies and agencies.

Our ability in the future to participate in EU programmes that shape our broader international outlook is also a concern. These include long-established programmes such as Erasmus, which brings educational, cultural and economic benefits for Scottish students, volunteers, staff and other people coming to learn or work in Scotland.

The possible ending of free movement of people and potential lower inward migration – the main driver of recent population growth in Scotland – could lead to skills shortages across sectors and regions. It will impact on fragile island and rural communities and on our ability to attract talent to our education system. We will, therefore, need continually to adapt our investment in education and skills to meet these challenges.

### International competition

The global competition for talent and resources is becoming more intense as countries such as China invest heavily in their own university systems. Scotland's reputation as a research nation and a source of innovation and invention is strong, as is our international brand, but we will need to work harder to strengthen overseas research partnerships and to benefit from global investment.

### Regional inequalities

Inclusive economic growth requires a focus on regional inequalities across Scotland. The combined challenges of demographic changes, Brexit, and rurality, will require specific responses to ways of delivering learning and training, greater creativity in employment opportunities and sustained partner collaborations.

### The changing expectations of students

Demand for tertiary education in Scotland continues to be strong. Our students are more discerning; conscious of their personal investment in, and the value of, their studies; and outcome-orientated. They are increasingly consumer-minded and expect a modern, technologically adept learning environment that matches shifting lifestyles.

In many cases, students want their college or university experience to give them the knowledge, skills and understanding required to remain agile and adaptive in a more dynamic world of work and multiple careers, to live more sustainably, and to help them play their part in addressing global challenges. They have high expectations for an inclusive and diverse learning experience, and expect strong support through their learner journey, for example, to maintain good mental health and wellbeing, and more employment-focused learning within the curriculum.

These rising expectations will affect access to learning, choice, design and delivery of learning provision, and the quality of experience across all aspects of a student's educational journey, as well as whether they feel equipped for the next stages of their lives. These expectations will challenge us all – tertiary institutions, funders, assessors, policy-makers, representative bodies – and we must all place these needs and expectations closer to the heart of the way we work.



## UNDERSTANDING THE FUTURE

### Impact of wider UK policies

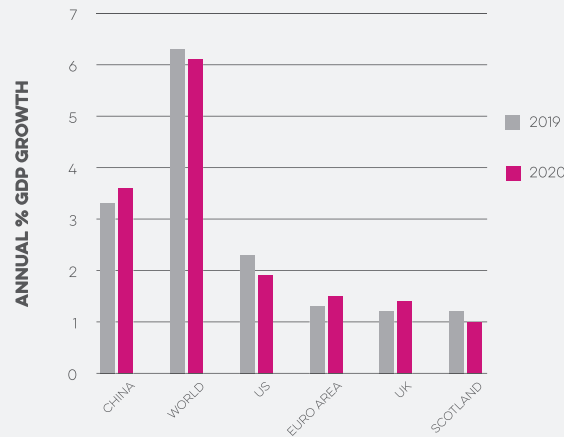
There is increasing divergence within the education systems across the UK in terms of policy, structures, regulation and funding; and within approaches to research and innovation. For example, we now work with the Office for Students in England and UK Research and Innovation (UKRI). While education policy is devolved to the Scottish Government, developments within the rest of the UK will affect Scottish colleges and universities, as well as our approach to data and analytics, quality assessment of learning and research funding. We therefore need to maintain our investment in these relationships for Scotland's benefit.

### Public finances

Public sector budgets remain tight, and the challenges we face in stimulating economic growth suggest there will continue to be significant constraints on public spending. At the same time, there are continuing financial pressures facing tertiary education; for example, increased pension contributions, and the need to maintain and invest in buildings and equipment and learning technologies. We will need to work effectively together to make best use of our resources and secure a coherent approach to tertiary education.

## GLOBAL ECONOMY

### ECONOMIC GROWTH FORECAST



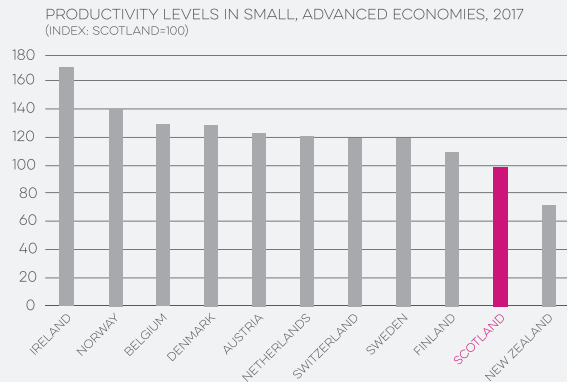
Whilst the global economic environment is challenging there still are **MAJOR OPPORTUNITIES IN EXTERNAL MARKETS**

## PRODUCTIVITY

### GROWING PRODUCTIVITY

is key to creating more, quality jobs and raising wages

Scotland's economy could be £50bn bigger if we could match **THE MOST PRODUCTIVE COUNTRIES**



### LOW PRODUCTIVITY IS AFFECTING REAL WAGE GROWTH -

median earnings are still below 2010 levels and in-work poverty for working-age adults is rising

## SKILLS

**47%** OF 25 TO 64 YEAR OLDS HAVE A TERTIARY EDUCATION - 5TH HIGHEST RATE IN THE OECD

But skills and qualifications are not being fully used:

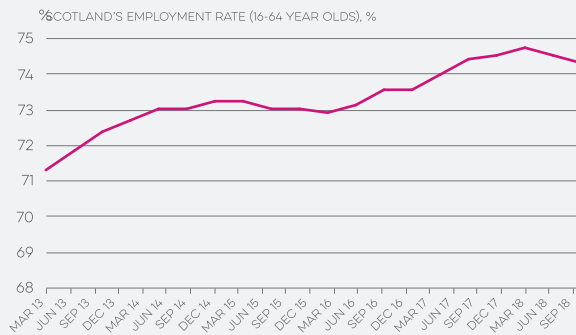
**35%** OF BUSINESSES HAVE AT LEAST ONE EMPLOYEE WITH SKILLS OR QUALIFICATIONS HIGHER THAN NEEDED

**225,000** EMPLOYEES **OVERQUALIFIED/SKILLED** FOR THEIR CURRENT ROLES



## LABOUR MARKET

### SCOTLAND'S EMPLOYMENT IS NEAR RECORD HIGHS



However, in the top performing areas the employment rate is **OVER 10 PERCENTAGE POINTS HIGHER** than the bottom

