



**University of the Highlands and Islands response to
Scottish Government green paper:**
'Building a Smarter Future: Towards a Sustainable Scottish Solution for
the Future of Higher Education'

February 2011

Executive summary

1. We welcome the guiding principle that higher education should be 'open to all, flexible, learner-centred, diverse and excellent' and believe that this is at the heart of our mission to deliver equitable learning opportunities at all levels to the communities that we serve.
2. We are entirely supportive of flexible admission, reforming the learner journey to facilitate entry, flexibility, and articulation, and see these changes as key to widening access, opportunities for higher education and to up-skilling and life enhancement for learners either in or out of employment.
3. We see opportunities for greater flexibility in the transition between school and university including direct entry to year 1 from S5, facilitating advanced entry to learners with SCQF level 7 school qualifications and new forms of jointly delivered level 7 awards to 6th year pupils. Our developing relationship with schools also helps the University of the Highlands and Islands (UHI) to align its approaches in the higher education (HE) curriculum with Curriculum for Excellence at school level
4. Our student demographic demonstrates how we are responding to the demands of mature and part-time learners, recognised as a developing segment in the Green Paper. In 2009/10, 55% of our learners studied part-time and 58% (many of them the same learners) were over 25 years of age.
5. We support the principles behind the SCQF framework and our articulation/progression opportunities fully recognise prior credit. We would not subscribe to a model that differentiates 'degrees' from other forms of HE on narrow assumptions about quality or delivery cost, or the notion that the lower levels of degrees could be offered by colleges as some form of alternative, sub-university experience .
6. We are concerned that the Green Paper still presents much of its thinking about learners in relation to a traditional school-leaver undertaking four years of HE towards an Honours degree. Our own view is that demand for less structured, longitudinal learning (lifelong, roll on - roll off, inclusive of work-based learning etc.) is likely to increase. Part-time study is essential to the Scottish solution, driving greater flexibility and choice, raising skills of the workforce and broadening participation in HE.
7. The amount of support funding for full time students should be available for part time students on a pro-rata basis: this is the only equitable solution. Challenging as this is, it is critical if HE is going to develop towards greater flexibility. Beyond any simple issues of equity, UHI believes that many prospective part-time learners not currently in employment are effectively precluded from engaging in substantial part-time study towards qualifications through the current support funding rules.
8. UHI endorses the view that the state should retain the prime responsibility for higher education funding but also recognises that some form of graduate contribution is inevitable in current circumstances.
9. However, UHI is of the view that no student should have to make an up-front contribution to engage with HE study, and accordingly recognises that some mechanism has to be put in place to secure a financial input to universities in advance of the first graduate cohorts arriving at taxation point. Given UHI's mission to provide equitable access to HE across the region, particularly given our student profile and widening access agenda, we believe that any system must be compatible with the guiding principles set out in the introduction, particularly to the principle of access to all suitable entrants irrespective of their wealth of

lack of financial resource. We strongly endorse the sentiment expressed in the paper that “any contribution should be fair for graduates, recognising the benefits which they have gained from their education while neither placing an unfair burden on them nor creating any barriers to participation in higher education”.

