

# **Supporting Scotland's Colleges and Universities**

## **Coronavirus (COVID-19) – Further and Higher Education Sustainability Plan**

**July 2020**



**Scottish Government**  
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## Coronavirus (COVID-19) - Further and Higher Education Sustainability Plan

### Foreword

Throughout the COVID-19 pandemic our colleges and universities have responded with remarkable pace and agility and I pay tribute to all staff and students for their hard work and contribution to the national effort to tackle the virus.

Colleges and universities themselves are being hit hard by the consequences of the pandemic. This is of particular concern given the economic and social importance of them as educators, innovators and major employers. In both urban and rural areas they are key "anchor organisations", as recognised by the report of the Advisory Group on Economic Recovery<sup>1</sup>. We will need our colleges and universities more than ever going forward given their essential role in Scotland's recovery.

The Scottish Funding Council's (SFC) projections for Scottish colleges point to a loss of £12.3 million due to COVID-19 in this academic year, with the majority of colleges now forecasting deficits in Academic Year (AY) 2019-20. The impact in AY 2020-21 is expected to be even more severe.

The SFC's initial analysis is that the impact on Scottish universities in AY 2019-20 alone will be around £72 million in lost income. In AY 2020-21, an operating deficit of between £384 million and £651 million is expected, a large part of which is due to the anticipated reduction in the numbers of international students. We do not yet know to what extent these predictions will become reality but we must plan for these scenarios.

Our further and higher education sectors also face the significant challenge of Brexit on top of COVID-19. The end of the Brexit transition period in December 2020, which the UK Government has chosen not to extend, is expected to bring further adverse impacts.

Addressing the scale of impact, especially as it becomes clearer in coming months, must be a shared and on-going endeavour between the Scottish and UK Governments, SFC and other agencies, Colleges Scotland, Universities Scotland and the institutions themselves.

This plan brings together the key immediate actions we have taken but we recognise that further support and actions will be necessary once the full impact is apparent so that colleges and universities can come through this unprecedented crisis and be key players in the nation's recovery.

**Richard Lochhead MSP, Minister for Further Education, Higher Education and Science**

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<sup>1</sup> Working towards economic recovery 22 June <https://www.gov.scot/news/working-towards-economic-recovery/>

## **Further and Higher Education Sustainability Plan**

This plan gives a summary of key actions taken so far, and those to be implemented, to help address the immediate issues that colleges and universities in Scotland are facing as a result of the COVID-19 pandemic.

### **Summary of Key Actions**

- Flexibility in SFC funding mechanisms and close monitoring of impact on institutions.
- £10 million boost for estate maintenance and expanded criteria and flexibility related to £60 million of Financial Transactions.
- £75 million to protect world-leading university research.
- Working with the UK Government to agree the implementation in Scotland of their recent support package for universities and research organisations.
- £5 million additional student support resources, plus £11 million brought forward early, to address student hardship.
- £5 million to help offset the costs of equipment for learners in need of extra support.
- Scholarships to be developed for EU and international students, with EU student tuition fee support ending beyond AY 2020-21.
- Collective actions to attract international students to Scotland.
- Working with colleges and universities to restart activities safely.
- Co-designed measures to enable colleges and universities to be a key part of Scotland's recovery.
- SFC review on how best to secure coherent provision by post-16 education bodies and undertake research in these challenging times.

### **Further and Higher Education Funding**

The SFC is central to the funding of our colleges and universities. The SFC has taken or will take the following actions:

- Publishing **Academic Year (AY) 2020-21 allocations** on 7 April, earlier than normal to ensure certainty and cash flow.
- Reviewing the **funding models** for teaching and research in colleges and universities as well as the outcomes that are expected to be delivered. The

associated outcomes that will be expected for this funding will also be reviewed to ensure delivery, clear accountability and value for money and ensure that funding models support colleges and universities' success and agility in building the recovery.

