

CROSS PARTY GROUP (CPG) ON SCOTLAND'S UNIVERSITIES AND COLLEGES

13.00-14.00 on 19 September 2013, Room Q1.04, Scottish Parliament

Note of Meeting

Present:

Ms Elizabeth Smith MSP	Convener of the CPG on Scotland's Universities and Colleges
Mr Marco Biagi MSP	Scottish Parliament
Ms Kezia Dugdale MSP	Scottish Parliament
Mr Hanzala Malik MSP	Scottish Parliament
Mr Ken Macintosh MSP	Scottish Parliament
Mr David Anderson	UCU Scotland
Mr Tony Axon	UCU Scotland
Ms Lesley Carcary	LEAD Scotland
Ms Roisin-Alana Di Giacomo	Glasgow Caledonian University
Ms Moira Gibson	University of Edinburgh
Mr Daniel Guild	Scottish Parliament
Mr John Henderson	Colleges Scotland
Mr Tony Jakimciw	Regional Lead for the Borders Region (Colleges Scotland)
Mr Grant Jarvie	University of Edinburgh
Ms Lesley Larg	Thorntons Law LLP
Mr Finlay MacCorquodale	Edinburgh Napier University
Prof Matthew MacIver	University of the Highlands and Islands
Mr Brendan McGuckin	Edinburgh Napier University
Mr Gordon Maloney	NUS Scotland
Mr John Mills	Heriot-Watt University
Mr Jon Moore	Scottish Enterprise
Ms Karen Murray	Skills Development Scotland
Ms Jane Scott	Queen Margaret University Edinburgh
Mr Alastair Sim	Universities Scotland
Ms Heather Sloan	Universities Scotland
Ms Claire Shepherd	Thorntons Law LLP
Ms Shona Struthers	Colleges Scotland
Mr Colin Taylor	Scottish Parliament
Mr Dan Wedgwood	Universities Scotland
Mr Philip Whyte	NUS Scotland
Mr James Wilson	Universities Scotland

Apologies:

Mr Peter Aitchison	University of Glasgow
Ms Una Bartley	Open University in Scotland
Ms Emma Beeby	Colleges Scotland
Mr Terry Brotherstone	Individual

Ms Caroline Henderson	Bellenden
Ms Susannah Lane	Universities Scotland
Dr Judith McClure	SCEN

1. Welcome and introduction from the Convenor

The Convenor, Ms Elizabeth Smith MSP, welcomed everyone to the thirteenth meeting of the Cross Party Group on the topic of the economic impact of Scotland's universities and colleges. Thanks were given to Moira Gibson and the University of Edinburgh for sponsoring the lunch for the meeting.

2. Apologies

Apologies were noted.

3. Election of Deputy Convenor

The Convenor explained that Mr Neil Findlay MSP has decided to stand down from the Group after taking on the Shadow Cabinet health portfolio. Mr Findlay's decision to step down from the Group requires the Group to elect a new Deputy Convenor as Cross Party Groups require two MSPs to be elected as office bearers.

Hanzala Malik MSP nominated Kezia Dugdale MSP for the position of Deputy Convenor who was happy to accept. John Henderson (Colleges Scotland) seconded Ms Dugdale's nomination.

There were no further nominations, so the Convenor declared Kezia Dugdale MSP as the Group's new Deputy Convenor and offered her congratulations and the congratulations of the Group.

4. Introduction to the topic of the economic impact of Scotland's universities and colleges

The Convenor introduced the three speakers on the topic of the economic impact of Scotland's universities and colleges and explained that each would present for around eight minutes followed by questions at the end of all three presentations.