SOME BUSINESSES ARE EXPERIENCING **SKILL SHORTAGES**

## GLOBAL CHALLENGES & OPPORTUNITIES FOR SCOTLAND

### AUTOMATION

CHALLENGE  
**POTENTIALLY 230K SCOTTISH JOBS AT RISK FROM AUTOMATION**

OPPORTUNITY  
**NEW JOBS CAN BE CREATED IN ROBOTICS, INFORMATICS, AND DATA**

### CLIMATE CHANGE

CHALLENGE  
**SCOTLAND HAS AN AMBITION TO BE CARBON NEUTRAL BY 2040**

OPPORTUNITY  
**GROWING GLOBAL LOW CARBON MARKETS FOR INNOVATIVE BUSINESSES**

### AGEING POPULATION

CHALLENGE  
**BY 2041 THE NUMBER OF PEOPLE IN SCOTLAND AGED 65+ IS EXPECTED TO RISE BY 413K**

OPPORTUNITY  
**DEVELOPING NEW PRODUCTS AND SERVICES TO SUPPORT HEALTHY, ACTIVE AND PRODUCTIVE AGEING GLOBALLY**

## HIGHER & FURTHER EDUCATION



**4** OF OUR UNIVERSITIES ARE IN THE WORLD'S TOP 200



**6** OF OUR COLLEGES ARE IN THE WORLD SKILLS UK TOP 10

**£1BN** HIGHER EDUCATION R&D AND GROWN BY 50% SINCE 2001

### INWARD INVESTMENT

#### SCOTLAND PERFORMS WELL IN INWARD INVESTMENT

Helped by a combination of high workforce quality, supportive business environment and world-leading research

**TOTAL NUMBER OF PROJECTS SECURED LAST YEAR REMAINS HIGHER THAN ANY YEAR PRIOR TO 2015**

**LEADING UK LOCATION OUTSIDE OF LONDON FOR GLOBAL INVESTMENT FOR THE SIXTH YEAR OUT OF SEVEN**

## PEOPLE AND IDEAS

In order to respond to the current state of the economy and the changes to come, we will collaborate with our partners to articulate the characteristics of the learning and skills, and the research and innovation systems of the future.

### Scotland in the 2030s – A human future

Human capital, in the form of our population’s skills, is society’s most important resource and the foundation for inclusive economic growth, wealth creation, creativity, and a fairer and just society.

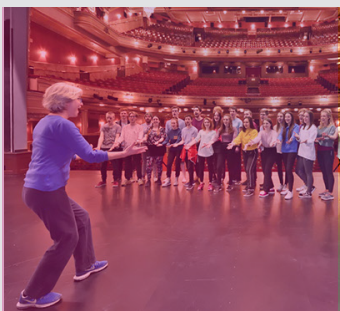
To ensure Scotland retains a skilled workforce, capable of driving achievement of our ambitions for economic competitiveness and inclusive growth, we are collaborating with Skills Development Scotland (SDS) and others to chart out a collective vision that we are calling: Scotland into the 2030s – A Human Future.

### A research and innovation rich future

Our ability to develop new knowledge, understanding and know-how will be fundamental to delivering economic value, creating social and cultural impact, enhancing Scotland’s international reputation and attractiveness, and making the world around us prosperous, healthier and more sustainable.

The characteristics which these systems will need to develop, to respond to the opportunities and challenges of the future, are described in detail in Annex 3 and Annex 4.





## BUILDING ON OUR STRENGTHS

We are starting from a position of great strength in tertiary education and research in terms of the outcomes delivered by colleges and universities, and their contribution to economic prosperity, and the social and cultural life of Scotland.

### Celebrating success

- Nearly half of Scotland's population is qualified at levels equivalent to Higher National Certificate (HNC) and above.
- Four universities in the top 200 in the world (per head of population only Switzerland achieves better).
- Four universities in the top 50 of the inaugural THE Social Impact rankings. These measure wider contributions to the UN's sustainable development goals, such as sustainability, tackling inequality and climate action.
- Six of our colleges in the top 10 – and two ranked in first place for the last five years – for Worldskills UK, a movement that inspires skilled young people, technicians and apprentices, to reach their full skills potential.
- Eight world-leading Innovation Centres established, which are developing new ways to bring the knowledge and expertise of our colleges, universities and their staff to the forefront of business improvement.
- Universities and colleges that are attractive to international students, welcoming nearly 55,000 each year from overseas.

- Glasgow School of Art and the Royal Conservatoire of Scotland ranked in the top 20 in the world for art and design and performing arts respectively.
- Very high levels of student satisfaction with our colleges and universities.
- High levels of satisfaction among employers who recruit young people from college and university.
- Scotland has the highest average number of citations of its published research per researcher, 27% ahead of the nearest comparator country and 63% ahead of the UK average between 2007-2015.
- 77% of university research is 'internationally excellent' or 'world leading', outperforming the UK as a whole.
- Our colleges work closely with schools and employers to ensure a seamless learner journey, with over 5,200 senior phase pupils studying vocational qualifications delivered by colleges in 2017-18, an increase of 15.7% from the previous year.
- Our universities are key partners for significant parts of Scotland's public sector, with around 6,500 dentists, doctors, nurses and teachers graduating each year.
- Increasing numbers of people from deprived areas are entering further and higher education.
- Diversity and choice in the types of tertiary institutions and in their learning provision, which meets diverse needs and sustains wider cultural benefits.



## BUILDING ON OUR STRENGTHS

### A major contribution to economic prosperity

Our colleges, universities and small specialist institutions also make a crucial contribution to our economic prosperity. They are large businesses in their own right, employing nearly 50,000 people and generating a total income of £4.5 billion of local and regional economic activity.

Tertiary institutions create and attract talented and skilled people for our workforce, and provide a range of pathways to creativity and transferable skills for life. They unlock opportunities for generations of disadvantaged individuals and their families, and their ability to engage flexibly with specific employer needs, particularly in the college sector, makes a critical contribution to economic growth.

The ability to turn research into innovation is an important contribution to addressing specific weaknesses in the economy, such as lagging productivity or low business investment in R&D. Investment in R&D from Scotland's universities stands at around £1 billion in 2017 and they conclude around 20,000 contracts annually for knowledge exchange with Scottish organisations. They also have a track record of creating dynamic new businesses and developing an entrepreneurial culture in Scotland. The number of student start-up companies has grown by 53% since 2015, to 661 active companies.

Tertiary institutions are unique assets in terms of attracting foreign direct investment through the development of a strong talent, research and innovation base, and enhance our international reputation through their networks and soft power, as global ambassadors for Scotland. They are exporters in their own right, contributing around £1.7 billion. They help to ensure we remain an open and connected nation and contribute to solving global challenges that enhance our quality of life and general wellbeing.

Many universities, colleges and specialist institutions are anchor institutions in local and regional communities, as place-makers, connecting with local economic, social and regeneration needs, and providing inclusive spaces and civic resource centres.

### Social and cultural importance

Our colleges, universities and two small specialist institutions are vital to Scotland's social and cultural life. They foster citizenship, creativity and open debate, generating intellectual and artistic impacts that matter in their own right, for human flourishing, and which help shape the nation we want to be.

Their international connections, both through students and researchers who come to Scotland and through their global networks and exchange programmes, make a vital contribution to Scottish society and bring a richness and cultural diversity to Scotland. For example, in 2016-17 almost 2 million people attended public lectures, arts performances and other cultural activities in the sector.

Quite simply, the education we fund changes lives for the better – for individuals and for wider society. It enhances self-knowledge, creates aspiration and ambition, helps knowledge exchange and is a powerful engine for social empowerment. It encourages people, young and old, to develop to their fullest potential and to live more fulfilling and rewarding lives. It develops people who are curious and who can provoke and challenge us to understand more clearly the world around us, and make sense of our complex lives.