- Monitoring student numbers and controls for under and over-recruitment for both controlled and non-controlled subjects. SFC has announced that it will **not recover funding if colleges and universities under-recruit** and do not fill all their funded places due to the outbreak of COVID-19. This will apply to all subject areas.
- There is a possibility that a rise in unemployment will increase demand for college and university places in AY 2020-21. With a predicted dip in EU entrants there could be some space for additional Scottish-domiciled entrants. SFC will monitor offers and acceptances using data from institutions and other sources such as UCAS and will be **flexible in response to over-recruitment**.
- SFC will work closely with all institutions in the coming months to assess the scale of impact on **individual institutions** and will offer all possible flexibility and re-profiling to ensure cash flow.
- Scottish Government Health Workforce and SFC are working with **medical schools** to determine the extent of the issue for medical undergraduate intake numbers and places. In addition, the medical schools have outlined initial plans for the continuation of medical education and training for all students including clinical placements and we are working with NHS Education Scotland and NHS Boards to determine how to manage the training and progression of post-graduates.

## Capital Investment and Other Funding Mechanisms

Capital investment and a range of other debt-based financial mechanisms are available to support institutions. These tend to be more relevant to universities due to their organisational status. SFC will look to maximise the collective impact of the capital funding and Financial Transactions available to institutions.

- Colleges and universities will benefit from a **£10 million boost for estate maintenance** as part of the Scottish Government's Return to Work package of investment. SFC will allocate the funding across the two sectors.
- For the AY 2020-21, we have allocated £55 million in Financial Transactions and agreed that repayments from previous programmes (pre COVID-19 estimated to be around £6 million) can be retained and recycled within the university sector. This gives a total of around **£60 million for investment**. SFC will continue to support projects in line with the existing objectives of collaborative innovation and estates development (including those involving the college sector as part of a wider tertiary approach), carbon reduction/climate emergency and improving the student experience.

- Criteria will also be expanded to allow for the creation of a **COVID-19 University Support Fund (COSF)** by SFC to support sustainability in the transition to the post COVID-19 environment. This will be open to those institutions who have exhausted other avenues of borrowing and still require support, for example to provide an injection of working capital. Flexibility will be key, with priority given to supporting institutions to respond to the impact of the COVID-19 pandemic.
- We will work with the new **Scottish National Investment Bank**, SFC and universities to explore the contribution the Bank's investment could make to institutions' plans for recovery. The Bank will consider how it can work with Scotland's higher education sector in pursuit of its missions. Investment will align with the Bank's mission-oriented approach in order to encourage transformative efforts towards addressing societal challenges. This could be through crowding in investment to support innovation, research and development, or by investing in projects which contribute to institutions' recovery, resilience and success.
- We have encouraged colleges and universities to access the UK schemes including the **Coronavirus Job Retention and Loan Schemes**. The majority of colleges and universities have applied to the Job Retention Scheme. The SFC published guidance on this on 22 April following Department for Education guidance on 17 April<sup>2</sup>.
- We are working with the UK Department for Education to ensure UK Government proposals to support **university restructuring** are appropriate and helpful to Scottish institutions, reflecting devolved responsibilities and agencies.

## Supporting Research

Significant reductions in research funding and capacity as a result of the COVID-19 pandemic could lead to the loss of key research talent in the near future as well as the ability to prioritise research and innovation that matters to Scotland's future. Research and knowledge exchange is a key area where universities can contribute to the post-COVID-19 recovery, as well as mission-driven research to address central challenges and opportunities facing society and the economy.

- In recognition of the crucial role research will play in economic and societal recovery, we announced a one-off **£75 million increase in funding** for Scotland's universities on 6 May 2020 to ensure Scottish universities can protect their world-leading research against the financial impact of COVID-19. SFC has developed and published a mechanism to implement the uplift for AY 2020-21.
- Part of this funding will **support postgraduate research students**, to counteract challenges in completing research where extensions could be vital for accessing the wider jobs market.

