SFC Guidance

Guidance for the development of University Outcome Agreements: 2018-19 to 2020-21

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Scottish Funding Council
Promoting further and higher education

Contents

Annexes

Annex A: Self-evaluation report

Annex B: Technical Guidance on SFC's measures of progress

Foreword

The Scottish Funding Council is committed to working with Scotland's universities and colleges to make Scotland the best place in the world to learn, to educate, to research, and to innovate.

With SFC support, our universities and colleges will continue to contribute towards inclusive economic growth and deliver the Scottish Government's vision of both excellence and equity in education. They will do this by *investing* in their people and estates, giving learners access to high-quality teaching and well-equipped, sustainable facilities; by pursuing research and working with industry to drive *innovation* in the economy, recognising and redressing skills gaps, and improving the well-being of citizens; by promoting *inclusivity*, transforming lives by breaking down barriers and reducing income inequality; and by being outward looking and competitive, and actively promoting Scotland on the *international* stage.

Working in partnership with our institutions, we want the 317,000 students in our universities and colleges to have the best possible learning experience so that they are equipped to think, to act, and to contribute in their workplaces and in their communities within Scotland – and beyond. Furthermore, we want this opportunity to be available to people from *all* backgrounds and are therefore committed to working with our institutions to respond to the recommendations of the Commission on Widening Access in its *A Blueprint for Fairness* which asserts Scotland's 'moral, social and economic duty' to tackle inequalities.

Public bodies should lead the way on Fair Work, ensuring access to good jobs providing security and opportunity to employees, treating them with respect and providing fair reward. There are currently five universities and five colleges accredited as Living Wage Employers. We encourage all institutions to become Accredited Employers and to promote the benefits of Fair Work, both through their HR functions and more widely to staff and students.

The Enterprise and Skills Review has highlighted the significant room for improvement in how Scotland performs on key measures of productivity, equality, wellbeing and sustainability. Recognising this, SFC will work to drive closer alignment and collaboration across the enterprise and skills system to create real improvement in outcomes.

Key points in drafting a university Outcome Agreement

- The key purpose of an Outcome Agreement is to demonstrate each institution's distinct contribution to the Scottish Government's priority outcomes and impact for public investment.

- An Outcome Agreement should align with a university's strategy to enable the institution to negotiate its contribution toward sector level impacts according to its mission and strengths.

- Areas identified by Ministers for prioritisation and enhanced focus in the process for 2017-18 include: widening access; articulation; attainment and retention; gender; skills; and innovation.

- Ministers have asked SFC to intensify the Outcome Agreement process for 2017-18 to secure greater progress with priority outcomes, and indicated that this should include: the setting of more ambitious and challenging targets; more dynamic allocation of places and funding to drive and incentivise improvement; and enhanced transparency and accountability on institutional performance.

- An Outcome Agreement which lacks sufficient actions to address Scottish Government priority outcomes may not be approved by SFC.

- Outcome Agreements should ideally be multi-year (three-year), high-level strategic documents preferably of no more than 30 pages in length.

- Not all of the aspects of the guidance will be relevant to every institution. Universities are encouraged to interpret and apply this Guidance in a way that is appropriate and relevant to their particular context and mission.

- Universities are asked to develop their Outcome Agreements using the Framework at Table 2, outlining their commitments, strategies and evidence of progress against each of the priority outcomes.

- An institution's Outcome Agreement will not be agreed by SFC unless it includes a completed National measures data return using the pro-forma below, and an attachment outlining its plans on the use of UIF funding.

- Institutions should summarise how their Outcome Agreements have been developed in consultation with students, the university's students' association, staff, and trade union representatives.

Guidance for the development of University Outcome Agreements: 2018-19 to 2020-21

Introduction

1. This guidance explains the process of negotiating an Outcome Agreement (OA) with the Scottish Funding Council (SFC) for Academic Years (AY) 2018-21. It also explains how we will monitor previous years' Outcome Agreements.

2. SFC introduced university Outcome Agreements in AY 2012-13. They are intended to help universities[1] demonstrate their distinct contribution to the Scottish Government's priorities as set out in the *Scottish Economic Strategy*[2] and its programme for government for the coming year, (*A Nation With Ambition: The Government's Programme for Scotland 2017-18*[3]). Outcome Agreements have become a powerful tool in demonstrating what universities deliver in return for public investment.

Intensification of the Outcome Agreement process

3. In her 18 October 2017[4] letter to SFC on Outcome Agreements, the Minister asks SFC to maximise the contribution that its investments make to achieving Scottish Government priorities. Ministers have also asked SFC to ensure a clear 'line of sight' between Scottish Government policy ambitions and its investments in teaching, research, and innovation.

4. Since its introduction in AY 2012-13 the Outcome Agreement process has worked well in demonstrating each institution's distinct contribution to national outcomes and impact for public investment, and has become an accepted and essential part of the relationship between SFC and institutions. Nevertheless, there is scope for further enhancement and intensification of the process.

5. Areas identified for prioritisation and enhanced focus for the 2018-19 round of Outcome Agreements include: widening access; retention and enhanced outcomes for disadvantaged learners; enhanced alignment of skills provision with the needs of the economy; increased participation in STEM subjects; supporting enhanced business innovation; and addressing gender imbalances.

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[1] Scotland has 19 higher education institutions of which 16 are universities and three are specialist higher education institutions. The term 'university' is used at times in this document but should be understood to mean all 19 higher education institutions

[2] Scotland's Economic Strategy
[3] A Nation With Ambition: The Government's Programme for Scotland 2017-18
[4] Letter to SFC on Outcome Agreements

6.   The Minister has made clear her expectations that SFC should intensify its approach to the Outcome Agreement process to secure greater progress in the priority areas identified above including:

- The setting of more ambitious and challenging targets.
- The more dynamic allocation of places and funding to drive and incentivise improvement.
- Enhanced transparency and accountability on institutional performance.

7.   There is also a clear expectation that SFC ensures that institutions access commitments are sufficient to ensure delivery the targets contained in recommendation 32[5] of the CoWA report. Outcome Agreement teams will work closely with institutions to ensure a shared understanding of the implications of intensification and SFC will engage with sector representative bodies to reinforce this understanding.

Scottish Government guidance and policy priorities

8.   In her letter of guidance to SFC of 30 March 2017[6], the Minister for Further Education, Higher Education and Science outlined the Scottish Government's high-level strategic objectives:

- Access to education for people from the widest range of backgrounds, including implementation of the recommendations of the Commission on Widening Access and addressing gender balance among student intakes for some key subjects, (paras 15-19).
- High-quality learning in a learning system which is seamlessly connected for the learner, including learning which prepares people well for the world of work and successful long term careers, prioritising provision that meets known skills gaps in the economy, (paras 11-14).
- Ensuring provision of quality learning in Scottish higher education institutions, i.e. HE strategic futures, Quality Assurance and HE governance. (paras 32-35).
- Internationally competitive and impactful research, (paras 36-37).
- Effective knowledge exchange and innovation including excellent collaboration between universities and industry, (paras 38-41).

9.   These strategic objectives are reiterated in the 18 October 2017 letter on Outcome Agreements and SFC are asked to ensure that institutions' Outcome

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[5] By 2021 students from the 20% most deprived backgrounds should represent at least 10% of full-time first degree entrants to every individual Scottish university (CoWA).

[6] SFC Letter of Guidance 2017-18

Agreements are robustly evaluated against them. Institutions are asked to develop their Outcome Agreements using the Framework at *Table 3*, outlining outcomes, commitments and evidence of progress with securing each of these priorities.