So, as we focus on impacts, economic outcomes and prosperity, we must also celebrate the important cultural and societal benefits, the creative exports and capital and wider public value, we derive from supporting a thriving tertiary education system in Scotland and from our world-leading small specialist institutions.





WE WILL CONTINUE TO GIVE A HIGH PRIORITY TO PROMOTING WIDER ACCESS TO, AND PARTICIPATION IN, TERTIARY EDUCATION.

## WHAT WILL BE DIFFERENT ABOUT SFC IN THE NEXT THREE YEARS?

Our approach is shaped by the Scottish Government's policy and funding environment. This means we will continue to give a high priority to promoting wider access to, and participation in, tertiary education; meeting our targets for learning provision; providing expert and effective stewardship of public funds; championing equality and diversity, student engagement and student voice; supporting research excellence and innovation; and being involved in other activities that help achieve national outcomes.

We recognise that the environment we work in will be challenging. We will need therefore to continually adapt our approach and proactively influence that environment.

In order to seize the opportunities and address the challenges described earlier, and better influence our funding and policy context, we will bring a new focus in these ten areas:

1. **Future-proofing:** We will track better the disruptive forces and trends that will shape the future for our learners and the world of work. This will include developing discussion pieces to help us thrive in a changing world. It will also involve a deeper understanding of UK, European and international developments. Keeping Scotland ready for tomorrow's world will mean investing in research today.
2. **System design:** We will create greater opportunities for colleges, universities and specialist institutions to consider with us how to deliver stretching outcomes within tight public funding settlements, using refreshed funding models and dynamic policy objectives that enhance our contribution to inclusive economic growth.
3. **Championing learners:** We will challenge and support institutions to be more responsive to students, in terms of access, choice, design and delivery of the curriculum, gender balance across subjects, the quality of experience across all aspects of a student's learner journey, and whether students feel equipped for the next stages of their lives.
4. **High quality learning:** We will sharpen our focus on Scotland's distinctive approach to quality enhancement, building even deeper engagement with learners and teachers, and ensuring that the frameworks and focus of quality assessment agencies fully support student success.



Our investment in teaching supports approximately 500,000 students each year.



We have four universities in the top 200 in the world.

## WHAT WILL BE DIFFERENT ABOUT SFC IN THE NEXT THREE YEARS?

5. **Future skills:** Work more closely, and with greater synergy, with Skills Development Scotland and our tertiary institutions, to develop a more dynamic, responsive skills ecosystem that helps to create an adaptive, resilient and future-proofed workforce and which responds to the impacts of Brexit. This will also involve a stronger focus on up-skilling, re-skilling and lifelong learning, and using our funding levers to drive the change Scotland needs.
6. **Economic partnerships:** Step up and set a new pace in our contribution to the Enterprise and Skills Strategic Board, particularly on skills alignment, exports and innovation. This will involve exploring our role in regional economic partnerships to ensure colleges, universities and specialist institutions connect effectively with employers, industries and economic opportunities. We will align more effectively estate strategies, planning for provision, and match funding.
7. **Promoting Scottish interests within the rest of the UK:** Strengthen our relationship with UKRI to protect and promote Scotland's scientific, research and innovation interests; and with the Office for Students in England, quality assessors and data collectors across other parts of the UK. This will place a premium on our coordination role.
8. **International focus:** Develop our European and international capabilities to learn from other countries, mitigate the potential impact of Brexit, create the conditions for success overseas and enhance Scotland's ability to attract and retain talent and investment, while recognising the importance of an internationalised student body and curriculum for the intercultural competencies our graduates need in the global marketplace.
9. **Enhanced data analytics:** Enhance our digital and analytical capability to make better use of the data we collect, improve its currency and value to more partners, particularly on learner journeys and outcomes. This should shape policies and accelerate coherent and connected pathways for learners. It will also involve developing a suite of key performance measures and regularly publishing more national level analyses, evidence and evaluations.
10. **Communication:** We will communicate SFC's work with the sector, media and the public more meaningfully, using analytical commentary, enhanced data visualisations, and digital design aids to better illustrate the impact of the work we do and the contribution our sectors make to the economic, social and cultural life of Scotland and beyond.

To engage in the agendas that matter and to step up and make a difference, we will make the most of our talent, expertise and collective knowledge across the institutions and agencies with which we work. We will need to be an organisation that adds value, and remains accountable for the significant public investment we make annually.

## **ANNEXES**

### **Annex 1:**

Our contribution to the  
National Performance Framework

### **Annex 2:**

Our contribution to the priorities  
of the Enterprise & Skills Strategic Board

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Learning & Skills System Characteristics

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– System Characteristics



“ ”

TO FOCUS ON CREATING A MORE SUCCESSFUL COUNTRY WITH OPPORTUNITIES FOR ALL OF SCOTLAND TO FLOURISH THROUGH INCREASED WELLBEING, AND SUSTAINABLE AND INCLUSIVE ECONOMIC GROWTH.

## ANNEX 1: OUR CONTRIBUTION TO THE NATIONAL PERFORMANCE FRAMEWORK

Scotland’s National Performance Framework sets out that the Purpose of Scottish Government and its public bodies is: *“To focus on creating a more successful country with opportunities for all of Scotland to flourish through increased wellbeing, and sustainable and inclusive economic growth”*.

This Purpose is supported by 11 National Outcomes, and aims to get everyone in Scotland to work together to achieve these outcomes.

We have given below some examples of how SFC is currently contributing to each of these 11 National Outcomes. This will develop as the NPF develops.

### Economy

- Our leadership, funding and support enable colleges, universities and specialist institutions to contribute across all aspects of the National Performance Framework – as educators, researchers, employers, businesses, and anchors in their communities.
- Our investment in national Innovation Centres in key economic sectors helps turn college and university research, development and expertise into innovation, which stimulates business productivity.
- We invest in a range of initiatives that help build links between colleges, universities and businesses.
- Our funding of teaching, learning and skills provides a pipeline of talented and skilled people into the workforce every year, and supports the development of those already in the workforce.
- We invest in initiatives that support enterprise education and the ambitions of students who want to start their own businesses.
- Our Flexible Workforce Development Fund helps employers to develop their staff through up-skilling and re-skilling.
- Our joint work with Skills Development Scotland will help transform the skills system in Scotland and ensure that future provision meets the demand for skills at regional and national levels and in different sectors of the economy.
- Our strategies for widening participation to tertiary education for students from disadvantaged backgrounds will contribute to inclusive economic growth.

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## ANNEX 1: OUR CONTRIBUTION TO THE NATIONAL PERFORMANCE FRAMEWORK

### Human Rights

- Our Outcome Agreements with colleges, universities and specialist institutions promote equality, diversity and the elimination of discrimination.
- We fund initiatives that promote equality and diversity and help tertiary institutions fulfil their equality and diversity ambitions.

### Culture

- Our tertiary education system is vital to the development of a creative, vibrant culture in Scotland through intellectual and artistic projects.
- We support unique specialist institutions that are vital to the cultural life of Scotland, including the Royal Conservatoire of Scotland, Glasgow School of Art and Sabhal Mòr Ostaig.
- Our colleges, universities and specialist institutions welcome a diverse range of students who enrich the cultural life of the student population and the wider community.
- Our colleges, universities and specialist institutions provide a pipeline of talent for the creative industries and support the development of people working in the arts and culture.

