Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Guidance
Issue Date: 15 October 2020

**Upskilling Fund for
universities in AY 2020-21**

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Reference: SFC/GD/21/2020

Summary: Guidance to universities on Upskilling funding allocations for Academic Year 2020-21.

FAO: Principals/Finance Directors/Board Secretaries of Scotland's universities.

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Contents

Upskilling Fund AY 2020-21

Purpose

1. I am writing to provide you with guidance on the Upskilling Fund for Academic Year (AY) 2020-21. This stream of funding will build on AY 2019-20 activity and continue to develop the capacity of universities to offer short, flexible provision to allow people to upskill or reskill.

Context

2. The first year of the Upskilling fund was launched in September 2019 and it would be fair to say that it was not the year that any of us anticipated. The Covid-19 restrictions greatly affected the ability of institutions to deliver the totality of the proposals.

3. This guidance for academic year (AY) 2020-21 is set in the context of the COVID-19 pandemic and the need to focus efforts on recovering from the health and economic crisis. We recognise that different parts of Scotland and particular sectors of the economy will face their own specific challenges. This guidance aims to provide universities with sufficient national-level of direction, coupled with the flexibility to respond to the needs of learners and business and to align provision and activity to the recovery mission, with urgency.

Policy drivers

4. Following the publication of The Enterprise and Skills Strategic Board (ESSB) Strategic Plan, 'Working Collaboratively for a Better Scotland', in October 2018, the COVID-19 pandemic has shaken the global economy to an extent never seen in living memory. In response to this the Scottish Government's Advisory Group on Economic Recovery published its report 'Towards a robust, resilient wellbeing economy for Scotland: report on submissions to the Advisory Group on Economic Recovery' in July 2020 which states that:

> "If the monumental scale and nature of this economic shock is not a catalyst to accelerate change and to find new bold, radical interventions that will transform Scotland's economy, then nothing ever will be. We must be willing to revisit old demarcation lines without bias, and to discover new methods and levels of collaboration as we navigate our path of rehabilitation, recovery and re-imagination."

5. This funding for upskilling supports the delivery of the ESSB's strategic outcomes, the Scottish Government's Advisory Group on Economic Recovery's recommendations and SFC's strategic outcome of greater innovation in the economy. It also supports the Scottish Government's strategic priority of high quality learning in a system which is seamlessly connected for the learner. This includes learning which prepares people well for the world of work and successful long-term careers, prioritising provision that meets known skills gaps in the economy.

Aim / purpose of funding

6. SFC wants to continue to build on activity undertaken in AY 2019-20 and to further develop the capacity of universities to provide more agile support for employees and employers to upskill and reskill. This will enable the sector to be more responsive to local and national economic challenges, in particular dealing with the economic crisis from COVID-19 and the resultant unemployment.

7. We recognise that universities are already active in this area and will have further improved their employer intelligence and established relationships in order to support their potential upskilling needs. They will also often have the relevant curriculum content available as part of existing provision in order to meet those needs. The purpose of this funding therefore is to continue to innovate in finding new models to bring those things together in a rapidly changing economic situation.

Use of funding

8. We expect that universities will deliver a greater volume of activity for students in AY 2020-21 than in the first year, with a range of new material. Priority should be given to those who are unemployed or at threat of redundancy and where the learning of new skills will help them get back into employment.

Delivery of activity

9. 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 different needs and different levels of prior education, and different professions or sectors of the economy will have different requirements. Therefore for AY 2020-21 SFC would like the sector as a whole to continue to develop a range of diverse delivery models, collaborating where possible to minimise duplication by geography, delivery method and curriculum area subject to the following broad parameters:

- New provision should be shorter in duration – usually significantly shorter – than a full academic year. The rationale for this is that longer models already

exist and that for some potential students the upskilling need might be a very specific one.

- New provision should be flexible in terms of start dates, so that a potential student does not have to wait a whole year to access it.

- Universities must be able to demonstrate that all provision clearly addresses and is strategically aligned to:

  (i)   Enterprise and Skills Strategic Board (ESSB) Strategic Plan;
  (ii) ESSB Coronavirus (COVID-19): measures to mitigate the labour market impacts report;
  (iii) Advisory Group on Economic Recovery Covid-19 Economic Recovery plan;
  (iv) Other evidenced unmet skills need, related to either an identified skills gap, or a blockage to individuals progressing their careers or meeting the needs of their existing employer.