The Outcome Agreement process: relationships and reporting

10. The Outcome Agreement process is intended to complement and support an institution's own strategic ambitions. Achieving these ambitions is ultimately the responsibility of a university's court or governing body. An Outcome Agreement should align with an institution's strategy so that it enables the institution to negotiate its contribution toward sector level impacts according to its mission and strengths.

11. The Outcome Agreement process combines two elements: a *relationship* with Outcome Agreement managers and their teams; and *reporting*, where universities demonstrate their commitment to meeting Scottish Government priorities through their stated ambitions and subsequent evaluation.

Relationship

12. A strong working relationship with SFC Outcome Agreement managers can enhance mutual understanding. Outcome Agreement teams will ensure that the particular contribution and context of an institution is fully understood across the SFC executive and board, and can facilitate engagement with SFC funding and policy colleagues, and partner bodies (e.g. QAA and SDS) as required. They will also support and challenge institutions to make more effective and explicit commitments in support of SFC and Scottish Government priorities. Outcome Agreement discussions are also a forum where institutions can, in confidence, share and explore their strategic ambitions with SFC colleagues.

Reporting

13. Outcome Agreements should be concise documents focused on SFC's strategic plan priorities outlined in Table 3. *If possible, they should be multi-year (three-year) documents, and preferably not more than 30 pages in length[7].*

14. SFC recognises that not all of the aspects of the guidance will be relevant to every institution. In recognition of the diversity of the sector, *SFC encourages universities to interpret and apply this Guidance in a way that is appropriate to their particular context and mission.*

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[7] For the University Innovation Fund, institutions will be expected to provide an updated plan for each academic year.

15. Universities should use SFC measures of progress outlined in Table 3 as well as their own indicators and evidence of progress, to capture their contribution to SFC and Scottish Government priorities in their Outcome Agreements.

16. The level of ambition reflected in an institution's Outcome Agreement should be reviewed on a yearly basis with annual updates submitted in line with the timetable outlined below. This is to reflect progress made, and the fact that things may happen that are beyond an institution's control, or the contents of the agreement may be overtaken by events. Commitments made in the first year of the cycle will be deemed to stand for the three years of the cycle unless they are explicitly refuted / replaced in later iterations. SFC will be sympathetic to institutions reviewing their commitments, however, should the changing public policy and fiscal environment make changes necessary.

17. Please contact your Outcome Agreement team for more information on the process, and to discuss the details of your institution's agreement.

Monitoring

18. Outcome Agreements for AY 2018-19 will be informed by the monitoring of progress and achievements from previous years. This will focus on the 2015-16 and 2016-17 agreements, and very early progress from the 2017-18 agreements.

19. We will discuss progress with institutions throughout the year. The monitoring process includes a number of key stages, which are set out below.

Self-evaluation

20. All universities should prepare and send to SFC an annual self-evaluation progress report in late October covering the preceding academic year. This applies regardless of the period covered by the Outcome Agreement, which may be one to three years. This self-evaluation will be used by Outcome Agreement teams in their monitoring of, and negotiations with, institutions on future Outcome Agreements. Further information on how to complete a self-evaluation report is contained in Annex A.

On-going monitoring and early data returns

21. Building on this evidence base, we will provide an assessment of progress for each institution, which will then be discussed with the university.

22. We also require an in-year Early Access Return for the end of October which should be submitted, if possible, along with the Self Evaluation. This is separate from the Early Statistics Return, as suggested by practitioners in the sector, and will look beyond the take-up of additional funded places to consider trends in

widening access more generally. Given the statutory nature of the widening access elements of Outcome Agreements (following the Post-16 Education (Scotland) Act 2013) this in-year data is crucial to meeting some elements of SFC's duties under the Act, and will also be part of a wider effort to ensure we have the right data at the right time. It will also be helpful to SFC and universities in better judging the success of interventions. We expect that over time this exercise will develop in collaboration with the sector as our understanding of this area improves.

Outcome Agreements and funding

23. Outcome Agreements set out what an institution plans to deliver in return for their funding from SFC. The process aims to deliver a funding system that supports institutions in pursuing realistic goals that are complementary to their strategies, agreed by their Court / Board and deliver progress towards SFC and Scottish Government priorities.

24. Performance and progress towards agreed outcomes is the responsibility of universities as autonomous institutions. In allocating funding to achieve specific outcomes, SFC expects institutions to deliver on these outcomes.

25. Within their Outcome Agreements institutions are asked to set out their objectives across the full range of SFC funded activity. The majority of SFC funding to institutions in relation to teaching, research and innovation will continue to be based on formulae. Funding under these streams have their own understood system of funding recovery and penalties and are broadly covered within the revised Financial Memorandum published in 2014.

26. SFC will monitor progress and decide whether to apply a funding recovery and/or financial penalty within the Outcome Agreement process for aspects of Outcome Agreements, specifically:

    - Outcome Agreement funded incentive mechanisms.
    - Other objectives agreed in Outcome Agreements that are aligned to Scottish Government priorities.

27. When considering progress, SFC will establish evidence of under / over-delivery from a combination of the statistical data available, from the progress reported by institutions and by the information available from Outcome Agreement managers and key stakeholders. It will be the responsibility of an institution to make its case in relation to its progress, so that the decision making process is informed by a full and accurate agreement of the progress submitted by the institution.

28. Concern over under / over-delivery will be highlighted if and when it is identified. As is currently the case, action to reduce funding, funding recovery, or application of a penalty would only be taken if evidence has been established.

29. If there is evidence of under / over-delivery, SFC will consider the relationship between the scale of under / over-delivery, the duration of under / over-delivery and the relative strategic importance of outcomes that have not been delivered. Typically, an outcome of high strategic performance would relate to a Scottish Government priority, or to a priority highlighted within SFC guidance.

30. SFC may then take four types of action which are not mutually exclusive:

- Establishing an improvement plan in relation to specific areas of under-delivery with no impact on funding.
- Reducing funding in future years commensurate to the level of under-delivery.
- Applying funding recovery.
- Applying a penalty where it is necessary for over-delivery.

31. An Outcome Agreement which lacks sufficient actions to address Scottish Government priority outcomes may not be approved by SFC.

Institutional aspirations and SFC measures of progress

32. Institutions are asked to share their aspirations for improvement using the measures of progress outlined in Table 3. *In setting out their aspirations universities are asked to submit a summary of baselines, milestones, and targets as an attachment to their Outcome Agreement. A National measures data table template should be completed by the institution and will form an integral and critical part of the final agreement. Institutions will be sent a bespoke template with the current baselines for each of the measures of progress at the start of Outcome Agreement negotiations.* This will allow SFC to discharge its responsibility to Scottish Government and Scottish Parliament to account for the effective use of public funding for the sector in securing national priority outcomes.

33. Aspirations for progress against measures should cover the three year period from AY 2018-19. SFC measures of progress draw on HESA data and a small number of other data sets in everyday use by the sector and do not represent a significant additional reporting burden on institutions.

34. Progress against measures should be reported consistently with reference to the technical annex to this paper (Annex B) and the baseline agreed with SFC. Institutions should contact their Outcome Agreement team as soon as possible if they are unable to replicate baseline data using the technical guidance.

35. As outlined above, to provide a more comprehensive account of progress against priority outcomes (e.g. widening access), we encourage institutions to submit their own measures in addition to those outlined in Table 3.

