

Our ref: 242558379

6 May 2014

Murdo Fraser MSP  
Convener  
Economy, Energy and Tourism Committee  
Scottish Parliament  
Edinburgh EH99 1SP

Dear Mr Fraser,

I refer to your letter of 9 December 2013 in which you requested responses to paragraphs 204 and 211 of the Committee's report on the Scottish Government's Draft Budget for 2013-15, and to my response dated 29 January 2014.

I confirm that SFC achieved Strategic Forum savings of £7.3 million in 2013-14 and we are currently budgeting a saving of £12 million in 2014-15. SFC's expectation is that higher education projects that have been supported by strategic grants will become supported and sustained by higher education institutions without significant additional funding input from SFC. For example, the substantial and highly successful programme of investment in the establishment of the research pools. We are able to continue to deliver on Ministers' strategic objectives for the sector in an efficient and effective manner through collaboration, for example working with Scottish Enterprise and Highlands and Islands Enterprise to eliminate unnecessary duplication or overlap of initiatives. In particular, we are prioritising projects that are likely to have the maximum impact on the economy through enhanced collaboration between academia and industry on industry demand-led projects in the newly established Innovation Centres.

Yours sincerely,

**Martin Fairbairn**

Senior Director – Institutions and Corporate Services  
Direct line: 0131 313 6524; E-mail: mfairbairn@sfc.ac.uk