

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

13.00 – 14.00 on Thursday 5 December 2019, Committee Room 2, Scottish Parliament

Topic: Economic contribution of colleges and universities

Note of Meeting

Present:

Mr	Iain	Gray MSP	Scottish Parliament
Ms	Beatrice	Wishart MSP	Scottish Parliament
Ms	Clare	Adamson MSP	Scottish Parliament
Mr	Terry	Brotherstone	University of Aberdeen
Mr	Neil	Croll	University of Glasgow
Ms	Fiona	Diggle	Audit Scotland
Mr	Gavin	Donoghue	University of Edinburgh
Prof	Blair	Grubb	University of Dundee
Dr	Jonathan	Issberner	University of St Andrews
Ms	Susannah	Lane	Universities Scotland
Mr	Finlay	MacCorquodale	Edinburgh Napier University
Mr	Murdo	Mathison	UCU Scotland
Mr	Sean	McGivern	University of Glasgow
Mr	Drew	McGowan	West College Scotland
Ms	Erin	McKee	University of Glasgow
Mr	Calum	McNairney	SDS
Mr	Paul	Mullan	Scottish Government
Ms	Agnes	Mullen	Church of Scotland
Mr	Matt	Paterson	SFC
Ms	Rowena	Pelik	QAA
Ms	Suzy	Powell	Interface
Ms	Jane	Scott	Queen Margaret University
Ms	Mary	Senior	UCU Scotland
Mr	Alastair	Sim	Universities Scotland
Ms	Emma	Slavin	SDS
Ms	Linda	Somerville	NUS Scotland
Mr	Kenny	Stewart	The Open University in Scotland
Mr	Boab	Thomson	Universities Scotland
Mr	Andy	Witty	Colleges Scotland

Apologies:

Dr	Judith	McClure CBE	Confucius Institute for Scotland
Dr	John	Blicharski	University of Dundee
Mr	Paul	Little	City of Glasgow College
Mr	Kenny	Harrison	

Prof	Matthew	Maciver	University of the Highlands and Islands
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1. Welcome and introduction from the current Vice Convener

The Vice Convener welcomed members to the thirteenth meeting of the CPG on Colleges and Universities in session five of the Scottish Parliament and reminded members that the last meeting, scheduled for 10 October, had to be cancelled at short notice due to parliamentary business.

The Vice Convener informed members that part of the meeting would be dedicated to the AGM business including the re-election of the office bearers and a review of the group's work over the last year. The Vice Convener added that once the AGM business had concluded, Nora Senior, Chair of the Enterprise and Skills Strategic Board, would give a presentation.

2. Apologies

The Vice Convener noted the apologies for the meeting and informed members that the current Convener, Liz Smith MSP, had to give her apologies as she would be attending a funeral.

3. Annual General Meeting business

Members of the group approved the Annual Return Form.

The Vice Convener declared his intention to seek re-election to his role and was formally nominated by Mary Senior. Susannah Lane seconded the nomination.

The Vice Convener informed members that Ms Smith had indicated she would seek re-election as Convener. The Vice Convener formally nominated Ms Smith and Beatrice Wishart MSP seconded the nomination.

4. Approval of minutes minute of 20 June 2019 meeting

Members approved the minute of the previous meeting.

5. Presentation from Nora Senior, Chair of the Enterprise and Skills Strategic Board

The Vice Convener invited Ms Senior to make her presentation.

Ms Senior began her presentation by discussing the Strategic Board's origins. Members were told that the Board was created in 2018 in response to the Enterprise and Skills Review and its objective is to align and coordinate the activities of Scotland's four, soon to be five, enterprise and skills agencies. Government Ministers agreed that if the agencies were aligned they could contribute better to inclusive growth and enhance Scotland's economic performance. Ms Senior said that too often discussions around Scotland's economy are pessimistic and it's important to remember that Scotland is amongst the richest and strongest economies in the world. However, she added that Scotland does lag behind its peers on productivity which is why it's been a key focus of the Board

over the last couple of years. In addressing Scotland's low productivity, Ms Senior said innovation and investment are key.

In comparison with other countries, spending on higher education is consistently high in Scotland and the proportion of its workforce with a university degree is second only to London. However, Ms Senior said that skills underutilisation is a big issue in Scotland which could account for the low productivity. Ms Senior then said that another weakness in education lies in the schools system and Scotland's performance has been declining in the Programme for International Students Assessment (PISA) rankings for over a decade. This reiterates the point that some areas that drive productivity are outwith the scope of the enterprise and skills agencies.

Discussing the sort of economy envisaged by the Strategic Board, Ms Senior said that it was based on high productivity and inclusive growth but with a focus on enhancing equality, wellbeing and sustainability. To achieve this, the Board looked at competitor countries and the analysis indicated performance gaps in four areas: exports; business creation and growth; workplace innovation; and skills. Ms Senior was pleased that the Scottish Government adopted the Board's recommendations on increasing exports in successive economic action plans and in its export strategy, *A Trading Nation*. She added that firms that export are more productive than those who do not and that the Board wants to increase the number of Scottish companies who export.

Ms Senior then spoke of business creation and growth and said both had been low for decades. In these areas, the enterprise and skills agencies could've been more effective if they were better aligned. Ms Senior then informed members that a new online, single-entry business gateway portal would be launched next summer which would help Scottish businesses to get the support they need from across the system to help them upscale.

Moving on to discuss workplace innovation, Ms Senior said that what happens in the workplace is central to productivity and economic performance. Previously this area was considered to be off-limits to the Scottish Government but it's been recognised that this was the wrong approach. The Government is now clear that businesses will only be able to access support in the future if they commit to working towards the adoption of Fair Work practices. Fair Work will be one of the areas that South Of Scotland agency will be assessed on.