### Environment

- Our funding for research and innovation supports the development of technologies and expertise in colleges and universities aimed at reducing carbon emissions and protecting the environment.
- Our funding and support for estates projects contributes to carbon reduction in the college and university sectors.
- Our Outcome Agreements require colleges, universities and specialist institutions to demonstrate leadership and a whole-institutional approach to achieving environmental sustainability.
- SFC is committed to environmental sustainability in its own operations.

### Health

- People who have experienced tertiary education live longer, healthier lives.
- Our funding of research and innovation supports ground-breaking developments in healthcare.
- Our funding of teaching, learning and skills supports the development of the NHS and social care in Scotland.
- Our joint work and action plan with NHS Education for Scotland supports the training and development of staff in the NHS, ensuring that patients and their families get the best health and social care possible from well-trained and educated staff.
- We are implementing agreed actions to support improved mental health, including institutional mental health strategies and Student Mental Health Agreements.

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## ANNEX 1: OUR CONTRIBUTION TO THE NATIONAL PERFORMANCE FRAMEWORK

### Fair Work and Business

- Our Outcome Agreements require colleges, universities and specialist institutions to promote gender equality in relation to their staff and governing bodies.
- Colleges, universities and small specialist institutions are implementing enhanced governance arrangements, including involvement of trade union nominated members on governing bodies.
- We support the national bargaining process in the college sector.
- We support business innovation and the growth of businesses through our investment in a range of initiatives, including through national Innovation Centres, our College and University Innovation Funds, and our support for enterprise education.
- We fund Interface, in partnership with SE and HIE. Interface acts as a central hub connecting businesses to research, development and expertise in all of Scotland's colleges and universities.
- We have invested in ground-breaking work at the Scottish Centre for Employment Research at the University of Strathclyde, which is playing a central role in development of the Scottish Government's approach to Fair Work.

### Education

- We invest £1.8 billion of public money in tertiary education each year to make Scotland the best place to learn, educate, research and innovate.
- Our funding helps to ensure that Scotland has a workforce that ranks amongst the best in the world in terms of educational attainment.
- Our frameworks for enhancing the quality of learning in colleges, universities and specialist institutions help to promote Scotland's reputation for a high quality learning experience.
- We champion the learner voice in all aspects of their educational experience through our quality enhancement frameworks and support for Student Partnerships in Quality Scotland (sparqs).
- Our funding for research helps to ensure that Scotland has an internationally competitive research base, which provides a foundation for innovation driven growth in the economy.

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## ANNEX 1: OUR CONTRIBUTION TO THE NATIONAL PERFORMANCE FRAMEWORK

### Children

- Our work on widening access to learning – including our Schools for Higher Education Programme – supports regional collaborations between schools, colleges and universities and aims to increase participation in tertiary education for children at risk of not achieving their full potential.
- We invest in a range of initiatives aimed at supporting the educational attainment of school pupils, including the development of vocational pathways from schools to college and our support for access to High Demand Professions, such as medicine, for young people from disadvantaged backgrounds.
- Our Outcome Agreements and funding support students who have been care experienced either as children or at other points in their lives.

### Communities

- Universities and colleges are often anchor institutions, helping develop the economy, society and culture of their cities and regions.
- Our funding and support for many colleges and universities ensures there is a range of educational provision available in fragile or remote rural and island communities.
- Students and staff of colleges and universities contribute to their local communities and enhance diversity.

### Poverty

- Our strategies for widening access to learning aim to increase and support the number of students from disadvantaged backgrounds going to university.
- Our colleges have a strong record of recruiting students from deprived backgrounds and building pathways which allow those students to progress to university.
- Our investment in Developing the Young Workforce encourages high quality work experience and provides routes out of poverty and into employment.

### International

- The quality of our system of tertiary education and research acts as a magnet for international talent and investment and helps to promote Scotland's reputation across the world.
- Scottish students benefit from participating in international mobility and study schemes.
- Our framework for the quality enhancement of higher education is accredited internationally and recognised for its excellence.
- Strong international research collaborations promote networks of influence and income.
- We support the role that the Royal Society of Edinburgh – Scotland's National Academy of the Sciences, Arts and Humanities, and Commerce – and Connected Scotland play in promoting Scotland's research base internationally.

Partners



## ANNEX 2: OUR CONTRIBUTION TO THE PRIORITIES OF THE ENTERPRISE & SKILLS STRATEGIC BOARD

The National Performance Framework's National Outcomes will influence our system of enterprise and skills. In particular:

- We have a globally competitive, entrepreneurial, inclusive and sustainable economy.
- We have thriving and innovative businesses, with quality jobs and fair work for everyone.
- We are well educated, skilled and able to contribute to society.

To support these, the Enterprise and Skills Strategic Board's **Strategic Plan** (October 2018) provided clarity around strategic direction to all the agencies and a blueprint to Government to turn up the dial on productivity and drive inclusive and sustainable economic growth. Crucially, it reiterated that our desire is for Scotland to rank in the first quartile of OECD countries for productivity, equality and wellbeing, and sustainability.

The Strategic Board considered a wide range of issues that could impact positively on productivity and identified four initial missions where economic performance could be improved rapidly and sustainably:

- **Business models, work place innovation and Fair Work (BM)** – promoting and supporting the development of highly capable businesses with long-term strategic orientations, which utilise progressive workplace practices, technology, skilled resources and innovation to remain competitive.

- **Skills for the Future (SfF)** – encourage and enable a shift to a more demand-led skills system that better responds to the current and future skills needs of employers and individuals, including expanding work based learning, and increasingly supports individuals to up-skill and re-skill.
- **(BCG)** – help to create a nation of dynamic and high achieving entrepreneurs, targeting global market opportunities, capitalising on Scotland's unique assets, and using innovation as a key driver of growth.
- **Exports (Exp)** – increase export growth through the number of businesses and value of exports – sustaining and growing the value of Scotland's trade with new and emerging markets by better understanding product, services and in-country demand, and increase the number of exporters through broader and deeper reach at regional levels.

We are working with our partner agencies to progress these missions and developing future work on innovation. The actions are reflected in our one-year Operating Plan (Annex 3), and are summarised as follows.