Staff and student engagement

36. Under the Post-16 Education (Scotland) Act 2013, universities are required to consult with their student association and the representatives of any recognised trade union in entering into a widening access agreement (now part of university Outcome Agreements). *In line with this, we expect universities to summarise how – from the outset of the process and throughout – their Outcome Agreements have been developed in consultation with students, the university's students' association, staff, and with trade union representatives.* Given the emphasis on gender balance in senior staff in the letter of guidance to SFC from the Minister for Further and Higher Education and Science, we also expect the discussions with trade unions to cover actions to reduce gender imbalances in senior staff. This does not replace any interactions with staff and student union representatives at Strategic Dialogue Meetings.

Institutional strategies

37. Outcome Agreements should be streamlined strategic documents. Universities should reference relevant institutional strategies and documentation as evidence for their commitment to SFC and Scottish Government priority outcomes. However, these documents should be hyperlinked rather than replicated at length in the agreement itself, although some summary and context may be required in the narrative. Below is a (non-exhaustive) list of strategic documents that may be helpful to reference in Outcome Agreements.

Table 1: Institutional strategies and documents (examples)	
• Access and Inclusion Strategy. • Corporate Parenting Plan. • Developing the Young Workforce Plan. • Equality and Human Rights Impact Assessment. • Gaelic Language Plan.	• Gender Action Plan. • Public Bodies Climate Change Duties Report. • Estates strategy. • Student carers support policy. • University research strategy.

Timeline

38. We will begin discussing the content of AY 2018-19 Outcome Agreements immediately with a well-developed draft due in December, with final OAs submitted by the end of April. SFC gives its commitment to provide full and timely feedback on submissions received from institutions.

39.   The Outcome Agreement timeline is as follows:

Table 2: Key dates for Outcome Agreements AY 2018-19	
Guidance updated and published	October 2017
Negotiations start	October 2017
Self-evaluation progress report on AY 2016-17 submitted and Early Access Return due	31 October 2017
Well-developed draft Outcome Agreement submitted	15 December 2017
Feedback on draft Outcome Agreement	by 31 January 2018
Indicative funding allocations to institutions	February 2018
Final funding allocations to institutions for AY 2018-19 announced	April 2018
Final Outcome Agreement submitted	By 30 April 2018
Publication of Outcome Agreements	May / June 2018

Table 3: Framework for developing Outcome Agreements: outcomes, commitments, and evidence of progress

Institutions are asked to use the following guide in the development of their Outcome Agreements.
Please read the summary of cross-cutting themes *and* SFC policy priorities *for AY 2018-19.*

Scottish Government strategic priority: Access to education for people from the widest range of backgrounds, including implementation of the recommendations of CoWA and addressing gender balance		
Outcomes	**Commitment, strategies and evidence of progress**	**Measure of progress**
'A child born today in one of our most deprived communities will, by the time he or she leaves school, have the same chance of going to university as a child born in one of our least deprived communities' **Nicola Sturgeon** **First Minister** **November 2014** Scotland is a more equal society by widening access to learning for communities that are under-represented and by promoting equality and diversity Enhanced learner journeys with more and better pathways for students Immediate progress to address the gender imbalance at senior academic levels	Institutions are asked to summarise their strategies to reduce barriers, and proactively promote access to higher education to learners from deprived or disadvantaged backgrounds. **This summary must include evidence of strategic commitment to and aspirations for widening access to disadvantaged groups, and a clear plan for how institutions will achieve their ambitions towards targets contained in CoWA recommendations**, and should also include strategies and commitments to: • Identify and address under-representation from protected characteristic and underrepresented socio-economic groups. • Improve retention and outcome for students from underrepresented socio-economic groups. • Recruit those from care experience backgrounds, and transitional and support arrangements to assist them complete their programmes of study. • Maximise opportunities for progression from college. • Promote access to high demand courses and professions. • Support learners from disadvantaged and under-represented groups complete their programmes of study. • The use and impact of SFC strategic investments to support widening access and retention.	**(1)** The **number** and **proportion** of Scotland-domiciled learners articulating from college to degree level courses with advanced standing. **(2a)** The **number** and **proportion** of Scotland-domiciled undergraduate entrants from the **20%** most deprived backgrounds. ***** In addition to measure 2a, institutions are also asked to return their targets for recruitment of **full-time first degree** Scotland-domiciled undergraduate entrants from the 20% most deprived backgrounds – the measure recommended by CoWA ***** **(2b)** The **number** and **proportion** of Scotland-domiciled undergraduate entrants from the **40%** most deprived backgrounds. **(3)** The **number** and **proportion** of Scotland-domiciled undergraduate entrants from the Schools for Higher Education Programme (SHEP).

	• Proactively address gender imbalances in programmes, specifically those subjects areas with severe imbalances (i.e. >75%). • Demonstrate their current and future commitment to students (and staff) who are carers.	**(4)** The **number** and **proportion** of Scotland-domiciled undergraduate entrants from different **protected characteristic groups** and **care experienced learners.** **(5)** The **number** and **proportion** of full-time first year Scotland-domiciled entrants from the **20% most deprived backgrounds,** from **care experience backgrounds,** and **protected characteristic groups,** returning to study in year two.
Scottish Government strategic priority: High quality learning in a learning system which is seamlessly connected for the learner, including learning which prepares people well for the world of work, prioritising provision that meets known skills gaps in the economy		
Outcome	**Commitments, strategies and evidence of progress**	**Measure of progress**
Scotland has an outstanding system of learning where all students are progressing successfully and benefiting from a world-class learning experience in the hands of expert lecturers delivered in modern facilities A more successful economy and society with well prepared and skilled students progressing into jobs with the ability, ideas, and ambition to make a difference Scotland is a more equal society because learning is accessible and diverse, attracting and providing more	Institutions are asked to summarise their approach to enhancing the quality and delivery of learning and support for students, and outline their strategies to ensure that students leave university with the skills, flexibility and attributes to succeed. **Where appropriate to your institution, statements should outline strategies and aspirations to:** • Identify and address barriers to retention, particularly the retention rate of students by age. • Adjust and adapt their curriculum in response to evidence of current and future labour market needs of employers and the economy, particularly in STEM subjects and those of priority sectors (e.g. ICT / digital, screen, and low carbon sectors). • Enhance the uptake of STEM provision as well as promote increased diversity and equity in participation, attainment and outcomes in STEM study, and engage with the Scottish	**(6)** The **number** and **proportion** of full-time first year Scotland-domiciled undergraduate entrants returning to study in year two. **(7)** The difference from the individual institution's UK benchmark figure for students satisfied with the overall quality of their course of study in the National Student Survey. **(8)** The **number** and **proportion** of Scotland-domiciled undergraduate entrants to STEM courses. **(9a)** The **number** and **proportion** of Scotland-domiciled graduates entering positive destinations.

| equal opportunities for people of all ages, and from all communities and backgrounds | Government's emerging STEM strategy.
• Each university, in dialogue with their local college region, will develop an evolving STEM strategy, linking industry and the curriculum delivered in the region to drive productivity and growth
• Evidence how the institution meets the needs of current and future skills requirements of employers as outlined in the Sector Skills Investment Plans, other available labour market information, and through their partnerships with employers.
• Enhance the provision of work related learning opportunities and co-funded models for employees.
• Internationalise the student experience, and enhance and increase student mobility, particularly outward student mobility.
• Grow the number of students developing their foreign language skills, and demonstrate commitment to ESOL provision, whether as part of a formal course of study or as complementary learning.
• Increase the pool of applicants from Scotland wishing to study medicine in Scotland.
• Support the training and development of the health and social care workforce with the skills and values to deliver high quality care in Scotland, and the delivery of significant growth in early learning and childcare (ELC) provision to meet the Scottish Government commitment to almost double the funded ELC entitlement, ensuring a more diverse workforce that better reflects society.
• Steps taken to ensure the uptake of controlled places in teacher education, particularly in those subject areas with low student demand (e.g. STEM, English, Modern Languages, Technical Education and Home Economics).
• Promote credit rating of their provision on the SCQF. | **(9b)** The **number** and **proportion** of Scotland-domiciled full-time first degree respondents entering professional occupations. |

	Where necessary, institutions should also outline plans for any significant changes to their provision.	