Mr Tony Jakimciw, Regional Lead for the Borders Region (Colleges Scotland)

Mr Jakimciw began his presentation by talking about the human capital of Scotland and said the most important thing to drive forward the economy is the chain and pipeline of skills. Mr Jakimciw told the Group that colleges enhance Scotland's human capital and said that Scotland needs its skills pipeline as the country cannot afford to wait for years to acquire the skills it needs. Employers going forward will require high level skills and this means technical skills as well as graduates. Mr Jakimciw noted that Scotland's colleges teach over 250,000 students and 99 per cent of these are from Scotland. Mr Jakimciw listed the top ten vocational areas where colleges already have an impact and noted that this impact is in part due to the flexible nature of college delivery. Turning to funding, Mr Jakimciw said that colleges receive £0.5billion funding from the Scottish Government and the sector

is grateful for the stability of funding over the next two years. Mr Jakimciw said the college sector is an efficient sector looking to maximise public funds with the move from 41 individual colleges to 13 regions. Mr Jakimciw said that for every £1 invested in Scotland's colleges, Scotland's economy benefits by at least £3.20 and on the basis of their qualifications students generate £150million of additional income per annum. Mr Jakimciw highlighted the fact that colleges do more than directly support economic growth, with indirect contributions including improving health, reducing crime, improving social cohesion and reducing disparities. With 63 per cent of college entrants having no qualifications, colleges help to reduce benefits claims by giving people the qualifications to seek employment. Mr Jakimciw talked about the success in Dumfries and Galloway of expanding the number of students from care backgrounds by 100, 75 per cent of which went on to positive destinations. If these additional 100 students had not gone to college the cost of on-going care to the public purse could have been £90,000 each for those forced into residential care. Mr Jakimciw said that colleges are working to develop learning pathways with schools and universities in order to meet employers' skills needs. Modern Apprenticeships delivered in colleges are one such pathway and an important economic contribution through adding value to the work of SDS. The process of college regionalisation means that the skills will benefit from greater integration and will enable colleges to work more effectively with partners at a strategic level. Mr Jakimciw also pointed to the importance of enhancing skills in schools and the recommendation from Sir Ian Wood that this be done in partnership with colleges. In conclusion, Mr Jakimciw said that the economic contribution of colleges is unique as some 30,000 businesses engage with colleges each year and most of these are small and medium-sized enterprises (SMEs), the hardest to reach in terms of economic development. In the context of colleges having borne a fair share of the austerity funding cuts, Mr Jakimciw said that future investment will benefit the economy.

Ms Moira Gibson, Head of External Affairs, University of Edinburgh

Ms Gibson presented the Group with one particular example of a university's economic contribution to Scotland. Ms Gibson provided context to her contribution by looking at the University of Edinburgh's Gross Income for 2011/12 of £700 million, noting that around 25-35 per cent of this income was from the Scottish Funding Council. Ms Gibson said that Biggar Economics analysis reported that the University adds £1.2 billion Gross Value Added (GVA) to the Scottish economy and supports 23,000 jobs. Ms Gibson said the graduate premium is worth £568 million to the Scottish economy and highlighted the soft power of graduates increasing Scotland's reputation globally. The University of Edinburgh's medical research has an estimated £56 million return from its impact to improve the health of Scots. Ms Gibson told the Group about Edinburgh Research and Innovation (ERI) as a recognised UK leader in knowledge transfer and commercialisation of research across the UK. Wolfson Microelectronics, MTEM and VLSI Vision were highlighted as successful examples of spin-out companies from the University of Edinburgh, a particular strength of the University and the university sector is Scotland as a whole. The University of Edinburgh's School of Informatics, the EU's largest and most highly regarded, alone has produced 40 start-ups over past five years. Ms Gibson went on to tell the Group about the University's city region impact as the city's third largest employer and with more than 32,000 students with expenditure on housing, utilities, education, shopping and leisure amongst other activities. The University's capital expenditure on new buildings and facilities worth £37.4m to Scotland, supporting 763 jobs, and there is an institutional commitment to purchase goods and services locally where possible. Ms Gibson said that the local council recognises the University as a major factor in attracting inward investment to the city. This