10. We do see potential to drive greater employer contribution. For students in employment, the Scottish Government could encourage businesses to send and fund students to study part time through, for example, tax incentives (or if this is not possible other forms of incentives) to employers for every participating employee on HE programmes over SCQF level 6 (linked to this, incentives for employers actively supporting the delivery/management of accredited work-based learning, and thus reducing the delivery cost, might be considered).
11. UHI of course supports the concept of funding for, and recognition of, mission diversity. As a partnership which is tertiary in character and dealing with scattered populations it has perforce to run classes with smaller numbers than those which would characterise institutions in more urban settings. UHI would argue that HE delivered in these conditions requires remoteness funding on the same argument as the system currently allocates such funding to FE. As an example of innovative developments in the university education sector we consider that we have much to contribute to the diversity of the university sector and consequently we believe that the funding system should encourage mission diversity and not follow the “one size fits all” principle.
12. We recognise the arguments for output-based funding; however it militates against wider-access institutions, since they are inherently prone to higher attrition of learners and introduces another challenge at the wrong time, given the climate of financial uncertainty within which we currently operate.
13. We would very much support a simpler system for student support. A universal loan and bursary system has merits if the level is sufficient to allow students not to rely on parents/guardians or partners.
14. Our view is quite simply that we need to retain research in all of our universities. Although the extent to which research forms part of the total activity of the university might vary, UHI is of the view that all HE needs to be taught in a scholarly environment, at least research-informed, and at postgraduate level research-led.
15. In our opinion, concentration of research funding is already occurring at an appropriate level, particularly now that the decision has been taken to remove funding from 1* level performance. 2* level funding should continue to be provided at a realistic level (i.e. not mere tokenism), and so the multipliers at work at 3* and 4* level are the things to be addressed. Furthermore, there is an argument that can be made for saying that 3* and 4* research can only exist where there is a solid underpinning of 2* quality work.
16. With our recently acquired universities status we are keen to further internationalise our activities. In this we consider that there could be benefits to be secured from a ‘Team Scotland’ approach but this needs to be properly equitable in the approach taken to promoting ‘Team Scotland’ as opposed to ‘Team – a few specific universities’.
17. More generally, we recognise the opportunity for adding to our existing collaborative partnerships in learning and teaching, in research and in other areas of activity and we believe that there is a strong tradition of collaborative working within the Scottish sector. We believe that there is a need for a distinctive University of the Highlands and Islands, based within and throughout the region; a fact recognised by the many supporters, institutional and individual, who have assisted in the creation of UHI. Our model allows us to seek efficiencies

across further and higher education delivery and to collaborate with others in Scotland and elsewhere to add to and enhance our offering to students, communities and business.

Introduction

This response from the University of the Highlands and Islands (UHI) is intended to give our own institutional perspective on some of the key questions within the Scottish Government's Green Paper. We are aware of, and broadly supportive of, the responses submitted or being formulated by, amongst others, Universities Scotland, Scottish Universities RPL Network and the Scottish Universities Association for Lifelong Learning. However, we believe that while UHI faces some unique challenges in the years ahead, it also offers many unique solutions and perspectives that we would wish to emphasise through this response.

The Green paper itself, in its consideration of diversity of Scottish Higher Education Institutions, makes specific mention of UHI under "New Institutional Models" as an example of innovative developments in the university education sector.

UHI secured university title in February 2011 and is ready to play a major role in the continuing evolution of HE in Scotland. Although we do not intend to detail here the UHI model (this is detailed in our Title Application document, available on request) it is a model that has at its roots the principles of making university provision accessible and equitable to learners across all communities. UHI's model, which represents an innovative university model, successfully delivers the full range of HE awards, and can, through its partners, extend this to a fully tertiary approach to life-long learning, aligning FE and HE opportunities. The guiding principles stated in the Green Paper that Higher Education should be 'open to all, flexible, learner-centred, diverse and excellent' are at the heart of UHI's mission for Scotland and for the Highlands and Islands. UHI continues to develop and refine innovative approaches to delivering equitable learning opportunities at all levels, in a sustainable way, for the communities it serves.

Although research activity, knowledge transfer and internationalisation are developing areas within UHI, we remain at this stage in our development heavily reliant on core and European funding. We have also had to grow our HE provision with a high proportion of fees-only activity. The indicative funded numbers for 11/12 would, if we maintain overall volume, result in a proportion of fees-only student full time equivalents (FTEs) representing 27% of our total HE numbers, at the top end of the range in Scotland. For a developing University, operating on a distributed model in a region which has no other locally-based University access, this represents a significant challenge for the coming years.

It is impossible to consider UHI and its definition of itself as a 'university of and for the region' without also giving consideration to the concept of regional coherence in its fullest sense. In large part this is achieved through UHI's own partnership model and the networking of teaching and research activities across our various locations. We are also mindful of the need to collaborate appropriately, in teaching, employer engagement and research with other HEIs and stakeholders who have an active interest in, and capacity to support, the needs of the region. Scottish Government should be reassured that dialogue with all such potential collaborators and our various stakeholders is active and ongoing in this respect.