Scottish government priority: internationally competitive and impactful research

Outcomes	Commitment, strategies and evidence of progress	Measure of progress
Universities have a world-leading reputation for the impact of their research Scotland is a country of discovery where talented researchers from across the world come together to explore, challenge and address some of the most fundamental questions facing our society Universities have world-class facilities, a global reputation and standing, and international connections and collaborations Scotland is a place that nurtures, develops and trains the international research leaders of tomorrow	Institutions are asked to summarise their strategies to enhance the competitiveness and international standing of their research, maximise the impact of their research, and embed a culture where diverse researcher talent is nurtured and developed. **Where appropriate to your institution, statements should outline strategies and aspirations to:** • Enhance their performance in the next REF exercise (REF2021). • Work in partnership with SFC and Universities Scotland on debate and engagement with the principles of the 'Concordat on Open Research Data' (noting that SFC is a signatory). • Grow research income from the UK research councils and other sources (including Overseas Development Funding), and how they will use REG funding to support research excellence. • Sustain a high-quality environment for research training and development. • Enhance the development and diversity of its researchers (including ambitions for *Athena Swan* and HR *Excellence in Research* charter mark), and address equality and diversity issues identified by REF2014 and guidance in REF2021. • Enhance research collaboration including support for research pools, and promotion of multi / interdisciplinary working including addressing global challenges.	**(10)** Number of research postgraduate students. **(11)** Total income from the UK Research Councils. **(12)** Total research income from all sources.

	• Enhance public and cultural engagement and contribute to public policy and public sector delivery. Institutions are also asked to evidence their commitment to the principles set out in the Universities UK *Concordat to support research integrity.*	

Scottish Government priority: effective knowledge exchange and innovation including excellent collaboration between universities and industry

Outcomes	Commitment, strategies and evidence of progress	Measure of progress
Scotland's economy is stronger, more productive and resilient with economic growth supported by innovation from our universities Scotland's research excellence attracts investment and job creation from the world's most dynamic international businesses A deep culture of collaboration between universities, colleges, business, and venture capital and improved commercialisation of research Businesses in Scotland use innovation to improve their competitiveness, productivity and growth. Our entrepreneurial students and researchers drive the growth of innovative new businesses and improvements to our public services	Institutions are asked to summarise their approach to sustaining a culture in which innovation can flourish, and their work with business, industry, and the public sector to find innovative solutions that support economic growth, and impact on our society and culture. **Where appropriate to your institution, statements should outline strategies and aspirations to:** • Engaging with the innovation landscape in Scotland including Innovation Centres, Interface, Innovation Vouchers, and the Scottish Government's innovation action plan. • Maintain and sustain the activity and priorities that have been put in place in response to the Innovation Scotland Forum action plan. • Engaging with SFC and Innovation Centres on the recommendations of the Innovation Centre review and with Innovation Centres progressing to phase 2. • Delivering the individual institution's agreed contributions to the nationally agreed University Innovation Fund (UIF) outcomes at an individual and national (collaborative level). This should include working openly and proactively with the UIF manager (hosted by UWS).	**(13)** The number of SFC innovation vouchers and Follow-on innovation vouchers **(14)** Institutions should attach a submission to their Outcome Agreement outlining their plans for the use of their UIF allocation in support of individual and national outcomes. Institutions should also continue to complete the annual Higher education-business and community interaction (HE-BCI) survey.

	- Embedding enterprise and entrepreneurship training in its programmes. - Ensuring their research and innovation activity is state-aid compliant. - Supporting sustained economic development in their local communities, including – where relevant – participation in City Deal Projects and Community Planning Partnerships. - Support delivery of the Enterprise and Skills review actions on internationalisation, including using Official Development Assistance funding to address global challenges.	Detail of interventions in place and/or engagement with specific initiatives aimed at developing enterprising mind-sets and equipping students with the skills to be entrepreneurial and intrapreneurial. This could include numbers of workshops run for staff and students, events run / attended or numbers of referrals / applications to competitions, financial support and/or mentoring.

Scottish Government priority: ensuring provision of quality learning in Scottish higher education institutions, i.e. HE strategic futures, Quality Assurance and HE governance

Outcomes	Commitment, strategies and evidence of progress	Measure of progress
Scotland's universities are able to demonstrate value for money and impact for the public investment they receive Scotland's universities are recognised as exemplars of good governance and demonstrate continuous improvement in their governance arrangements Universities actively promote sustainability and meet and exceed targets for reduced carbon set out in legislation Universities promote equality and diversity in their operation and help	Institutions are asked to summarise how they ensure continuous improvements in the quality of their governance, promote equality and diversity in all their activities, and demonstrate enhanced sustainability – securing best value for public investment. Summaries should outline how institutions: - Are discharging their obligations under the Climate Change (Scotland) Act 2009. - Are taking the necessary measures to ensure alignment with the provisions of the HE Governance (Scotland) Act 2016 within the required timeframe. - Are proactively promoting gender balance on their courts / boards of management. - Address statutory requirements to eliminate discrimination, advance equality of opportunity and foster good relations, and use data and consultation processes to evidence and address under-representation of protected characteristic groups.	**(15)** Gross carbon footprint (3 year period).

| to create a more equal society

Scotland's universities are coherent and well connected contributing to all aspect of Scotland's educational, social, cultural and economic life | • Are securing value for money in the use of public funding, (including through joint activities, shared services and better procurement).
• Show leadership in Fair Work, ensuring employees have respect, fulfilment and security of employment and income, and have an effective voice. **Institutions are strongly encouraged to become accredited Living Wage Employers**. | |

Cross-cutting themes

Commitment, strategies and evidence of progress

- Outline key ambitions to tackle **gender imbalances** at a **subject level in education programmes**, as set out within their institutional gender action plans, and at **senior academic levels, senior management** and on **courts / boards of management**.
- Intensification in **partnership working and collaboration** to secure the continued effectiveness and sustainability of the sector.
- Outline actions and strategies to identify and address the challenges associated with **the UK's departure from the EU**.
- Institutions may wish to reflect on their **social and cultural impact** in Scotland, the UK and internationally – but particularly with respect to their immediate communities – and their aspirations towards enhancing this contribution (including involvement in City Deals and Local Planning Partnerships).
- Where appropriate, institutions should include reference to their **contribution to the aims of the National Gaelic Language Plan for 2017-22** actions in support of parity of esteem for Gaelic and to encourage its use by speakers among their staff, students and others with whom they engage, as well as maintenance and development of their provision for Gaelic learners.

Additional funded places for access, articulation and skills

40. For AY 2018-19, we expect institutions to summarise the impact of SFC investments in additional places for access, articulation, and skills made in AY 2013-14 to AY 2017-18, and how they intend to build on these investments. Specifically institutions should report on:

- How mainstreamed additional places for access will continue to support institutions' contributions to SFC national targets for widening access. From AY 2018-19 *SFC has an expectation that these places will be used to facilitate recruitment of those from the 20% most deprived backgrounds only.*
- Plans to enhance collaborative working and articulation routes to degree programmes with colleges, and the implementation of associate student status for articulating students.
- Plans for deferred undergraduate skills places, including progress with securing funding from industry.