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<sup>2</sup> SFC guidance on Job Retention [http://www.sfc.ac.uk/web/FILES/covid-19/UK\\_Government\\_Job\\_Retention\\_and\\_Loan\\_Schemes.pdf](http://www.sfc.ac.uk/web/FILES/covid-19/UK_Government_Job_Retention_and_Loan_Schemes.pdf)

- SFC has communicated its ability to **re-profile core grants and offer flexibility where possible**, and it will contribute strongly to the development of further Scottish Government responses to the challenges to the research base, society and the economy.
- We, together with the SFC, are working with the UK Government through the **Research and Sustainability Taskforce** to identify additional co-produced solutions on financial sustainability of university research. The Taskforce, which is attended by the Minister for Further Education, Higher Education and Science, is looking at how university research can be supported across the UK in the short to medium term.
- The UK Government has confirmed that universities from this autumn will be able to access a series of grants and long-term, low interest loans covering up to 80% of their income losses caused by a decline in international students. Around £280 million will also be made available for costed extensions to research projects. We are **working with the UK Government to agree the details of this package** and how it will be implemented in Scotland.
- We have also created the Ministerial-led **Scottish University Research Reference Group (ScURR)** with key sector representatives to discuss issues and solutions relevant to the sustainability of the research base.

## **Additional Student Support Resources**

The impact of COVID-19 on the student population in Scotland has resulted in concerns being raised about student hardship. Students may face difficulties being able to access employment to supplement their student income, particularly over the summer months when loans and bursaries are no longer paid.

- On 8 April, we announced a **£5 million package of emergency support** for students in hardship across further and higher education. As part of that, an additional £2.2 million was provided in higher education discretionary funds for students at college and university. This supplemented £569,000 that had already been issued. The SFC made £2 million available to support students studying further education at college. Student Awards Agency Scotland (SAAS) also provided advanced access to the care-experienced accommodation grant, usually paid only over the summer, as well as providing support for students studying at private institutions and pausing debt recovery for a period of 3 months.
- We announced on 11 June a further package of measures to support students over the summer and until the start of the next academic year when bursary, grant and loan payments will begin again. SAAS has brought forward early access to **£11.4 million** of HE discretionary funds. SAAS has also suspended, until September, all new debt recovery actions in respect to grants and bursaries for students whose circumstances have changed and therefore may have to return overpayments. Scottish students studying in Europe as part of EU Portability or historically arranged schemes will be able to access a £100,000 emergency fund administered by SAAS. Universities themselves have made significant funds available to support international students.

- SFC has also given colleges flexibility to offer **further education discretionary funds** to students unable to secure employment in these challenging times in order to bridge the timing gap between bursary payments ending in June and Universal Credit payments starting.
- We will continue to work with SFC on **flexibility in the delivery of counsellor provision** and recruitment as part of our ongoing commitment of over £3.6 million in AY 2020-21 and to explore how we can further support colleges and universities in the delivery of counselling services including access to on-line platforms and sharing best practice across the sector. Guidance will be published shortly.
- We are supporting initiatives on **student mental health**. We are supporting the extension of the NUS Scotland Think Positive initiative, which now has a COVID-19 focus, by supporting the Student Health Project Coordinator role to March 2021.

## Post-Graduate Study, Employability Support and Skills

Providing additional training and skills for Scotland will be essential in its recovery from the COVID-19 pandemic. The existing workforce faces a rise in unemployment and the need to re-train for the post COVID-19 economy. In addition, a challenging jobs market may result in increased demand for post-graduate study or upskilling and reskilling.

Colleges and universities are already working with employers to identify the role that they can play in supporting businesses to address their immediate and future needs post COVID-19. This may include developing the provision of high-level skills to support the new and existing workforce to adapt; support and training for businesses in service redesign in the face of changing markets, constraints and opportunities; and support for Scottish businesses and entrepreneurs in turning economic disruption into enterprise.

- We are working with the SFC, SDS and SQA to consider how best we can support **postgraduate and skills development** further, including online courses as we anticipate significant need for reskilling and upskilling in light of the labour market situation. SFC has previously made £6.6 million available to support short course and skills development within our universities.
- The **Flexible Workforce Development Fund (FWDF)** provides £15,000 of college training for each of Scotland's Apprenticeship Levy-paying employers to upskill or reskill their existing workforce. In 2019, the First Minister announced her commitment to increase the investment in workforce development from £10 million to £20 million for 2020-21. Building on the £10 million currently invested through the Fund, we are considering the design and delivery of this additional fund as we respond to the impact of COVID-19. The AY 2019-20 FWDF application window to contractually commit training has also been extended to 31 July 2021.