Chapter 2 - Learning, Teaching and Access, Curriculum and Learner Demand

The Green Paper notes that:

‘the student body will continue to change. The number of 18 year olds in the population is expected to fall by 9% in the next 5 years. This will create challenges for the sector and may see greater demand from mature and part-time learners looking to learn in more flexible ways, studying over shorter or longer periods according to their particular needs. Such flexibility will be key to our economic success in future’.

UHI already works with this type of learner demographic. In 2009/10 55% of our learners studied on a part-time basis, and 58% were aged 25 or over. Our curriculum has been designed to meet the needs of these groups (in addition to the needs of full-time and school-leaver markets, both areas of growth within our student population). We do however recognise the need for even greater flexibility in curriculum and learning pathways. We are now commencing a programme of curriculum review and transformation over the next two to three years that will drive greater use of networking, IT-based delivery and other forms of blended learning into our curriculum. This will improve both accessibility and opportunity across our sites, as well as promote financial efficiency. We will also ensure maximum articulation opportunities between different types of HE award, greater flexibility in entry and articulation routes (including fuller and more consistent use of RPL), greater embedding of core graduate skills in all programmes and greater opportunities for work-based learning. This initiative (which we call ‘Curriculum for the 21st Century’) pre-dates both the Green Paper and the current focus of QAA on shaping curriculum to meet learner needs in the 21st century. In effect this initiative represents our own internal focus on regional coherence, financial sustainability, accessibility and the changing nature of employer and learner demand. Where other Universities can provide expertise or capacity in areas which we do not possess, collaboration is likely to underpin these developments (for example through collaboration with the OU in Scotland on work-based learning models and the Universities of Aberdeen and Strathclyde in teacher education).

Although UHI offers many different types of HE award (including HNC/HND and ordinary degrees), these are offered because they clearly meet regional learner and employer demand. By maintaining a range of HE programmes we can offer suitable entry points for learners from a range of backgrounds. This we feel is entirely beneficial to learners. Whereas other universities can manage this through collaborations with Colleges delivering HN and access programmes, in UHI this is part of our ‘mix’ of HE opportunities.

UHI supports the principles behind the SCQF framework and our articulation/progression opportunities fully recognise prior credit. We would not subscribe to a model that differentiates ‘degrees’ from other forms of HE on narrow assumptions about quality or delivery cost, or the notion that the lower levels of degrees could be offered by Colleges as some form of alternative, sub-university experience. We believe that research-informed teaching can bring significant benefit to HE learners at any level, and if lifelong learning is to be a guiding principle for higher education in Scotland, that artificial barriers or divisions between different forms of HE must be avoided. We do, however, recognise the differences between different types of HE programme, and this brings challenges to learners articulating from one form to another. We feel that further dialogue with SQA is required around the structure of HN qualifications if these are to continue to form the basis for progression to degree level study for a significant proportion of students. Contentious as it might be, UHI is also keen to explore models for greater devolution of authority to manage and award HNs and other types of SQA award, and we would subscribe to the proposal that University awarded alternatives to HNCs and HNDs as vocationally focussed, interim awards could be considered for *some* subject areas.

Regionally coherent approaches to higher education also require continuing dialogue with the schools sector around preparing learners for transition into HE. UHI and its partners are in a unique position in this respect as they are able to liaise with schools on support for learners at both FE and HE level. This may be through supporting delivery of secondary curriculum (where schools lack the expertise), supporting learners in gaining skills for work or preparing for post-compulsory education. Through its blended learning approaches UHI is also discussing with Directors of Education in Highland and Moray the embedding of SCQF level 7 modules in S6 programmes for learners in Highland and Moray. A pilot of this type is already being developed in the Western Isles. This will not only support learners in making the transition to HE study, but would also facilitate advanced entry or accelerated learning models.