led to Ms Gibson talking about the University's international contribution which includes the soft power of international students representing Scotland globally, the University's Confucius Institute that has been voted best in the world, and the University's payback to partnership countries through Global Academies, particularly in the developing world. International students also brought a boost to tourism income, with students' family coming to Scotland to visit and for graduation ceremonies. University academics act as ambassadors for the Edinburgh International Conference Centre (EICC) when it comes to attracting conferences and conventions to come to Edinburgh. Ms Gibson concluded by talking about the University's intellectual and cultural impact as well as its community impact, citing examples such as more than 2,000 students volunteering last year, supporting the city's festivals, having more than 1.5 million visitors to free public events held at the University, and providing CPD courses for teachers, lawyers, medics and businesses.

Mr Alastair Sim, Director, Universities Scotland

Mr Sim said universities and colleges make a complementary contribution to Scotland's economy as close neighbours and partners and their economic impact is mutually reinforcing. Referring to Universities Scotland's September publication, [Grow, Export, Attract, Support](#), Mr Sim explained to the Group Universities Scotland's new framework which captures the full extent of universities' contribution to sustainable economic growth in Scotland. Mr Sim noted that the framework has been endorsed by former Scottish Government chief economist Andrew Goudie and that it was consistent with a comment made by Energy Minister Fergus Ewing MSP about a triumvirate of actors – industry, academics and Scottish Government – as key forces of sustainable economic growth. Mr Sim highlighted the fact that universities contribute £6.7 billion Gross Value Added (GVA) on a £1 billion Scottish Government investment in the sector. In terms of impact on the economy, universities are third after only the energy and financial sectors and make a greater contribution than food and drink and tourism. Mr Sim picked up on Ms Gibson's earlier point that Scotland's universities are disproportionately successful at creating spin-out companies making Scotland the most successful part of the UK. Mr Sim said this proves that enterprise is in Scotland's universities' DNA and cited a range of examples of successful spin-outs. Mr Sim said that the university sector is driving £1.3 billion income into Scotland, including around £0.5 billion from the rest of the UK, making it top of the second quartile for driving export income into Scotland. Mr Sim said that soft power is very important; noting the bottom line financial contribution of international students studying in Scotland is well known but that the reputational advantage to Scotland from soft power is equally as important. Universities Scotland launched a new report on the social, cultural and educational contribution of international students to Scotland, [Richer for It](#), at a reception in the UK Parliament at the beginning of September. Mr Sim said that recent positive indications coming from the UK Government about liberalising post-study work entitlement suggests that the 'Richer for It' argument is getting through. Continuing the international theme, Mr Sim explained that Scotland's universities' economic footprint is also apparent in other countries through overseas campuses and international development activities. Talking about attracting inward investment to Scotland, Mr Sim explained that skilled workforce availability is crucial to attracting businesses to Scotland, as is industry clusters and university researcher/researchers. Only Greater London has a workforce with a higher proportion of skills than Scotland in the UK. Mr Sim highlighted positive testimonials from businesses that have chosen to invest in Scotland including Daktari Diagnostics and SAS. Mr Sim said that universities are deeply engaged with businesses, for example through working with 26,000 organisations each year on knowledge exchange. Interface is the single point of contact for

businesses to engage with Scotland's universities on knowledge exchange. Examples of successful collaborations initiated through Interface include the University of Glasgow 3D medicine lab, sophisticated mechanical research into high impact rugby training for a company conducted by Heriot-Watt University, and Glasgow Caledonian University's work with PAWSitively Natural to bring a new food product for pets to market using gluten free products. Universities are also working with SMEs and have made a positive contribution to the employability agenda by pointing out the mutual benefits to graduates and SMEs of SMEs employing graduates. Mr Sim concluded by noting how the 'Grow, Export, Attract, Support' framework is a useful tool to consider the university sector's economic impacts.