10. SFC will engage with universities to understand and agree the range of planned provision for AY 2020-21.

11. SFC expects 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, we would welcome collaborative models with other university, industry or third sector partners. We expect universities that are receiving a greater share of funding to deliver or pilot more than one model type.

Course/provision eligibility parameters

12. The following eligibility parameters are unchanged from AY 2019-20 and continue to apply:

- **Level** - Upskilling funding can be used to deliver or develop courses/provision 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).

- **Credit-bearing** - Courses/provision should normally be credit-bearing and have some form of appropriate assessment built in. If universities are planning activity which does not meet these criteria, this should be agreed with SFC in advance.

- **Accreditation** - Universities should make every practicable effort to deliver/develop accredited courses/provision that leads to a nationally recognised qualification which meets the requirements of an appropriate professional/industry/employer standard. (We acknowledge that this may take time for universities.)

- **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).

Student/learner eligibility parameters

13. 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/EU 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. If however a university is working with a Scottish employer which has a physical presence in the UK, rUK employees of that employer would be eligible.

Curriculum/course development

14. SFC expects this funding to be used to meet the cost of delivering courses/provision to learners; supported, as appropriate, by tuition fees. In this second year (AY 2020-21), we expect institutions to build on their progress from AY 2019-20, therefore a smaller proportion of the funding should be used in designing and establishing new models of delivery, recognising that the economic situation has changed significantly in the last 12 months.

15. We expect the proportion of funds used for development purposes to reduce to no more than 15% of their funding allocation in AY 2020-21.

Funding allocations for AY 2020-21

16. A breakdown of the funding for Upskilling available to each university in AY 2020-21 is shown in the Annex to this guidance.

Timeframe for delivery / funded activity

17. We expect provision to be delivered within AY 2020-21. However, given the short, flexible nature of courses/provision that is being encouraged, we are

aware that delivery may span academic years. SFC is also aware that ongoing COVID-19 related social distancing restrictions may impact on delivery timeframes.

Approval process / release of funding

18. In order to ensure that the proposed uses of the funding meet SFC's aspirations and to encourage a wide range of provision which meet the needs of the broadest range of employees and industries across Scotland, universities should report to SFC by 4 December 2020 detailing their intended use of their Upskilling funding allocation for AY 2020-21. This should include details on how each proposal meets the parameters detailed in this guidance and a template will follow for this. Reports should be sent to upskilling@sfc.ac.uk.

19. Subject to those reports being acceptable and meeting the terms of this guidance, funding will be released and paid to universities in line with SFC's standard profile. We can discuss a potential variation of that payment profile if it is required and justified.

Monitoring use of funds / reporting to SFC

20. While there are no funded student places being allocated as part of the Upskilling funding for AY 2020-21, SFC will monitor the delivery and uptake of activity through specific reporting from universities (see paragraph 22 below) and through the ongoing Outcome Agreement process.

21. As a condition of grant, universities are required to submit two reports to SFC; an interim report at the end of February2021 detailing progress on the use of their AY 2020-21 Upskilling funding allocation and a final report at the end of August 2021. These reports should include:

- Details on the development and/or delivery of courses/provision and associated costs.

- The uptake of activity, including the numbers of learners.

- The type of learners e.g. employer cohort, individual learners, Scots/EU dom or others etc.

- The number/type/level of qualifications.

- The hours/credits of learning provided.

Reports should be sent to upskilling@sfc.ac.uk.

Teaching subject prices

22. As part of SFC's assessment of value for money, we will look at the volume of activity delivered by universities from their Upskilling funding allocations, including the cost per 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	£17,155	£9,734	£8,627	£7,510	£6,639	£5,411
Price per credit (120 credits per FTE)	£142.96	£81.12	£71.89	£62.58	£55.33	£45.09

23. 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 subject price group model.

24. The above subject (gross) prices include the following assumed level of tuition fees for eligible Scottish-domiciled/EU 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.

25. We expect some 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 fee. We are not proposing to set specific parameters on the fees that universities may charge individuals or employers at this stage (though we may do so in future years based on the experience of the first years of this new programme). 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.

Further information

26. If you have any queries or require any further information, please contact:

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