This developing relationship with schools also helps UHI to align its approaches to embedding skills in HE curriculum with Curriculum for Excellence at school level. The constitution of UHI is advantageous here, as our Academic Partner Colleges already have a high level of understanding of this and FE level (and also the Skills for Work agenda).

Although we do not see any challenge in promoting entry to year 1 from S5 or facilitating advanced entry to learners with SCQF level 7 school qualifications, UHI is not convinced that Advanced Highers/Scottish Baccalaureates are the best solution for the Highlands and Islands.. Capacity to deliver will be a problem for the schools and it is a better solution for us to simply use existing UHI level 7 provision (much of which is/will be deliverable through schools by blended models) where this is available. We might prefer to work in partnership with schools to propose new forms of jointly delivered level 7 awards.

UHI is therefore entirely supportive of flexible admission, reforming the learner journey to facilitate entry, flexibility, and articulation, and sees these changes as key to widening access, opportunities for higher education and to upskilling and life enhancement for learners both in employment and out of employment.

Funding

UHI is open to looking at all options here, but we would raise concerns that the Green Paper still presents much of its thinking about learners in relation to a traditional school-leaver undertaking four years of HE towards an Honours degree. As stated earlier, our student demographic is already skewed towards predominantly part-time and mature students (many of whom are returning to HE to upskill). Our own view is that demand for less structured, longitudinal learning (lifelong, roll on - roll off, inclusive of work-based learning etc) is likely to increase, and even current definitions of interim awards may change (being presently used largely as a default for early exit awards). Part-time study should be seen as an essential part of the Scottish solution, driving greater flexibility and choice, raising skills of the workforce and broadening participation in HE.

We agree with Universities Scotland's concerns about the behaviours that credit-based or output-based funding models might create, but would flag up that if flexible, lifelong learning is to be developed, the current barriers to learners created by the full-time/part-time funding model will need to be addressed.

The Green Paper also asks for views on funding linked to teaching excellence. Our own view is that while entirely laudable, this would be unworkable (without great administrative expense), unsafe, and drive the sector back from the very positive development of an enhancement mindset promoted by the very successful Scottish ELIR approach. It is difficult in any case to prove that the quality of teaching leads necessarily to graduate employment. Other issues come into play, such as the mobility of individuals to go to where jobs are; employer perceptions of the University that may not be accurate; the national and local

labour market trends; the strength/weakness of the economy. The current system of asking graduates 6 months after they graduate if they are in employment does not show the longer-term impact upon an individual's employment history. Many graduates are driven into non-graduate level employment by the need to pay off debts, pay rent and living costs – this is particularly true of those from the lowest socio-economic groups and might be especially true in the Highlands and Islands with fewer graduate-level jobs.

Widening access

UHI is now one of two prototype institutions (along with University of the West of Scotland) in receipt of SFC funding to support widening access. (The OU in Scotland is also linked through work-based learning activity). UHI recognises the challenges that it faces in relation to retention rates associated with its significant widening access agenda. We welcome this development and the collaborative and development opportunities it creates. We also welcome the recognition that support of non-traditional learners is a specialised area that brings a requirement for additional investment and expertise within institutions.

Interaction with schools to underpin delivery of SCQF credit was mentioned above. In relation to widening access we would also support the developing view that interactions with school pupils need to start earlier (potentially as early as P7), to raise aspirations and confidence in learners at a much earlier stage. Collaboration between the sectors therefore needs to develop beyond the simple SCQF6/7 interface.

Chapter 3 - Research and Knowledge Exchange

Do we need to retain research in all of our universities? Our view is quite simply 'yes'. Although the extent to which research forms part of the total activity of the University might vary, UHI is of the view that all HE, including HN, needs to be taught in a scholarly environment, at least research-informed, and at postgraduate levels, research-led. (Research-informed teaching is an area of research activity in itself that UHI will be seeking to develop alongside its curriculum transformation project, Curriculum for the 21st Century (C21C.) We would not subscribe to a 'tier' of university education that falls outwith this, and even within our own mixed HE curriculum would not wish to see any part of our activity as being branded 'teaching only'. Beyond the direct reputational benefits that accrue from research and knowledge transfer activity (and which in UHI's case are critical for achieving its mission for the region), we believe that research activity on any scale within a University significantly shapes the University leadership, governance and outlook, sets an environment of scholarship that embraces all staff, and ultimately adds value to learner experience and the graduate attributes learners develop across all programmes.