	STRATEGIC BOARD ACTIONS	HIE	SE	SDS	SFC
BCG A1	Establish a campaign to foster entrepreneurship and ambition across society, with particular focus on inclusivity (including women, minority ethnic groups, rural considerations etc).	●	●		●
BCG A2	Create a main online entry point as part of a wider transformation to a truly digitally-enabled business support service providing rapid, tailored support.	●	●	●	●
BCG A3	Boost overseas acquisitions through specialist support for scale up from new public/private/SNIB collaboration.	●	●		
EXP A1	Coordinate a national exporting service – a one Scotland approach to export delivery organisation and services.	●	●		●
EXP A2	Explore new public/private sector partnerships which will provide support to scale-up, and refresh export support resources.	●	●		
EXP A3	Develop digital, sales and international language training programmes for exporters.	●	●		●
BMW1 A1	Deliver an ‘Innovating Workplaces’ campaign to create awareness of productivity issues of business models, workplace innovation and Fair Work.	●	●	●	●
BMW1 A2	Utilise data-led approaches to proactively identify and support sectors and firms who can exploit opportunities for growth or to enhance their resilience.	●	●	●	
BMW1 A3	Coordinate a programme of business models and workplace innovation activity that is driven by agency-fluid teams.	●	●	●	●
FS A1	Implement the 5-stage skills alignment model and a one system approach for learners and employers.			●	●
FS A2	Define the meta-skills for use in future skills provision.			●	●
BCG R2	Review greater scope for working with Business Gateway, specifically the best way to support start ups.	●	●		
BCG R3	Build on existing Brexit readiness work to strengthen Scottish-level response.	●	●	●	●
BCG R4	Support Scotland’s businesses to respond to challenges by leveraging maximum funds from the Industrial Strategy Challenge Fund.	●	●		

In taking these activities forward, we are developing new forms of joint decision-making with our partner agencies, including:

- Undertaking ambitious work with Skills Development Scotland on skills alignment, which will lead to joint decisions by both organisations on learning provision.
- Collaborating with Skills Development Scotland to consider how best to fund and deliver apprenticeships in future.
- Working with Highlands and Islands Enterprise and Scottish Enterprise on the next phase of development and investing in the Innovation Centres.
- Working with partners to support the establishment of the South of Scotland Enterprise Agency, and taking forward the Agency’s £6.5M investment in new ways to access further and higher education in the region.

## ANNEX 3: OPERATING PLAN 2019-20

The letters beside each action refer to the Enterprise and Skills Strategic Board's four missions (Annex 2).

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
To invest in education that is accessible to learners from all backgrounds, gives them a high-quality learning experience, supports them to succeed in their studies, and equips them to flourish in employment, further study and fulfilling lives.	To invest in excellent research and innovation that adds to current knowledge, delivers economic and societal value, enhances Scotland's international reputation and attractiveness, and makes the world around us prosperous, healthier and more sustainable.	To ensure colleges, universities and specialist institutions form part of a successful, world-leading, coherent and sustainable system of education that responds effectively to the future needs of learners and the skills needs of the economy and society, enhances our rich cultural life, and strengthens Scotland's international connections.	To be an excellent, outcome-focused public body that provides leadership, inspires confidence, models collaborative working, is committed to continuous improvement, and stewards public resources well.
<p><b>What we will focus on:</b> Improving access to education for learners from the most disadvantaged backgrounds, putting learners at the centre of our quality enhancement arrangements, and working with Skills Development Scotland and other key partners to improve the skills system in Scotland.</p>	<p><b>What we will focus on:</b> Strengthening the international competitiveness of the research base in Scotland and the effectiveness of the innovation system.</p>	<p><b>What we will focus on:</b> Developing the system of tertiary education in Scotland, including the connections between schools, colleges, other forms of training, and universities, and by promoting strong governance, equalities, financial sustainability, and carbon reduction.</p>	<p><b>What we will focus on:</b> Developing our core capabilities, strengthening our relationships with key partners, and demonstrating our leadership and effectiveness as one of Scotland's major public bodies.</p>

Continues on following pages

## ANNEX 3: OPERATING PLAN 2019-20

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<p>What we will do:</p> <ul style="list-style-type: none"> <li>Invest in the development of a system of tertiary education that is accessible and diverse and provides opportunities for all of Scotland's people (SfF).</li> <li>Make sure that our investment in colleges and universities delivers the training and skills needs of students and employers (SfF).</li> <li>Ensure that all students benefit from an inspiring, high-quality education (SfF).</li> <li>Ensure that people are able to return to learning throughout their lives so that they can develop new skills, up-skill or re-skill. (SfF).</li> </ul>	<p>What we will do:</p> <ul style="list-style-type: none"> <li>Support the continued development of a world-leading internationally competitive research base that attracts the most talented international researchers to Scotland.</li> <li>Help universities to attract external sources of research funding, including from UKRI.</li> <li>Ensure that Scotland's universities and colleges are connected globally, with strong collaborations and access to international research facilities.</li> <li>Ensure that colleges and universities are improving their links with business (BCG).</li> </ul>	<p>What we will do:</p> <ul style="list-style-type: none"> <li>Play our part in creating a connected and coherent system of learning, so that students can move easily and successfully through their learning journey into employment and study (SfF).</li> <li>Develop with key stakeholders a dialogue to consider how to deliver stretching outcomes within tighter public funding settlements, using refreshed funding models and dynamic policy objectives.</li> <li>Promote the development of high-performing colleges and universities which are well-led and governed and financially sustainable.</li> <li>Support development activity for staff in tertiary institutions to enable them to deliver high quality learning, research and innovation.</li> <li>Promote investment in modern, outstanding and inspiring buildings and facilities for learners, researchers and innovators.</li> <li>Help colleges and universities to be pioneering in how they achieve environmental sustainability.</li> </ul>	<p>What we will do:</p> <ul style="list-style-type: none"> <li>Take a leadership role to develop Scotland's system of tertiary education and prepare it for the future</li> <li>Manage our funding and investments strategically to achieve the greatest impact.</li> <li>Provide high quality evidence, analyses and advice.</li> <li>Increase our capacity to support debate of key and emerging issues.</li> <li>Become an exemplar public body in managing and developing our people and resources.</li> </ul>

Continues on following pages

## ANNEX 3: OPERATING PLAN 2019-20

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<p>This will include:</p> <ul style="list-style-type: none"> <li>Using our Outcome Agreement process, to support colleges, universities and small specialist institutions to achieve our shared ambitions for widening access to learning (BM).</li> <li>Driving forward the implementation of the recommendations from the Commission for Widening Access, to ensure that people are able to meet their potential regardless of their background (BM).</li> <li>Promoting and investing in initiatives that support equality and diversity in colleges and universities (BM).</li> <li>Working in partnership with colleges and universities on adopting and working with the Toolkit for tackling gender-based violence (including its adaptation for colleges), and putting in place arrangements to report on progress (BM).</li> </ul>	<p>This will include:</p> <ul style="list-style-type: none"> <li>Prioritising our investment on supporting world-leading and internationally competitive research.</li> <li>Contributing to the preparations by the UK funding bodies for the 2021 Research Excellence Framework.</li> <li>Supporting the development of coherent, national research and innovation strategies for Scotland.</li> <li>Exploiting strong connections with UKRI.</li> <li>Working to develop a broad recognition of, and support for, research in all disciplines and the fundamental and applied contribution they all make.</li> <li>Investing in the training and development of postgraduate teaching and research students.</li> </ul>	<p>This will include:</p> <ul style="list-style-type: none"> <li>Creating improved learner journeys by working with colleges, universities and the schools system to identify and support new models, building on the 15-24 Learner Journey Review and the National Articulation Database (SfF).</li> <li>Driving delivery of the STEM Education and Training Strategy, including leading on the delivery, monitoring and reporting of relevant actions under the Strategy.</li> <li>Supporting Skills Development Scotland, colleges and universities, in developing the apprenticeship family and other work-based learning pathways in support of economic and inclusive growth (SfF).</li> <li>Exploring our role in regional economic partnerships to ensure that colleges and universities connect effectively with local employers, economic opportunities, estate strategies, planning for provision, and match funding.</li> </ul>	<p>This will include:</p> <ul style="list-style-type: none"> <li>Strengthening our relationships and collaborative working with key partner bodies, including the Enterprise and Skills Strategic Board, the enterprise and skills agencies, UKRI and NHS Education for Scotland.</li> <li>Seeking opportunities to develop effective shared services with partner bodies.</li> <li>Developing our European and international capabilities.</li> <li>Enhancing our data, digital and analytical capability, including implementation of the recommendations of the SFC Analytical Unit review with a focus on the pillars of the Code of Practice for Statistics.</li> <li>Communicating effectively, managing our reputation and looking at how SFC can better illustrate the impact of all its work (including its support for learning, research and innovation) through data, visuals and stories that are publicly accessible and engaging.</li> </ul>