## Supporting Digital Inclusion

As we focus on recovery, keeping learners in education has become more important than ever. At the same time, because of COVID-19, learners are facing new challenges. As increasing amounts of learning migrates on-line, for many students there is a real risk that they can no longer afford the costs associated with learning, especially as part-time work declines and as the costs of accessing and participating in online learning become a more significant proportion of living costs.

We want to provide post school learners, in need of extra help, with access to the technology they need in support of their studies, mindful of the disruptive impact caused by COVID-19.

- We are investing **£5 million to help offset the costs of equipment** for those learners in need of extra support participating in community education, college and university.
- We are progressing new partnerships with **telecommunication companies** to keep learners connected, online and in education.

## Changing Support for EU Students

Ministers have confirmed that as a result of Brexit, higher education students from the EU attending our colleges and universities will no longer qualify for tuition fee support beyond AY 2020-21. Home fee status for these students will come to end after AY 2020-21.

This is following the UK's decision to exit the EU, a profoundly damaging decision taken against the wishes of the people of Scotland. Our EU law obligations cease at the end of the transition period. Continuing with this arrangement from AY 21/22 would significantly increase the risk of any legal challenge.

Should Scotland re-join the EU, the arrangement would be reinstated.

- For those students **starting in AY 2020-21** or earlier the arrangement continues for the duration of their course.
- In AY 2020-21 should EU student numbers decrease because of the current pandemic, colleges and universities will be able to use funded places to accommodate **Scottish domiciled students**. Recruiting more Scottish domiciled students could help address the country's skills needs and continue to widen access to university.
- Scottish institutions will be able to charge EU students **international fees** from AY 2021-22. We will make the necessary legislative changes to permit institutions to no longer charge the home fee rate to EU students and to remove existing entitlements of EU nationals for student support.



- For AY 2021-22 any resources freed up by this change will **remain within the college and university sectors**, including to support additional Scottish students. Detail will be considered in the forthcoming review of provision by SFC and in discussion with the sectors.
- Part of this will be establishing **scholarships for EU and international students** to continue to welcome them to Scotland.
- We will confirm future arrangements for **Irish students** for AY 2021-22 under the Common Travel Area in due course as this is subject to on-going discussion with the UK and Irish Governments.

## Attracting International Students

We want to ensure that following the pandemic, international students still choose to study in Scotland at our world-leading colleges and universities. Our universities host around 58,000 international and EU students, the highest percentage (23%) of international and EU students of any of the four UK nations, making Scottish campuses one of the most diverse and culturally rich communities in the country. International fees are also a key income source.

- To help mitigate this potential impact the Further and Higher Education Covid Ministerial Leadership Group agreed to establish a short-life working group including representatives from the university and college sectors to co-create and to implement a range of actions to ensure Scotland remains an **attractive study destination for students from across the world**.
- We will be **promoting Scotland** as a high quality, green, clean and safe study destination for international students at our world leading educational establishments through Scottish Government and partner social media channels.
- We are working with the UK Government on a **communications package** to reassure international students that, despite the disruption created by COVID-19, the UK remains an attractive and safe place to study.
- We have published and disseminated **advice and information** for international students in Scotland.
- We will make **representations to the UK Government on student visas** on student visas and on bringing forward the Graduate Route post-study work offer so that students graduating this summer will be able to benefit.
- We will make **Scotland's Saltire Scholarships** for AY 2020-21 more flexible, allowing for partial online course provision and staggered start dates. We will also review the whole Scotland's Saltire Scholarships programme, in partnership with universities, considering how the programme can best operate, post pandemic and post EU exit.

- We will continue to support the **US-UK Fulbright Commission** and its student exchange programmes between the US and Scotland and consider additional international scholarship programmes.
- We will use the **Alumni Engagement Plan** to support the promotion of Scotland as not only a study destination but also as a place to live, work and invest. The Plan will also consider areas of where universities can work with the college sector to support the development of its alumni engagement resources.

## Working with Colleges and Universities to Restart Activities Safely

The First Minister published Scotland's route map through and out of the crisis on 21 May 2020. This takes an evidence led and transparent approach to easing restrictions and sets out that we are planning for universities and colleges to make a phased return in Phase 3, with a blended model of remote learning and limited on campus learning where a priority. Public health measures (including physical distancing) will be in place.