The language in this section of the Green Paper is interesting in that the drive seems to be for research to be 'internationally competitive'. If this statement were to be translated into the language of the Research Excellence Framework, the closest translation would have to be 2* quality, i.e. internationally recognised research. Therefore, if the Government considers this to be a key target for delivery, it makes no sense at all to reduce to a substantially low level, or worse, to remove altogether, direct Funding Council grant support for 2* rated research performance. What follows are our thoughts on some of the specific questions and proposals in this chapter.

Is it a more sustainable approach to move towards even greater concentration as opposed to supporting a spread of research? For the reasons stated above, there is a need to celebrate the broad attainment of international-level excellence that has already been achieved, and we should be looking to support this further. The problem with even greater concentration, given how far we have already gone in concentrating funding on research excellence across several recent research assessment exercises, is that there will almost inevitably come a point where an adverse effect on research will occur. This is particularly the case for discipline areas that are necessary in order to promote a 'well balanced' society, but which are not overtly linked to business and industry. In our opinion, concentration of research funding is already occurring at an appropriate level, particularly now that the decision has been taken to remove funding from 1* level performance. 2* level funding should continue to be provided at a realistic level (i.e. not mere tokenism), and so the multipliers at work at 3* and 4* level are the issues to be addressed. Furthermore, there is an argument that can be made for saying that 3* and 4* research can only exist where there is a solid underpinning of 2* quality work. Do we really want to knock away the foundations?

How best can we ensure research pools increase their focus on international collaboration and knowledge exchange? This is an existing feature of many pools. Provision of focused monitoring and possibly enhanced reward for demonstrable results may enhance the benefits from this. A further benefit would be to promote cross- and multi-disciplinarity between pools, and this will be made most effective if all Scottish HEIs are included in this process, not simply pool members

How could existing good practice in researcher training be more widely adopted? There is a strong case for the provision of standard, 'centrally provided' modules on behalf of the sector, in the areas of research methodology and generic skills training, including appropriate help and advice on statistics-based analysis of research findings.

Is it appropriate for Scotland to adopt a radical approach in applying the REF to funding? Could the impact aspect of the REF be used for knowledge transfer? The impact aspect of the REF be used for knowledge transfer could possibly be used, although caution will be required. The Impact Case Studies for the REF will measure a single, historic-based, case study per 10 fte staff submitted to the exercise. Knowledge transfer, however, is much more complex and hopefully dynamic than this, and it is consonant with maximising the benefit from REF funding for a more detailed approach than REF impact to be applied.

How do Scottish SMEs unlock the potential within our universities research departments? How can universities support them in this? We should provide SME access to well-targeted research benefits, e.g. through extension of the vouchers scheme and various tax breaks etc. In addition, further development of the SPIRIT-like approach to facilitating SME staff secondments into universities directed at company benefit would be potentially useful. It is equally true that HEI knowledge can unlock the potential in SMEs who often have limited absorptive capacity. KE mechanisms should not ignore this basic fact.

Chapter 4 - International Contribution

We would make a general point here: which is that the continuing expectation that international students will provide an inexhaustible supply of students into UK Higher Education, and that the funding they bring with them (through very high fees) is somehow a panacea for the financial crisis facing HE. It is already clear that international competition for international students is growing, and that the fees being charged by competitors can be significantly lower than those being charged by UK Higher Education Institutions. Whatever approach is taken, Scotland needs to be seen as a responsible provider of higher education opportunities that help the countries that we engage with as much as increasing our own reputation on an international stage and increasing our income generation.

UHI is at the earliest stages in the internationalisation of its activities, and this is of course an important area for development. We need to ensure, however, that this activity is sustainable in its own right, particularly in relation to teaching where, as a new University, we need to pick our collaborations and recruitment streams carefully to mitigate reputational risk. UHI also needs to be mindful of the not insignificant costs of supporting these activities. This is not simply a question of volume for UHI, it largely represents new activity.