Continues on following pages

## ANNEX 3: OPERATING PLAN 2019-20

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<ul style="list-style-type: none"> <li>Supporting the implementation of the Scottish Government's strategy for Developing the Young Workforce, including actively targeting college regions where further expansion is required and engaging with local government Directors of Education to support a coordinated approach to provision and curriculum planning (SfF).</li> <li>Implementing agreed actions to support improved mental health, including institutional mental health strategies and Student Mental Health Agreements (BM).</li> <li>Developing the quality assurance and enhancement frameworks for learning around strong self-evaluation and externally validated outcomes.</li> <li>Working to protect the interests of the Scottish university sector, in the context of the changing regulatory framework in England.</li> </ul>	<ul style="list-style-type: none"> <li>Investing in and promoting initiatives aimed at transforming the innovation environment in Scotland, including Innovation Centres in key sectors of the economy (BCG).</li> <li>Using our investments in the College Innovation Fund and University Innovation Fund to stimulate greater economic, social and cultural benefits from the work of colleges and universities.</li> <li>Contributing to the development and delivery of the National Manufacturing Institute Scotland (NMIS), ensuring it leverages Scotland's wider university and college capability to help make Scotland a global leader in advanced manufacturing (BCG).</li> </ul>	<ul style="list-style-type: none"> <li>Work with the Scottish Qualifications Authority, colleges and universities to enhance further entrepreneurship, ambition, international awareness and digital skills in course design (BCG and Exp).</li> <li>Supporting colleges to enhance effective partnerships with employers and industry groups, building on the work already underway with Education Scotland and with the development of an Employer Engagement Framework (BM and BCG).</li> <li>Delivering Year 3 of the Flexible Workforce Development Fund (FWDF), ensuring that it responds to the needs of employers and the economy, while also considering the role of the FWDF in the wider upskilling and retraining agenda (BM, BCG and SfF).</li> <li>Reviewing college sector regional board arrangements for self-evaluation of performance, governance and performance of colleges assigned to them.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrating high standards of corporate governance and public administration.</li> <li>Developing effective funding strategies through a strong working relationship with colleges, universities, other partners and Scottish Government.</li> <li>Evaluating the effectiveness of our investments and policy interventions to ensure that the evidence is used to inform future strategies.</li> <li>Investing in the learning and development of all our staff and their contribution to the success of the organisation (SfF).</li> <li>Contributing to a more equal society by embedding equality and diversity across our functions and by placing good relations at the heart of our organisation (BM).</li> <li>Reducing our carbon footprint.</li> </ul>

Continues on following pages

## ANNEX 3: OPERATING PLAN 2019-20

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<ul style="list-style-type: none"> <li>• Implementing the 5-stage skills alignment model with Skills Development Scotland (SfF).</li> <li>• Responding to Scotland’s post-Brexit skills needs (SfF).</li> <li>• Promoting ‘meta-skills’ and ‘meta-learning’ in the learning curricula (SfF).</li> <li>• Supporting implementation of the Skills Action Plan for Rural Scotland by leading on specific actions and working in partnership with others to deliver key priorities (SfF).</li> <li>• Ensuring that our funding methods and Outcome Agreements incentivise colleges and universities to provide learning and skills provision for those who want to develop new skills, or enhance their existing skills and learning (SfF).</li> <li>• Identifying how the value of provision supporting the creative industries can be better reported and where improvements are needed, and supporting Screen Scotland’s work to drive growth in Scotland’s television and film sectors (SfF).</li> </ul>	<ul style="list-style-type: none"> <li>• Identifying and exploiting opportunities for investment through the UK Industrial Strategy Challenge Fund.</li> <li>• Using the full potential of <i>Scotland is Now</i> to support the sustained internationalisation of universities, contributing to its development where appropriate (Exp).</li> <li>• Building connections with partner agencies overseas, using Scottish Government’s Hub network, the UK Government’s Science and Innovation network, the partnerships of the RSE and the UKRI overseas office network to maximum effect (Exp).</li> <li>• Supporting universities to maintain EU networks, including through <i>Connected Scotland</i>, as well as influencing UK Government and UKRI on effective deployment of replacement funding sources.</li> </ul>	<ul style="list-style-type: none"> <li>• Advising Scottish Government on the scope for improving the efficiency and effectiveness of the college sector regional strategic bodies (RSBs) and the extent to which the RSBs are meeting the aims of regionalisation.</li> <li>• Maintain, and if possible enhance, investment in existing programmes supporting entrepreneurship for students in colleges and universities (BCG).</li> <li>• Developing and refining the Outcome Agreement process to ensure that Outcome Agreements focus on key strategic priorities, and reflect the perspectives of all key partners (including student associations).</li> <li>• Promoting continuous improvements in the quality of governance (BM).</li> <li>• Supporting implementation of the decisions arising from the Good Governance consultation in the college sector.</li> </ul>	

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## ANNEX 3: OPERATING PLAN 2019-20

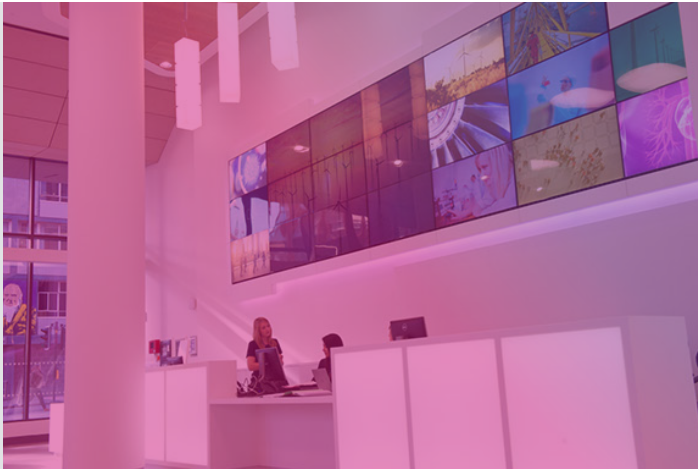
OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<ul style="list-style-type: none"> <li>Working with the college and university sectors to identify existing provision that could be adapted or developed for digital, sales and international language training programmes for exporters (Exp).</li> <li>Continue development of the jointly-funded MIT-based programme, including transitioning it for delivery by Scottish HEIs (BM).</li> <li>Working with partners, revisiting the allocation of ESOL Strategic Funds to better meet local ESOL need, including the development of joint delivery plans with Community Planning Partnerships and allowing colleges sufficient flexibility to allow all ESOL learners to be supported to participate in non-accredited provision.</li> </ul>		<ul style="list-style-type: none"> <li>Working with the university sector, implementing the recommendations of the report on lessons learned which we published jointly with the Robert Gordon University.</li> <li>Monitoring the financial sustainability of colleges and universities, engaging with them when there are particular challenges.</li> <li>Using our expertise, knowledge and experience to help develop and implement transformational estate projects.</li> <li>Identifying a suitable revenue funding model for future investment in the college sector and working with the Scottish Government to develop and publish clear guidance on the disposal of property within the college sector.</li> <li>Developing a medium term investment plan covering the physical and digital college estate, building on our prioritisation framework.</li> </ul>	