4. Discussion

University spin-outs

Ms Dugdale asked why Scotland's universities are so good at creating spin-out companies. Mr Sim pointed to universities' excellent research base, knowledge exchange activities as a policy stimulus. Brendan McGuckin highlighted two key reasons for this: firstly, the Smart Scotland fund to migrate science; and secondly the Scottish Government and Scottish Enterprise's provision of complementary funds, for example the Proof of Concept fund. Mr McGuckin said there was a good infrastructure in place to support this in Scotland which is not readily available in other UK regions. Mr McGuckin said there was also a willingness from universities to recognise the need to encourage enterprise and entrepreneurialism.

Philanthropic giving

The Convenor told the Group about an interesting session at the David Hume Institute earlier in the month about attracting philanthropy into education, mainly into schools. The Convenor asked if there are any particular aspects of the University of Edinburgh's activities to attract philanthropic funding. Ms Gibson said that the majority of donors want to contribute to widening access funds or to fund specialist research fields which particularly support postgraduate study. Mr Sim made the point that most donors will not give if they think their donations would displace funding from the public purse and this is a particular problem for universities. Professor Jarvie said that philanthropic giving would be a good topic for the Group to explore at a future meeting and told the Group about the contrast drawn by Professor Louise Richardson, Principal of the University of St Andrews, between the role of philanthropic giving in Scotland and the United States of America. Mr Henderson also attended the David Hume Institute session and said that Jim McColl also made an interesting presentation with the message that some employers struggle to find an 'in' to working with the education system to develop ideas and initiatives.

Students with disabilities and cuts to college courses

Lesley Larg asked if colleges are doing enough for the needs of students with disabilities with their course provision. Mr Jakimciw said that focus of provision has been more on vocational qualifications whereas in the past colleges had a more of a social cohesion agenda. Mr Jakimciw said that colleges could always do more and said that partnership with agencies have not been good enough to support these students through the college experience. Mr Jakimciw said that following the college regionalisation process, colleges can develop better partnerships with local authorities and agencies to find ways to better support these students. Professor Matthew MacIver said that this

debate should also remember the vulnerable communities (including those served by the University of the Highlands and Islands) and said that the power of soft skills should not be underestimated.

Trends over time

Ken Macintosh MSP said that the economic impact of Scotland's universities is impressive and asked if changes to universities' income streams have had an effect on universities' priorities. Mr Macintosh said that the benefits of universities have changed compared to 30 years ago and asked how changes to funding streams shapes how universities are being run. Mr Sim said that the trajectory over the last 20 years has seen a change in the balance of funding as now only 43% of universities income comes from core public funding and the rest is competitively won. Mr Sim said that the core value of making sure universities are open to Scottish domiciled undergraduates remains but that this group has become increasingly diverse to include students from all ages and stages of life. Mr Sim said that there has been a protection of student numbers and that we have reached a record number of Scottish domiciled students. Mr Sim said that universities are proud to have an increasing number of international students as well and emphasised that these students are in addition to Scottish domiciled learners rather than displacements. Universities are more entrepreneurial now to attract business and universities have got to be good to succeed and attract money in to support world class research. Mr Sim said that Scotland's universities are disproportionately successful at this. Jane Scott highlighted Queen Margaret University, Edinburgh's work with the food and drink sector as an example of a virtuous circle whereby the University's strong research in the area is now feeding into students' teaching which in turn enhances the students' work.

6. Date of next meeting

The Convenor thanked all speakers and attendees. The Convenor noted that the next meeting would take place on Thursday 28 November and asked that the Secretary check with the Parliament to allow the meeting to start at the slightly earlier time of 12.45 pm.

The Convenor asked members for suggestions of topics and speakers as well as offers to sponsor the lunch for future meetings of the Group into 2014.

One suggested topic was philanthropic giving in education and the suggestion was made that Professor Lindsay Paterson be invited to speak on the topic.

Mr Henderson suggested that another possible topic for the Group to explore would be the Wood Commission for Developing Scotland's Young Workforce and that Sir Ian Wood or other members of the Commission could be invited along to make a presentation. Mr Henderson also offered that Colleges Scotland could sponsor the lunch at a future meeting.

Meeting closed.