Do you consider that there would be value in promoting higher education under a single Scottish banner? The parameters for this need to be expanded before a reasonable response can be given. At minimum, any such approach would need to be undertaken in a way that promotes equity of treatment/promotion for all Scottish institutions. There could be benefits to be secured from a 'Team Scotland' approach but this needs to be properly equitable in the approach taken to promoting 'Team Scotland' as opposed to 'Team – a few specific universities'.

An alternative for UHI would be to work with other named Universities where our curricula do not overlap but represent a more attractive total 'package' for overseas partners (for example, UHI can offer vocational programmes of study that other Universities lack, and through our blended learning approach could also take collaborative approaches to student location, that is, students taking UHI programmes or modules could remain co-located with their peers elsewhere in Scotland where established specialist support function exists).

Do you agree that Scottish students and staff should be encouraged to pursue opportunities overseas? This is, broadly speaking, a good idea. However, experience already shows that many Scottish-based students do not take up the existing opportunities. In addition, though, this approach should be aimed at ensuring that the majority of staff and students actually return to their countries of origin in due course. Such activity should be linked to bursaries, PDP and full credit recognition for students, and perhaps to some form of professional accreditation for staff.

How can Scotland retain more international students after graduation? We should offer them better prospects for employment and a better standard of living than they will get at home but without disenfranchising excellent UK-based candidates in the process. We also need to be responsible with respect to not drawing away so much good talent from other countries that we seriously undermine the chances of those countries' economies developing properly. It is a question of responsible management and 'world citizenship'. Perhaps a pooled specialist careers service for international students would have merit as a shared service initiative.

Can more be done to make the international fees more transparent? Yes, if this were restricted to some simple and uniform international student entitlement model. This could be supported by more defined QA criteria for international student support (linked to specific

thresholds for support services/academic support/ELT etc). The bigger issue is to address the challenging situation we are in with respect to UK Border Agency requirements.

Should we set up Scottish University Alumni Networks for China, India and the North America? It is certainly true that alumni form a major untapped resource for promoting Scottish HE abroad. However, as with similar points elsewhere, it could be difficult to ensure an equitable and appropriate representation of all Scottish institutions. Why are these countries the only three areas where this is being considered? Shouldn't the Scottish Government actually be helping universities identify and 'exploit' more unusual potential markets and overseas partners?

Chapter 5 - Student Support

Universities Scotland offers little comment in relation to this section, and most of this is indeed something for the Scottish Government to negotiate with the students themselves. However, given UHI's particular student profile we would wish to offer some thoughts.

The amount of support funding for full time students should be available for part time students on a pro-rata basis: this is the only equitable solution. Challenging as this is, it is critical if HE is going to develop towards greater flexibility. Beyond any simple issues of equity, UHI believes that many prospective part-time learners not currently in employment are effectively precluded from engaging in substantial part-time study towards qualifications through the current support funding rules.

Students who wish to undertake postgraduate study should be encouraged to take out CDLs underwritten by the Scottish Government.

In any case, we would very much support a simpler system for student support. A universal loan and bursary system has merits if the level is sufficient to allow students not to rely on parents/guardians or partners. The current system in England, Wales and NI allows students to receive 75% of the maximum loan without the need for means testing. There could be merit in a hybrid system where everyone is eligible for 75% loan funding but that, depending on family/individual circumstances, the rate of interest could be variable (subsidised or unsubsidised loan). The remainder (25%) would be either/or grants/bursaries for those from the lowest 20% SIMD or disabled or mature/independent, etc.

A minimum income guarantee should be seen as an achievable aim rather than an aspiration. For some students (the poorest) the way forward to achieve this is via the state and for others (the richest) this could be achieved by taking out private loans (partially underwritten by the state or by the family of the individual) as in the USA. An increase in the threshold along with a modest increase in interest rates would seem reasonable and loans could be subsidised or not on the basis of circumstances.