Continues on following page

## ANNEX 3: OPERATING PLAN 2019-20

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<ul style="list-style-type: none"> <li>Implementing the required increases in courses supporting the expansion of Early Learning and Childcare (ELC), including exploring greater flexibility in delivery of courses to widen the training options available.</li> </ul>		<ul style="list-style-type: none"> <li>Developing and publishing clear guidance on the disposal of property within the college sector.</li> <li>Further developing the university sector evidence base for the sector's year-on-year life-cycle and backlog maintenance needs in order to determine strategic priorities for investment in relation to both direct capital investment and Financial Transactions.</li> <li>Prioritising and implementing carbon reduction capital investment programmes to meet the Climate Change Act targets and to respond to the Scottish Government's renewed focus.</li> <li>Supporting college and university contributions to the UN Sustainable Development Goals.</li> <li>Supporting the connections which colleges and universities have to the civic and cultural life of Scotland.</li> <li>Promoting and supporting Scotland's minority indigenous languages (Gaelic, Scots, BSL).</li> </ul>	





## ANNEX 4: SUMMARY PERFORMANCE MEASURES

We will work closely with our partner agencies and the Analytical Unit of the Enterprise and Skills Strategic Board to ensure that our delivery against the Strategic Board's Strategic Plan can be demonstrated clearly through its developing Performance Framework.

We will track progress and change through the following measures, which contribute to the short, medium and long-term objectives of the Strategic Board and to the National Performance Framework's outcomes. The specific measures set out in this annex are not intended as precise indicators of progress against the relevant objective and, therefore, they should not be read in that way. But they do provide a valuable and important context for a wider interpretation of progress, which will be included in our reports on [Outcome Agreements](#) and our [Annual Report and Accounts](#).

















































The icons beside each measure refer to the National Performance Framework outcomes (Annex 1). The letters refer to the Strategic Board's four missions (Annex 2).

















































# £1.8BN

We invest £1.8bn a year in Scotland's 17 universities, 26 colleges and 2 small, specialist institutions, from which they generate total income of £4.5bn.



## ANNEX 4: SUMMARY PERFORMANCE MEASURES

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<p>To invest in education that is accessible to learners from all backgrounds, gives them a high-quality learning experience, supports them to succeed in their studies, and equips them to flourish in employment, further study and fulfilling lives.</p> <p><b>Amount of learning</b> Scotland's colleges: delivery against FTE targets (SfF)  </p> <p>Scotland's universities: delivery against FTE targets (SfF)  </p> <p><b>Equality &amp; diversity</b> Gender share of entrants in SFC's Gender Action Plan (GAP) subjects in the college sector (BM) </p> <p>Gender share of Scottish domiciled undergraduate entrants in SFC's GAP subjects in the university sector (BM) </p> <p>Volume and proportion of Credits delivered to learners in the most deprived 10% postcode areas  </p> <p>The number and proportion of Scottish-domiciled undergraduate entrants from 20% and 40% most deprived postcodes  </p>	<p>To invest in excellent research and innovation that adds to current knowledge, delivers economic and societal value, enhances Scotland's international reputation and attractiveness, and makes the world around us prosperous, healthier and more sustainable.</p> <p><b>Research</b> Overall World ranking of top 200 research universities and relevant sub-measures (to be developed further) (BM)   </p> <p>Percentage of submissions assessed as 3* and 4* in REF 2014 and the relevant measures in REF 2021 (BM)   </p> <p>The impact of Scotland's research as reported in REF 2021 (BM)  </p> <p>Number and domicile of postgraduate students (SfF)   </p> <p>Proportion of research funding from international sources (BM)   </p> <p>Volume of international partnerships between Scottish and overseas institutions (Exp)   </p>	<p>To ensure colleges, universities and specialist institutions form part of a successful, world-leading, coherent and sustainable system of education that responds effectively to the future needs of learners and the skills needs of the economy and society, enhances our rich cultural life, and strengthens Scotland's international connections.</p> <p><b>Coherence</b> Progress against skills alignment programme (SfF)   </p> <p>Reduction in skills under-utilisation (SfF)   </p> <p>Volume and proportion of Credits delivered to learners at S3 and above as part of 'school-college' provision (SfF)  </p> <p>Volume and proportion of Credits delivered at HE level to learners from SHEP schools (i.e. Secondary schools with consistently low rates of progression to higher education) (2d) (SfF)   </p> <p>The number of senior phase pupils studying vocational qualifications delivered by colleges (SfF)   </p>	<p>To be an excellent, outcome-focused public body that provides leadership, inspires confidence, models collaborative working, is committed to continuous improvement, and stewards public resources well.</p> <p>Stakeholder perception of SFC's leadership and effectiveness </p> <p>Running costs as a percentage of total funding managed by the organisation </p> <p>Staff engagement  </p> <p>Tone of media coverage in the press </p> <p>Social media engagement </p> <p>SFC's environmental performance </p>

## ANNEX 4: SUMMARY PERFORMANCE MEASURES

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<p><b>Science, Technology, Engineering and Maths</b> Volume and proportion of Credits delivered to learners enrolled on STEM courses (SfF)  </p> <p>The number and proportion of Scottish-domiciled undergraduate entrants to STEM courses (SfF)  </p> <p><b>Work experience</b> The number and proportion of full-time learners with substantial 'work placement experience' as part of their programme of study (SfF) </p> <p><b>Success and progression</b> Reduction in skills shortages/gaps (SfF) </p> <p>Proportion of enrolled students successfully achieving a recognised qualification (SfF) </p> <p>The number and proportion of full-time college qualifiers in work, training and/or further study 3-6 months after qualifying (split by FE and HE) (SfF) </p> <p>The number and proportion of full-time first year Scottish-domiciled undergraduate entrants returning to study in year two (SfF) </p>	<p>Main sources of research income for Scottish Higher Education institutions (BM)   </p> <p>The number of research postgraduate students (FTE) (SfF)   </p> <p>Total income from the UK Research Councils (BM)   </p> <p><b>Innovation</b> Increase in income from knowledge exchange activity (BCG)   </p> <p>Number of active spin-out and start-up companies from universities which have survived at least three years (BCG)   </p> <p>Number of knowledge exchange contracts with Scottish organisations (BCG)   </p> <p>The number of SFC Innovation Vouchers (IVs) and follow-on IVs (BCG)   </p> <p>Percentage of awarded UK Industrial Strategy Challenge Fund involving a Scottish tertiary institution (BCG)   </p> <p>Total percentage of Innovate UK funding won into Scotland (BCG)   </p>	<p>The number and proportion of Scottish-domiciled learners articulating from college to degree level courses with advanced standing (SfF)  </p> <p><b>Student satisfaction</b> The percentage of students satisfied with the overall quality of their course of study in the National Student Survey (SfF)  </p> <p>The percentage of students overall, satisfied with their college experience (SSES survey) (SfF)  </p> <p><b>International</b> International student FTEs (Exp) </p> <p>Number of international staff employed by higher education institutions (Exp) </p> <p><b>Environmental sustainability</b> College sector gross carbon footprint (tCO<sub>2</sub>e) </p> <p>University sector gross carbon footprint (tCO<sub>2</sub>e) </p>	