41. SFC is currently reviewing the success of the additional funded places for access, articulation and skills.

Financial Memorandum

42. SFC introduced a new Financial Memorandum with universities from December 2014, which sets out the formal relationship between SFC and HEIs and the requirements with which HEIs are expected to comply in return for payment of grant by SFC. It is a condition of grant payment that a governing body and its designated officers comply with the requirements set out in the Financial Memorandum, which include the delivery of its Outcome Agreement with SFC.

Strategic investments

43. Institutions are invited to discuss with their Outcome Agreement teams proposals for priority projects and programmes that are closely aligned with – and aid in the delivery of – SFC and Scottish Government key priorities. Early notice of these strategic opportunities would help SFC in managing its strategic resource, and respond quickly to the developing priorities of Government. Outcome Agreement teams will also make institutions aware of strategic investment opportunities as they arise.

Equality Impact Assessment

44. To meet the statutory requirement for equality impact assessments (EIA) of new and revised policies, *institutions are required to undertake and publish equality impact assessments of their Outcome Agreements.* This process will

support institutions to identify priorities for advancing equality in relation to all protected characteristics for the period of the Outcome Agreement (i.e. a three year agreement will only need one EIA every three years, but this should be revisited annually if changes are made). Institutions can either include the EIA in their OA or provide a web link.

45. SFC funds the Equality Challenge Unit (ECU) and the Higher Education Academy to support institutions in this work. ECU provides guidance on how universities should reflect on equality and diversity issues in their Outcome Agreements on their website[8].

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[8] Outcome Agreements

Cross-cutting themes

Partnership working and collaboration

46. Universities have developed many types of partnerships within Scotland, across the UK and beyond. SFC recognise that only through partnership working – with other universities and colleges; local authorities; research, enterprise and skills agencies; employers; industry; health trusts; and many others – can institutions fully realise their own individual strategies, and address Scotland's many complex challenges (and opportunities) in a coordinated and coherent way.

47. In a changing and uncertain public policy and fiscal landscape we would like to see intensification in partnership working and collaboration to secure the continued effectiveness and sustainability of the sector. In their Outcome Agreements we ask institutions to articulate their commitment to partnership working to deliver the priority outcomes outlined in the table above. These partnerships might include, but are not restricted to: the sharing of research, teaching and learning resource; the provision of work placement opportunities; the co-design and delivery of provision including work based degrees; the professional accreditation of programmes; developing efficient and effective learner pathways; access initiatives; and the sharing and provision of joint services.

UK departure from the European Union

48. In their Outcome Agreements we would like institutions to outline their actions and strategies to identify and address the challenges of the UK's departure from the EU. These may include steps taken to: maintain strong relations with academic partners in the EU; secure international research collaborations and income; and ensure continued outward and inward student mobility to and from EU countries.

Equality and diversity

49. Equality and diversity and a commitment to meaningful Equality Impact Assessment considerations is central to the development and implementation of all of SFC's policies and guidance and should be considered with the highest of priority in the development of your Outcome Agreement.

50. SFC and individual institutions have a legislative duty to respond to the general and Scottish specific duties of the Equality Act (2010). SFC's equality outcomes and ambition are, in part, delivered through sector strategies. These strategies include, but are not restricted to: SFC's Gender Action Plan, the Scottish Government Race Equality Framework 2016-30, the British Sign Language National Plan, and the final report of the Commission on Widening Access.

51. Institutions are required to demonstrate their response to the report of the [Scottish Parliament's Equalities and Human Rights Committee: Universities and Disabilities](). This should include an increased and enhanced commitment to focus on the intake and retention of learners across all the protected characteristics including disability. In particular, we expect to see an improvement in the reporting of this section of institutional Outcome Agreements. This enhanced commitment should adopt the Rights Based approached advocated in the EHRiC report.

52. We expect Universities to consider their published Mainstreaming Report and Equality Outcomes (as per the Equality Act) and ensure that ambitions for improvements are clearly articulated in their Outcome Agreement document. This should evidence how the University intends to use the places and funding allocated to them by SFC to advance equality. As part of this Universities should continue to seek improvements in the reporting and analysis of equality data.

53. SFC is working with the Equalities Challenge Unit to assist institutions to integrate the Mainstreaming requirements of the Equality Act into Outcome Agreements. We are keen to ensure that priority is always given to the mainstreaming of equality for all protected characteristics first before consideration is given to specific equality initiatives such as the Gender Action Plan, BSL National Plans, Corporate Parenting Plans and Outcome Agreement commitments to progress CoWA ambitions. This approach will enhance specific equality initiatives by ensuring that they consider all protected characteristics and will support intersectionality.

Ethnicity

54. The Scottish Government Race Equality Framework 2016-30 sets out a number of principles and goals for improving fairness, equal access and participation, tackling barriers (including structural inequalities) and improving outcomes in all aspects of society, including education.

55. To tackle racial inequality, the framework sets the education goal that 'minority ethnic people experience better outcomes in completing further and higher education, and in transitioning to the labour market after completion'.

56. As part of SFC aims for addressing barriers and inequalities within education, universities have a key role to play in considering how to proactively address race equality issues, and in engaging with any related initiatives that can support this work. For example, we would anticipate that universities engage with the Equality Challenge Unit (ECU) facilitated 'Scottish Race Equality Network Forum', and consider working towards future engagement with the ECU Race Equality Charter.

57. Through the OA process and our other engagements, SFC will continue to work with institutions to help progress and develop these aims and to consider the Race Equality Framework to ensure that minority ethnic people do not face barriers to full participation and successful outcomes across Further and Higher Education.

Gender

58. We ask for all universities to outline their key ambitions to tackle gender imbalances at a subject level within their Outcome Agreements as set out within their institutional gender action plan. These should be clear outcomes focused on the subject areas with the greatest gender imbalances (i.e. >75%). Also, institutions should set outcomes to address the overall underrepresentation of male students at undergraduate level. In addition, we ask that institutions identify where they have an imbalance between male and female students within retention by subject and to outline the outcomes they hope to achieve in addressing the imbalance.

59. We invite universities to highlight how through responding to the Public Sector Equality Duty[9] they are proactively promoting gender equality in relation to their staff and to their governing body. This should include reporting on progress with addressing gender imbalances at senior academic level and how they are working towards eliminating the gender pay gap. As noted elsewhere, this aspect of the Outcome Agreement should be the subject of consultation with staff trade unions. In addition, institutions will be aware of the Gender Balance on Public Boards legislation announced in the Programme for Government. We ask that universities indicate how they are working towards improving gender balance on their Courts or Boards. Institutions are welcome to include this as part of their institutional gender action plan.

60. All activity towards achieving these outcomes should be outlined within your institutional Gender Action Plan (GAPs). For those institutions that developed GAPs covering 2 years or more, we expect these plans to be reviewed and updated and you should discuss monitoring and progress with Outcome Agreement managers. For those institutions that produced one year GAPs we expect a new GAP by July 2018 to have been published as per the process as set out in the April 2017 briefing[10].

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[9] Public Sector Equality Duty
[10] Developing gender action plans: April 2017

Carers

61. We continue to use the Carers Trust definition of a carer[11]. The Carers (Scotland) Act will be implemented from April 2018 and we will expect universities to continue to improve support for student and staff carers. Universities are asked to build on their statements from last year outlining their commitment and stating the numbers of individual staff carers where known. We are collecting data on the numbers of student carers as part of HESA collection from AY 2017-18. In the agreements we would also like to see a link to your published Student Carers Support policy.

62. SFC and the Scottish Government continue to be supportive of the Carer's Trust Going Higher[12] campaign and encourage universities to evidence their support for this through the Outcome Agreement. Likewise we endorse Carer Scotland's Carer Positive[13] award for employers who have carer friendly policies and working practices.