On skills, Ms Senior said the Board's interest is motivated by the need to adapt to the changes in the future labour market and the coming age of automation. Scotland's demographic challenges, along with climate change and Brexit, will also disrupt the flow of skills into the Scottish economy. These emphasise the need to ensure that Scotland's education and skills system is flexible enough to respond to these changes. She added that upskilling and reskilling will be key to meeting future demand.

On what colleges and universities can do to support inclusive growth, Ms Senior said from an economic perspective a key contribution is creating a skilled labour force. She added that Scotland already ranks highly in terms of preparing graduates for work and that employer satisfaction remains high. Ms Senior then said that closer partnership between colleges and universities was needed to better support economic growth. Both the further and higher education sectors need to work better with industry and also demonstrate that they understand business needs. Both sectors also need to show a greater degree of flexibility in ensuring the education and skills system adapts more easily to the needs of the learner and business. Management and leadership are drivers of productivity that the agencies have been asked hone in on and Ms Senior said institutions also needed to invest more in CPD and upskilling.

, particularly in technology and digital skills as students look to teaching staff to guide them in this area. There's a tendency in wider industry and sectors to promote individuals without really equipping them with key leadership and management skills which could have a negative impact on productivity.

In closing, Ms Senior said that in terms of measurement there's an analytical unit supporting the Board which monitors economic performance at a macro level. However, the focus is not just on GDP but also on wellbeing and the improvement to individuals' health which inclusive growth is shown to bring.

6. Discussion and questions

The Vice Convener thanked Ms Senior for her presentation and invited questions from members from the group.

Iain Gray MSP, Scottish Parliament

Mr Gray referred to the analytical unit which supports the Strategic Board and asked how much resource it currently has.

Ms Senior replied that the unit has 6.5 FTE staff who work independently of the agencies to support the Board's work. She added that the Board also has a three-person secretariat.

Mary Senior, UCU Scotland

Ms Mary Senior made the point that whilst colleges and universities are well-placed to drive inclusive economic growth, predominantly through skills development of the workforce, that's not their sole purpose, adding that there is good in learning for learning's sake. She also added that quite a lot of outcomes in further and higher education aren't overnight successes. Often, improvements in outcomes can take years to be realised.

Ms Senior replied that there is tension between colleges, universities and SDS and others on the Board's approach on demand led approaches to learning and outcomes. She added that in general employers are not robust at predicting their skills needs in five years' time and that SDS and SFC have been asked to work together on determining the shape of the future skills system and report in January 2020. Concluding, Ms Mary Senior said that college and university courses should be driven by the user who wants to learn. Ms Senior replied that she believed most people want to learn so they can find employment with purpose which will in turn improve their wellbeing and allow them to fully contribute to society.

Andy Witty, Colleges Scotland

Mr Witty said he was pleased to attend the National Economic Forum the previous day and said one of the key themes which emerged was the importance of colleges and universities being able to respond effectively to the needs of industry. He added that the idea of innovation needs to go beyond simply inventing new practices but also enabling companies to adopt new ways of working which have been around for some time.

Ms Senior agreed that successful companies adopted innovative practices and that education and industry had to work together more closely to explore how innovation could be embedded. To that end, there needed to be closer working between further and higher education and business and more work-based learning embedded in courses so that graduates require less training when

starting new jobs. It's beneficial for all, including the learner, when colleges and universities co-design courses with business.

Alastair Sim, Universities Scotland

Mr Sim said a big challenge which impedes universities' ability to work more effectively with business is the fact Scotland has a SME-based economy. Universities are major drivers of new ideas but SMEs sometimes find it difficult to engage as they're typically not innovative themselves or are not ready to scale up.

Ms Senior said there is business support at different ends of the spectrum: Business Gateways for micro business and Scottish Enterprise for larger companies. However, the majority of businesses are in the middle and are currently not engaging with any of the agencies. She added that she sees Industry Leadership Groups as being key to engaging with medium-sized businesses and has recommended that Ministers reengage with them. Ms Senior also told the group that the UK Government has made a few approaches to the Board to see what role it could take as there's government funding available which is not being accessed by Scottish business. Often bids which do come in are in partnership with a college or university, where they happen, but Ms Senior said she sees competitive bids as counterproductive as this splits the investment and has less impact.

Iain Gray MSP, Scottish Parliament

Mr Gray asked whether the Strategic Board intends to look at the Innovation Centres and their type of model.

Ms Senior replied that the innovation as a whole is currently being looked at by the Board's analytical unit. She added that Interface is a great doorway for business to access innovation but it's currently underfunded and should be expanded. She added that businesses sometimes find it difficult to engage with colleges and universities because they are consumed with the day-to-day running of the business.

Linda Somerville, NUS Scotland

Ms Somerville referred to earlier comments about the tension between different agencies and how they understand skills development. She added that there's a significant group of students who want education for personal development; not purely just for economic benefit.

Ms Senior replied that the ability to learn makes individuals happier, healthier and increases the reputation of the country as a place to learn. However, there's a danger there could be an imbalance of lots of highly-skilled individuals but not enough employment opportunities to match demand. It's important that learning is accessible, and viable, but also something that will underpin the longevity of Scotland in terms of keeping the workforce in this country.

7. Dates and agreement of topics for future meetings in the next parliamentary year

The Vice Convener reminded the Group that the next meeting is Thursday 5 March 2020 from 13.00-14.00 in Committee Room 2 of the Scottish Parliament and invited members to submit suggestions for topics via email.

8. Close

The Vice Convener closed the meeting and thanked members for attending.