The First Minister announced plans for Phase 2 on 18 June 2020. While remote working remains the default position for those who can, Phase 2 enables a small number of staff to return to make essential preparations for a blended model of teaching in Phase 3. It also supports the re-starting of laboratories and research facilities from 29 June beyond the essential COVID-19 research that has continued throughout the crisis.

Expanding campus activity safely beyond the essential activity undertaken during lockdown is crucial to ensuring students both domestic and international still wish to take up their places and feel safe while studying; this will be key to financial sustainability. The First Minister will give a further update on 9 July 2020.

- We are working in **partnership** with colleges, universities, trade unions and student representatives to support a safe resumption of on-campus activity in colleges and universities, including student accommodation and research.
- We published **guidance on Safer Workplaces** related to colleges, universities and laboratories & research facilities on 29 June 2020<sup>3</sup>.
- In the context of Phase 2 of the route map, and our related guidance on house moves, we published on 23 June 2020, additional **travel guidance** for students. The guidance came into force on 29 June 2020.

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<sup>3</sup> - Workplaces Guidance on Colleges, Universities and Laboratories and Research Facilities  
<https://www.gov.scot/publications/coronavirus-covid-19-guidance-for-universities/>  
<https://www.gov.scot/publications/coronavirus-covid-19-guidance-for-colleges/>  
<https://www.gov.scot/publications/coronavirus-covid-19-guidance-for-laboratories-and-research-facilities/>

## Working Together on Scotland's Recovery

The continued success of colleges and universities is vital to Scotland's recovery both in economic and social terms, and also in addressing the public health challenge.

We are committed to co-designing with the sector and SFC measures that will enable the sector to be a key part of the recovery. Colleges' and universities' core activities will contribute to the recovery, but they will also need to co-develop agile and innovative additional measures and solutions. These could include:

- Supporting **high-level skills and employability** to avoid the blight of wasted talent and unemployment during the post-pandemic recession and equip people with the skills for success in a changed economy.
- Supporting business **recovery and innovation** so that businesses can work with our colleges and universities to develop innovative solutions for a changed economy, and ensure employees have the skills for the future.
- Ensuring colleges and universities are part of Scotland's **global message and reach** that we are open for business and that we are a safe, forward-thinking, innovative and welcoming nation.
- We will respond to the recommendations related to colleges and universities of the **Advisory Group on Economic Recovery**, chaired by Benny Higgins, and the recommendations within the Enterprise and Skills sub group led by Nora Senior and Frank Mitchell.
- Continuing to use the forum of the **Further and Higher Education COVID-19 Ministerial Leadership Group** to bring together partners from colleges and universities and across the post-16 system to take a strategic, collaborative approach to current challenges and opportunities, in order to support economic recovery and ensure the best outcomes for learners.

## SFC Review of Coherent Provision and Sustainability

SFC is reviewing how best it can fulfil its mission of securing coherent provision by post-16 education bodies, and the undertaking of research in these challenging times<sup>4</sup>. This is intended to ensure that over the medium to long term, that further and higher education can continue to be a strong contributor to social, economic and cultural wellbeing.

We need to think creatively and differently to protect our excellence in further and higher education and ensure future generations can benefit from that and capitalise on the huge opportunity for our tertiary education sector to be leaders regionally and

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<sup>4</sup> SFC Review Briefing: [http://www.sfc.ac.uk/web/FILES/Review/Review\\_Briefing\\_Note\\_June\\_2020.pdf](http://www.sfc.ac.uk/web/FILES/Review/Review_Briefing_Note_June_2020.pdf)

nationally in Scotland's economic and social recovery. There will be four objectives to this work:

- To consider how best to achieve **coherence and sustainability** in the delivery of further and higher education during the COVID-19 crisis and beyond, while maintaining and enhancing quality.
- To ensure the sectors can address the **outcomes we need to achieve** in Scotland.
- To propose changes needed to SFC's funding, operations, and accountability frameworks in order to **respond effectively** to new challenges and opportunities.
- To provide advice, where appropriate, to Scottish Ministers on **relevant changes** to policy, funding and accountability frameworks for tertiary education and research in Scotland.

Scottish Government  
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For further information and enquires contact [SGCoronaVirusALS@gov.scot](mailto:SGCoronaVirusALS@gov.scot)



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