## ANNEX 4: SUMMARY PERFORMANCE MEASURES

OBJECTIVE 1	OBJECTIVE 2	OBJECTIVE 3	OBJECTIVE 4
<p>The number and proportion of Scottish-domiciled graduates entering positive destinations (SfF) </p> <p>The number and proportion of Scottish-domiciled full-time first-degree respondents who are working in professional occupations (SfF) </p>			

## ANNEX 5: SCOTLAND INTO THE 2030S – A HUMAN FUTURE: LEARNING & SKILLS SYSTEM CHARACTERISTICS

	PEOPLE	EMPLOYERS	LEARNING ECOSYSTEM
AGILE AND ADAPTIVE	<ul style="list-style-type: none"> <li>Progress through a coherent, life-long learner journey without barriers.</li> <li>Use well-developed ‘meta-skills’ to anticipate and adapt to change in the labour market.</li> <li>Combine life-long learning and career management skills to plan and sustain their working lives.</li> </ul>	<ul style="list-style-type: none"> <li>Are forward-thinking, with a strategic approach to skills &amp; workforce development.</li> <li>Invest in the in-work re-skilling and up-skilling of their workforce.</li> <li>Use highly productive and innovative workplace practices.</li> </ul>	<ul style="list-style-type: none"> <li>Provides responsive, agile and adaptive learning, balanced to meet learner and employer demands and the needs of a culturally-rich Scotland.</li> <li>Is highly customised to the needs of learners and employers – intuitive to use, easy to navigate and access.</li> <li>Has integrated, sustainable &amp; responsive funding models.</li> </ul>
EFFICIENT AND EFFECTIVE	<ul style="list-style-type: none"> <li>Use high quality information to support lifelong learning and career choices.</li> <li>Experience flexible and personalised learning journeys.</li> <li>Achieve positive transitions from education, or career breaks, into good, fulfilling jobs.</li> </ul>	<ul style="list-style-type: none"> <li>Frequently engage and collaborate with the skills and learning system, regardless of size or sector.</li> <li>Co-design, co-deliver and co-fund learning and skills development, starting in school.</li> <li>Have their skills needs easily met, as learning responds well to employer demand.</li> </ul>	<ul style="list-style-type: none"> <li>Ensures skills planning is highly responsive and demand-led.</li> <li>Develops, recognises and rewards the acquisition of ‘meta-skills’.</li> <li>Uses sophisticated data analysis to proactively meet the needs of learners and employers.</li> <li>Makes informed skills investment, based on evaluation of the long-term outcomes &amp; effectiveness of learning.</li> </ul>
OPEN, INCLUSIVE AND FAIR	<ul style="list-style-type: none"> <li>Have equal access to learning and jobs, regardless of their personal characteristics, circumstances and location.</li> <li>Thrive in highly engaged work environments.</li> <li>Choose to stay in, or relocate to, Scotland for learning and work opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Demonstrate fair work principles and provide good, fulfilling jobs.</li> <li>Access a diverse talent pool, equipped with the skills they need.</li> <li>Actively engage in talent attraction into Scotland.</li> </ul>	<ul style="list-style-type: none"> <li>Offers equal access to all, positively supporting diversity and inclusion.</li> <li>Understands &amp; harnesses the implicit motivations of learners, employees and career changers.</li> <li>Is globally-oriented, open &amp; welcoming.</li> </ul>

## ANNEX 6: SCOTLAND INTO THE 2030s – RESEARCH AND INNOVATION – SYSTEM CHARACTERISTICS

	RESEARCH BASE	BUSINESS BASE	THE RESEARCH AND INNOVATION ECOSYSTEM
EXCELLENT	<ul style="list-style-type: none"> <li>• Has world-class facilities and equipment.</li> <li>• Is attractive to talented international researchers.</li> <li>• Provides equality of opportunity in the career progression of researchers.</li> </ul>	<ul style="list-style-type: none"> <li>• Invests in more research and development and embraces innovation.</li> <li>• Adopts and uses highly productive workplace innovation practices.</li> <li>• Recruits and develops the skills and abilities of its staff.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides a responsive, agile and customised service to businesses, the public and third sectors.</li> <li>• Is supported by a sustainable, integrated funding model.</li> <li>• Gives strong incentives to all partners to engage in innovation.</li> </ul>
CONNECTED	<ul style="list-style-type: none"> <li>• Has strong international connections with leading researchers and research institutes across the world.</li> <li>• Supports strong multi-disciplinary, inter-disciplinary and other collaborative approaches, using pooled strength to enhance global reach and competitiveness.</li> <li>• Is connected strongly with UKRI, partnering with it to influence UK research policy.</li> </ul>	<ul style="list-style-type: none"> <li>• Derives business value from strong connections with colleges, universities and Scotland’s innovation system.</li> <li>• Is connected effectively to venture capital, increasingly relying on long term patient capital to support investment.</li> <li>• Is connected to global markets with more businesses exporting.</li> <li>• Uses open innovation and innovative procurement to incentivise an innovative supply chain in Scotland.</li> </ul>	<ul style="list-style-type: none"> <li>• Connects businesses, the public and third sectors efficiently to research and development.</li> <li>• Is integrated effectively into Scotland’s economic development landscape.</li> <li>• Maximises the benefit of an integrated enterprise and skills system by aligned support for innovation and future skills development.</li> </ul>
SUCCESSFUL	<ul style="list-style-type: none"> <li>• Produces internationally competitive research which advances knowledge and understanding.</li> <li>• Is valued for the impact that research has on our economy, wellbeing and culture.</li> <li>• Is globally recognised as a leading research nation.</li> <li>• Is successfully nurturing, developing and training the research leaders of tomorrow.</li> </ul>	<ul style="list-style-type: none"> <li>• Is diverse, dynamic and resilient, with strong growth ambitions.</li> <li>• Is contributing to productivity and wage growth in the economy.</li> <li>• Has a global reputation and is attractive to international investors and talent.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports more innovation driven businesses and contributes to sustainable economic growth.</li> <li>• Champions the capabilities of colleges and universities and the capacity of businesses to innovate.</li> <li>• Uses SFC, UKRI and other routes to influence research policy – investing in the future knowledge economy.</li> <li>• Is globally oriented, open and accessible to overseas investors and partners.</li> </ul>



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