Society and culture

63. Scotland's universities have a significant impact on the social and cultural life of Scotland, the UK and internationally. Universities may wish to reflect on this important role – particularly with respect to their immediate communities – and their aspirations towards enhancing this contribution in their Outcome Agreement. This should include how the principles in the Concordat for Engaging the Public with Research[14] are being embedded in institutional practice.

British Sign Language (BSL)

64. SFC has supported the development of the BSL National Plan[15], published on the 24th October, as per the British Sign Language (Scotland) Act 2015. The Act outlines that public bodies, including colleges and universities must publish a BSL plan no later than 12 months after the National BSL Plan. This does not need to be in this Outcome Agreement document but should be provided on your website and should feature in future OA documents. SFC is covered by the National Plan.

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[11] A carer is anyone who cares, unpaid, for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support.

[12] Carers Trust - Going Higher
[13] Carer Positive Employer in Scotland
[14] Concordat for Engaging the Public with Research
[15] British Sign Language (BSL): National Plan 2017 to 2023

65. The National Plan states that Scottish Ministers will:

- Expect all colleges and universities to publish BSL plans, setting out how students who use BSL are supported, with a clear measurable commitment to improvement where necessary. These plans link with college and university Outcome Agreements and will be reviewed annually by the Scottish Funding Council (SFC), to ensure that inequalities experienced by students who use BSL are being addressed.
- Establish a steering group to help colleges and universities develop their own BSL plans. This will be run by the Scottish Funding Council (SFC), will involve BSL users[16], and will include assessing what further guidance colleges and universities need to ensure they are clear about their responsibilities to BSL users leaving school and going on to further or higher education.
- Offer accessible advice and guidance to students who use BSL on funding packages available through the Student Award Agency Scotland (SAAS).

Gaelic

66. Where appropriate, Outcome Agreements should include reference to the National Gaelic Language Plan for 2017-22[17]. This should include actions in support of parity of esteem for Gaelic and to encourage its use by speakers among their staff, students and others with whom they engage, as well as maintenance and development of their provision for Gaelic learners.

Cyber security

67. We ask institutions to take account of the Scottish Government's drive for all organisations to be cyber resilient. The Scottish Government's *Secure and Prosperous: a cyber resilience strategy for Scotland*[18] calls on institutions to ensure that curricula at all levels embed cyber resilience learning outcomes that will keep our citizens safe, prepare the future workforce to be resilient in the face of rising threats, and also develop skills supply for a growing cyber security industry.

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[16] Wherever we refer to 'BSL users we mean Deaf and/or Deafblind people (those who receive the language in a tactile form due to sight loss) whose first or preferred language is British Sign Language.

[17] The Scottish Government Gaelic Language Plan 2016-2021
[18] Safe, Secure and Prosperous: A Cyber Resilience Strategy for Scotland

Policy priorities for AY 2018-19

Access

Commission on Widening Access

68.   The Commission on Widening Access (CoWA) issued its final report, *A Blueprint for Fairness*[19] in March 2016. The Commission was tasked by the First Minister to advise on the steps necessary to widen access to universities to those from our most deprived communities. Delivering on progress with this ambition is a clear priority of the Scottish Government and SFC. Institutions should respond to this by making an ambitious commitment to growth in both SIMD20 intake and retention and in the growth of articulation as outlined in the Blueprint for Fairness.

69.   In addition to an ambitious commitment towards achieving these national and institutional targets, institutions should also evidence, through their Outcome Agreement document, how they intend on achieving these widening access targets including the activities they are already engaged in and new activities planned. This should include the institution's response to the recommendations in the Blueprint for Fairness that are specifically directed to universities such as access thresholds and the entitlement of an offer for care experienced learners who meet the requirements of the access thresholds. Institutions are also asked to outline their use of bridging programmes and non-academic factors in relation to their ambitions towards their contribution to delivering the expectations of the Blueprint for Fairness.

SFC national aspirations for widening access

70.   In response to Scottish Government priorities and Ministerial letters of guidance, SFC has developed national aspirations for widening access for the three year period beginning AY 2017-18. These have been shaped by SFC's Strategic Plan[20] priorities, the recommendations of CoWA, and are underpinned by legislation associated with the delivery of the Post-16 Education (Scotland) Act 2013.

71.   SFC's national aspirations for widening access for the three-year period from 2017-18 are outlined below. We will negotiate the contribution of individual institutions to these aspirations as part of our Outcome Agreement discussions:

  •   Between 4,200 and 4,500 students articulate to university with advanced standing per year by 2016-17 rising to 5,500 per year by 2019-20.

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[19] *A Blueprint for Fairness*: The Final Report of the Commission on Widening Access
[20] Scottish Funding Council Strategic Plan 2015-18

- By 2030, students from the 20% most deprived backgrounds should represent 20% of entrants to higher education. To drive progress toward this goal our aspiration is to achieve 15.5% by 2019-20 (CoWA).
- By 2030, students from the 40% most deprived backgrounds should represent 40% of entrants to higher education. To drive progress toward this goal our aspiration is to achieve 34.1% by 2019-20.
- By 2021 students from the 20% most deprived backgrounds should represent at least 10% of full-time first degree entrants to every individual Scottish university (CoWA).
- The proportion of full-time first year Scotland-domiciled entrants returning to study in year two should increase to 91% by 2016-17 and 93% by 2019-20.
- Reduce the gap between male and female participation in undergraduate study from a 15.4% gap (of full-time Scotland domiciled first year entrants) to 10.4% by 2030. As a milestone we will look to have reduced this gap to 13.6% in 2019-20.
- Reduce the number of subjects with extreme gender imbalance (defined as a 75/25 ratio or greater) by 50% by 2025-26 and eliminate extreme imbalance completely by 2030-31. Please note that this milestone and target builds in a capacity building assumption up to 2020.

Care experienced learners

72. Our Care Experienced Governance Group which has oversight of our National Ambition for Care experienced students[21] has been pleased with the increased numbers of students from a care experienced background and the progress towards parity between the outcomes of care experienced students comparative to their peers by 2021.

73. The Corporate Parenting Plans (CPPs) are to be published on your website by March 2018 in line with The Children and Young People's (Scotland) Act 2014. We encourage institutions to engage *Who Cares? Scotland* to review their CPP and ask universities to include a link to the CPP in their agreement. The agreement should also include collaborations with other corporate parents and regional groups like the Champion Boards, and the Governance Group is particularly interested in retention and attainment strategies including increased opportunities for care experienced students to gain employment and to be successful in their chosen occupations.

74. The Scottish Government has also reiterated the commitment to ensure that every care experienced young person meeting the entry requirements will be offered a place at university. We expect all universities to fully commit to CoWA

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[21] Care experienced students

Recommendation 21[22]. We also expect to see continued growth in the number of care experienced students and a significant rise in retention data so that by 2018-19 it's within 5% of SDUG sector average.

Contextualised admissions

75.   Over the period of this Guidance, SFC will finalise commissioned research, understand its implications and work with the sector to develop policy and practice in light of its findings. We will work with institutions to increase the effectiveness of their contextual admissions policies and to demonstrate that effectiveness more clearly in their Outcome Agreements.

Widening Access & Retention Fund (former Regional Coherence fund)

76.   The Widening Access and Retention Fund (WARF) is allocated to institutions to enable them to increase the intake of and support the successful outcomes of students from the most disadvantaged and deprived backgrounds. In particular we want this fund to support student intake from SIMD 20 areas and it should aim towards equalised retention rates for this group. It is currently allocated to institutions that traditionally have had, proportionately, higher intakes of students from the most disadvantaged and deprived backgrounds.