Disabled students and DSA. There is a proposal in the Green Paper that funds could be given to the university to manage on behalf of the student: equipment would belong to the university and this could be used by other disabled students; there might therefore be economy of scale in the purchase of resources. However, disabled students will have differing needs and thus costs for non-medical personal helpers are difficult to calculate on an institutional basis. Further, in any year there may be an increase in the numbers of students with a disability that is particularly costly in terms of equipment and NMPH costs.

Childcare. The current system means that funds can be targeted appropriately. The issue is that HEIs can decide on what level of support they give to parents with children – this can mean that parents living in the same area but attending different institutions can receive different childcare payments based on where they attend rather than on need. There is certainly a need for tighter guidance.

Private financing of student support delivery. The only winner in this set up would be the provider as they are set up to make profit: therefore the costs are likely to be greater than any benefit to the individual or society.

Chapter 6 - Funding

This is obviously an immensely challenging area. UHI endorses the view that the state should retain the prime responsibility but also recognises that some form of graduate contribution is inevitable, and given the current financial realities, an appropriate change.

However, UHI is of the view that no student should have to make an up-front contribution to engage with HE study, and accordingly recognises that some mechanism has to be put in place to recognise that some considerable time will elapse between the agreement to have a graduate contribution and the flow of money from such a system to universities. Given UHI's mission to provide equitable access to HE across the region, particularly given our student profile and widening access agenda, we believe that any system must be compatible with the guiding principles set out in the introduction, particularly to the principle of access to all suitable entrants irrespective of their wealth or lack of financial resource. We strongly endorse the sentiment expressed in the paper that "any contribution should be fair for graduates, recognising the benefits which they have gained from their education while neither placing an unfair burden on them nor creating any barriers to participation in higher education".

We commented earlier on credit-based funding as being potentially beneficial to support flexible learning. FTE exchange between Universities could also be useful, but in practice UHI uses its entire priority funding group FTEs, so potential here would be limited, and in any case we need to retain a breadth of curriculum in the region across all funding groups to meet learner demand in our communities. With the scale of fees-only activity that we undertake, all non-priority groups are oversubscribed (so we have nothing to trade). As the only university wholly based in our very large region, and as a university at the outset of its life, we believe that we have to provide, ourselves, a viable range of courses for economic success and credibility in the eyes of our potential customers and stakeholders. These caveats aside, we welcome collaboration between institutions and we already have a long history of collaborative activity, particularly in research.

We recognise the arguments for output-based funding and have already commented on some of the downsides of output-based funding. In principle it militates against wider-access institutions, since they are inherently prone to higher attrition of learners. Given, however, the climate of financial uncertainty within which we currently operate, this is probably not the best time to add the further complication of changing from input to output funding.

We do see potential to drive greater employer contribution. For students in employment, the Scottish Government could encourage businesses to send and fund students to study part time through, for example, tax incentives (or if this is not possible other forms of incentives) to employers for every participating employee on HE programmes over SCQF level 6 (linked to this, incentives for employers actively supporting the delivery/management of accredited work-based learning, and thus reducing the delivery cost, might be considered).

We also believe that there may be some potential for recovering higher fees from students elsewhere in the UK and Europe as well as students outwith Europe. However, the demand and the legislative environment seems to prevent such measures from filling the funding gap and therefore underlines the need for the state's predominant funding role to be supplemented by a contribution from the graduate beneficiaries.

In terms of increasing efficiency this is obviously one area which the UHI multi-partner model supports, and we are currently seeking to realise greater internal efficiencies in areas such as library and information services. It is important to recognise that the provision of a more flexible learner journey, and the other innovative delivery mechanisms which UHI exploits, is

done in an area where the total numbers of students on any one course is relatively small and the economies of scale available to universities in urban settings are non-existent. Thus whilst flexible funding and delivery models might reduce or spread the costs to the learner they do not amount to a model for providing a cheaper form of university education in institutions like UHI.