77.   In response to and in recognition of this targeted funding, SFC expects those institutions in receipt of WARF funding:

- To increase and support higher numbers and proportions of students from the most disadvantaged and deprived backgrounds – particularly those from the 20% most deprived areas – than those institutions who are currently not in receipt of WARF allocations. Please note we will take regional differences into consideration.
- For institutions who are not currently maintaining a sector average retention rate[23] for all students, SIMD20 and SIMD40 students – to outline an improvement plan as part of their OA, including how they will use these funds to seek improvements in retention rates for these groups.
- For institutions who are maintaining high retention levels for all students, SIMD20 and SIMD40 students - to commit to maintaining and, where possible, increasing their retention rates. These institutions should outline in

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[22] Recommendation 21 states 'by 2017, those with a care experience, who the access threshold should be entitled to the offer of a place at a Scottish university. Entitlement should also apply to those with a care experience who have had to take a break from higher education and wish to return. Learners should be assessed at the minimum entry levels in 2017 and 2018 and the access thresholds thereafter'.

[23] This will relate to the most recent closed HESA data at the time of OA negotiations. For the 2017-20 OAs this was 2014-15 and for the refresh it will be 2015-16.

their OA how this funding is assisting them in achieving this parity of outcome.

- To increase the numbers and proportions of students from a Care Experienced background and increase the student retention rates for this disadvantaged group.
- To use the funds to identify, support and report on progress of their student Carers[24].
- To use the funds to target male retention rates for improvement, particularly males from SIMD20 areas.
- All institutions in receipt of these funds must include a section in their Outcome Agreement on the use of these funds and clearly demonstrate its impact.

78. *Institutions who do not report on the use of this funding in their Outcome Agreement and/or who do not use these funds as outlined above may have these funds clawed back.*

At risk groups

79. SFC is currently considering what more can be done to improve access to higher education for 'high risk' groups, and what additional groups may be at risk of not accessing or staying in further and higher education that are not currently considered in SFC policy. These groups include:

- Those with criminal convictions.
- Estranged students.
- Young people who have gone through the children's panel.
- Veterans/early service leavers.
- Children from military families.
- Asylum seekers/refugees.
- Gypsy, Roma and Traveller communities.
- Transgender students.
- Mental health.

80. In their Outcome Agreements institutions may wish to consider actions and commitments in support of these groups, including:

- Guidance from NUS Scotland's *Think Positive* student mental health project on developing Student Mental Health Agreement[25].
- The Stand Alone Pledge supporting estranged students[26].

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[24] The Carers Trust defines a carer as: 'anyone who cares, unpaid, for a friend or family member who due to illness, disability, a mental health problem or an addiction cannot cope without their support'.

[25] Student Mental Health Agreement

- The Armed Forces Covenant[27].

81. SFC is in discussions with HESA to improve available data on veterans / early service leavers to allow us to take forward the recommendations made by the Scottish Veterans Commissioner[28] in relation to education.

A developed workforce

82. In our analysis of current Outcome Agreements we think there is scope to provide greater evidence of how universities are responding to skills needs, including those expressed in Skills Investments Plans (SIPs). Based on evidence this should include a reflection on those curriculum areas where the intention is to invest or rationalise provision.

83. Previous Outcome Agreements have not always demonstrated the extent and effect of employer engagement in course and curriculum design and delivery. For 2018-19 we want to discuss with institutions the level and extent of employer engagement within curriculum areas and outline how this engagement impacts on student experience and employability.

84. Outcome Agreement Managers will discuss with institutions their aspirations in relation to the proportion of graduates entering positive destinations and, in 2018-19, will also monitor the proportion of graduates entering professional occupations. We expect institutions to identify areas of provision in which a high proportion of graduates fail to enter employment at graduate level, and provide an action plan identifying areas of skills development to improve graduate employability, including for particular learner groups such as those with disabilities and those from an ethnic minority background. This action plan should include steps being taken to enhance employability such as student placements and enterprise and entrepreneurship training.

85. Institutions should, therefore: continue to provide a baseline of current provision in relation to student placements and express their ambitions for growth, including curriculum areas where there are few placements; and outline interventions in place and/or engagement with specific initiatives aimed at developing enterprising mind-sets and equipping students with the skills to be entrepreneurial and intrapreneurial, tying in with the 3-year commitment from the sector as outlined in Universities Scotland's 'Making it Happen,' strategy.

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[26] Stand Alone Pledge
[27] The Armed Forces Covenant
[28] Scottish Veterans Commissioner

University Innovation Fund (UIF)

86. UIF replaced the Knowledge Transfer Grant (KTG) in AY 2016-17. It comprises the Platform Grant and Outcome Grant and was developed in response to Scottish Government guidance and following consultation with the sector. The UIF is to be managed through SFC's Outcome Agreement process from AY 2017-18.

87. Institutions will receive UIF on the basis of satisfactory plans for the use of UIF at an individual level and the delivery of national outcomes at a collaborative level (the national outcomes for AY 2017-20 are available on SFC's website[29]). *These plans should be attached to the Outcome Agreement submission.* Institutions will be expected to provide an updated plan for each academic year. As with previous years these plans will be published on SFC's website.

88. Monitoring of the UIF will be mostly a qualitative process and will require an enhanced working relationship between Outcome Agreement managers and SFC policy teams.

89. SFC is developing a sector wide (light touch) framework for monitoring and evaluating the success of the new UIF approach at a national level. This will have the purpose of capturing progress and challenges, sharing good practice, and overall helping us understand how the UIF has supported the sector in 'designing and adopting innovative new approaches to exploiting the research base for economic and societal benefit'. This framework, focussed on outcomes, should support the future development of UIF as a basis for setting future ambition and priorities. The UIF manager (hosted by UWS) will be responsible for maintaining the framework with support from Universities Scotland Research and Commercialisation Directors Group (RCDG) and reporting to SFC.

90. While no longer used for allocation of funding SFC will continue to collect the KE metrics for at least a further two years at the request of the Scottish Government. The metrics include information on the output of knowledge exchange activity: both the number of organisations with which institutions have engaged and the resultant income from these engagements.

91. Completion of the HE-BCI Survey remains a condition of grant for institutions to receive the Universities Innovation Fund.

92. Institutions are encouraged to use either the KE metrics or HE-BCI survey returns as targets. It should be noted, however, that SFC are likely to cease collection of KE metrics in the future and will be working with the sector to

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[29] University Innovation Fund – Guidance for AY 2017-18

ensure consistency of response to the HE-BCI survey across the sector. In the future HE-BCI data will serve as a useful indicator of sectoral activity and how the landscape is evolving.

93. Institutions should include a report on use and outcomes of their UIF in the self-evaluation report. Institutions should also participate fully in the monitoring framework which will be developed through US RCDG and managed and reported to SFC by the UIF manager. The framework will be the main mechanism by which SFC will measure the impact of UIF at a national level and will also serve as a platform for the sharing of good practice.

Leadership in environmental and social sustainability

94. The Climate Change (Scotland) Act 2009 sets ambitious targets for carbon reduction in Scotland, and led to the requirement for universities to submit an annual Public Bodies Climate Change Duties (PBCCD) Report detailing their compliance. The Environmental Association for Universities and Colleges[30] (EAUC) will support the development of effective emissions reduction action plans, and work with SFC through implementation of their own 2017-2020 Outcome Agreement to monitor continual individual and sector progress on both the quality of reporting and actions to address climate change impacts. Institutions are expected to complete both the 'Required' and 'Wider Influence' sections of PBCCD Reporting[31].

95. Building upon the Universities and Colleges Climate Commitment for Scotland[32], we expect all institutions to demonstrate leadership in addressing environmental and social sustainability challenges. Universities must outline climate change and sustainability ambitions and targets in their Outcome Agreements, and demonstrate action through implementation of a dedicated Sustainability Strategy, or the embedding of environmental and social sustainability ambitions within corporate Strategic Plans. Progress should be reported through PBCCD Reporting submissions and the Outcome Agreement process. With support available through the EAUC's programme, demonstrating leadership is expected to include senior-level strategic commitment, effective staff and student engagement, partnership working through internal and external networks, and meaningful progress on both climate change and wider environmental and social sustainability.

96. We expect leadership in environmental and social sustainability to strengthen the competitiveness of Scottish tertiary education, supporting SFC priorities by minimising financial and reputational risks, offering innovative opportunities for growth, assisting in attracting and retaining talented staff, enhancing the

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[30] Environmental Association for Universities and Colleges
[31] Public Bodies Climate Change Duties Reporting
[32] Universities and Colleges Climate Commitment for Scotland

learner experience, and ensuring students develop the understanding of environmental and social sustainability required for the workplaces of tomorrow.

Outcome Agreement and Policy Contacts

At the time of writing, the Outcome Agreement and policy contacts are as below. This information will be regularly refreshed on the SFC's website[33].

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[33] Outcome Agreement and policy contacts

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National measures data table

(*denotes priority measure)

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target	
Scottish Government strategic priority: Access to education for people from the widest range of backgrounds, including implementation of the recommendations of the CoWA and addressing gender balance					
Measure 1: Articulation - The number and proportion of Scotland-domiciled learners articulating from college to degree level courses with advanced standing					
Scotland-domiciled HN entrants from college to UG programmes					*
Scotland-domiciled HN entrants from college to UG programmes with advanced standing					*
Proportion of Scotland-domiciled HN entrants articulating with Advanced Standing					*
Measure 2: Deprivation - The number and proportion of Scotland-domiciled undergraduate entrants from the 20% and 40% most deprived postcodes					
Total number of SDUEs with known postcode					*
2a: SDUEs from 20% most deprived postcodes					*
Additional CoWA measure: full-time first degree SDUEs from the 20% most deprived data zones					
2b: SDUEs from 40% most deprived postcodes					
2a: Proportion of SDUEs from 20% most deprived postcodes					*
Additional CoWA measure: proportion of **full-time first degree** SDUEs entrants from the 20% most deprived data zones					
2b: Proportion of SDUEs from 40% most deprived postcodes					
Measure 3: SHEP Schools - The number and proportion of Scotland-domiciled undergraduate entrants from the SHEP schools (i.e. schools with consistently low rates of progression to higher education)					
Total SDUEs					
Number of SDUEs from SHEP schools					
Proportion of SDUE from SHEP Schools					
Measure 4: Protected Characteristics - The number and proportion of Scotland-domiciled undergraduate entrants by different protected characteristic groups and care leavers					
Gender					
Number of Male SDUEs					
Number of Female SDUEs					
Number of Other SDUEs					
Male Proportion					
Female Proportion					
Other Proportion					
Age					
Number of Under 21 SDUEs					
Number of 21 and over SDUEs					
Under 21 Proportion					
21 and over Proportion					
Ethnicity					
Number of White SDUEs					
Number of BME SDUEs					
Number of Other					

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target	
Proportion - White					
Proportion - BME					
Proportion - Other					
Disability					
Number - No Known Disability					
Number - Disability					
Number - Not known / refused					
Proportion - No Known Disability					
Proportion - Disability					
Proportion - Not known / refused					
Care Leavers					
Number - Care Leaver					*
Number - Not a Care Leaver					
Proportion - Care Leaver					*
Measure 5: Retention by Protected Characteristics - The number and proportion of full-time first year Scotland-domiciled entrants from different characteristic groups returning to study in year two					
Deprivation					
MD20 full-time first year SDUE					*
MD20 full-time first year SDUE Retained					*
Proportion MD20 retained					*
MD20/40 full-time first year SDUE					
MD20/40 full-time first year SDUE Retained					
Proportion MD20/40 retained					
Gender					
Male entrants					
Males Retained					
Proportion of Males retained					
Female entrants					
Females Retained					
Proportion of Females retained					
Age					
Under 21 Entrants					
Under 21s Retained					
Proportion of Under 21s retained					
21 and over Entrants					
21 and over Retained					
Proportion of 21 and over retained					
Ethnicity					
Entrants - White					
White - Retained					
Proportion retained - white					
Entrants - BME					
BME - Retained					
Proportion retained - BME					

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target	
Entrants - Ethnicity not known					
Not known / refused - Retained					
Proportion retained - Ethnicity not known					
Disability					
Entrants - No Known Disability					
No Known Disability - Retained					
Proportion retained - No Known Disability					
Entrants - Disability					
Disability - Retained					
Proportion retained - Disability					
Entrants - Not known / refused					
Not known / refused - Retained					
Proportion retained - not known / refused					
Care Leavers					
Entrants - Care Leavers					*
Care Leavers Retained					*
Proportion retained - Care Leavers					*

Scottish Government strategic priority: High quality learning in a learning system which is seamlessly connected for the learner, including learning which prepares people well for the world of work, prioritising provision that meets known skills gaps in the economy

Measure 6: Retention - The number and proportion of full-time first year Scotland-domiciled undergraduate entrants returning to study in year two

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target	
Total number of full-time first year SDUE					
Number of full-time first year SDUE retained					
Proportion retained					

Measure 7: Satisfaction - The difference (+/-) from the individual institution's benchmark figure for students satisfied with the overall quality of their course of study in the National Student Survey

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target	
% Satisfaction					*
% benchmark and the					
+/- from benchmark					

Measure 8: STEM - The number and proportion of Scotland-domiciled undergraduate entrants to STEM courses

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target
Proportion of SDUE to STEM courses				
Number of SDUEs to STEM courses				

Measure 9a: Graduate Destinations - The number and proportion of Scotland-domiciled graduates entering positive destinations

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target
Eligible population				
Proportion of graduates in positive destinations				
Number of graduates in positive destinations				

Measure 9b: Graduate Destinations - The number and proportion of Scotland-domiciled full-time first degree respondents entering professional occupations

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target
Eligible population				
Proportion of FT first degree respondents in professional occupations				
Number of FT first degree respondents in professional occupations				

	2015-16 baseline	2018-19 Target	2019-20 Target	2020-21 Target
Scottish government priority: internationally competitive and impactful research				
Measure 10: The number of research postgraduate students				
RPG students				
Measure 11: Total income from the UK Research Councils				
RCUK income				
Measure 12: Total research income from all sources				
Research income				
Scottish Government priority: effective knowledge exchange and innovation including excellent collaboration between universities and industry				
Measure 13: IVs - The number of SFC innovation Vouchers (IVs), Follow-on IVs				
Innovation Vouchers (IVs)				
Follow-on IVs				
Measure 14: UIF - Individual HEI UIF progress measures and sector wide reporting				
Institutions should attach a submission to their Outcome Agreement outlining their plans for the use of their UIF allocation in support of individual and national outcomes. Institutions should also continue to complete the annual Higher education-business and community interaction (HE-BCI) survey.				
Scottish Government priority: ensuring provision of quality learning in Scottish higher education institutions, i.e. HE strategic futures, Quality Assurance and HE governance				
Measure 15: Carbon - Gross carbon footprint				
Tonnes CO2e				