UHI of course supports the concept of funding for, and recognition of, mission diversity. As a partnership which is tertiary in character and dealing with scattered populations it has to perform to run classes with smaller numbers than those which would characterise institutions in more urban settings. UHI would argue that HE delivered in these conditions requires remoteness funding on the same argument as the system currently allocates such funding to FE.

Chapter 7 - Shape and Structure

Merger and collaboration. UHI is effectively a prototype for this on several levels having created a multi-site, regional University and effectively a partnership between Colleges and University (although that oversimplifies the UHI model), that brings all forms of HE together with the associated benefits to learner opportunity. There is no obvious scope for mergers with other bodies within the region.

Map of provision. UHI is the only University based within our region, and as such we have a commitment to make a breadth of curriculum accessible to our learners. It has been noted by others that mobility is one of the most significant barriers to inclusion and widening access. UHI does not support a model that unnecessarily restricts learner choice within a region. However, we already work closely with other Universities active in our region, through face-to-face or distance learning, to ensure that there is no direct competition or overlap in our curriculum and that learner choice is maximized. We are also realistic about our capacity to deliver every possible course demanded by our market and already work to establish formal outward articulation links for our HN students to other Universities where we cannot offer progression opportunities. Again, the principle of regional coherence is central to these strategies.

Should we consider developing more polytechnic colleges? Is there scope in Scotland for introducing a new Associate or College Degree? UHI cannot support either of these proposals without qualification. We have some concerns about the way in which the term 'vocational' is being used in relation to some of the discussions around the Green Paper. We commented earlier on our position regarding diversity within the HE sector and our resistance to any change that would in effect establish a 2-tier system for HE. We are, however, open to considering alternative forms of intermediate qualification at SCQF level 7 and 8, but without prejudice to our support for seamless progression within the SCQF framework and the value of research-informed teaching at all levels of HE. We do not support for Scotland as a whole, or for our region, the notion of "teaching only" universities whether they are called universities or polytechnic colleges.

Should we be considering the level of student numbers in light of the recent spending announcements? This section of the Green Paper proposes maintenance of funded numbers but linked to redistribution towards priority areas, or reduction overall, with a 'private provision' model providing room for HEIs to grow beyond those limits (students would receive no funding at all under that model). As the sole University based in the Highlands and Islands, we need to secure financial support for learners and provide appropriate curriculum across all funding groups in the region –we consider both models in this section of the paper run counter to our obligations to the people of our region. Any shift in the direction proposed would also represent a serious challenge to the equivalence of HE opportunity in Scotland.

New Institutional Models. UHI has created a new model for University provision, and can also underpin, through the FE activity of UHI academic partners and our ongoing dialogue with the schools sector, constructive approaches to tertiary education provision on a regional basis. This requires continuing evolution within UHI, but these are live discussions at the present time based around networking and shared services across FE and HE activities, as well as strategic planning that aligns FE and HE portfolios.

Quality and Standards: What areas should we be focusing resources on to ensure continued quality enhancement in Scotland? UHI's view is that the focus is right at the moment, certainly for our region. The QAA enhancement theme of Graduates for the 21st Century (now extending into considering how curriculum can meet learner needs), the focus on

articulation, widening access & retention (through the SFC funded articulation hubs and prototype institutions) and a continuing interest in work-based and work-related learning, all match our local priorities. Internationalisation and student engagement remain central themes within the current round of Enhancement Led Institutional Reviews and this provides continuing impetus in these areas. Within a tertiary environment we believe that there is an opportunity to secure efficiencies by developing a single quality assurance process for both FE and HE.

Conclusion

We have not by any means addressed all the questions within the Green Paper, only those where we feel UHI has particular concerns or perspectives. We will continue to participate fully through Universities Scotland and other fora in the wider debate around the issues the Green Paper presents. Obviously the whole sector faces challenges at present and for UHI, as for other Universities, there will be particular issues that present greater problems. Overall however we consider that we have an innovative model with much to contribute to the diversity of the university sector and make a distinctive contribution to Scotland and to the Highlands and Islands. We believe that mission diversity is good for the sector and that the funding system should encourage mission diversity and not follow the “one size fits all” principle.