



Scottish Funding Council

Promoting further and higher education

Comhairle Maoineachaidh na h-Alba

A' brosnachadh foghlam adhartach agus àrd-ìre

Rob Gibson, MSP  
Convenor  
Rural Affairs, Climate Change and Environment Committee  
The Scottish Parliament  
Edinburgh  
EH99 1SP

23 March 2016

Dear Mr Gibson

I am writing in response to your letter of 26 February 2016 to the Cabinet Secretary for Education and Lifelong Learning and the Cabinet Secretary for Rural Affairs, Food and Environment. The issues raised in your letter sit wholly within the remit of the Scottish Funding Council, so the government has asked me to respond to the Committee.

It is our view that SRUC has a clear and ambitious strategic vision for the future, aligned with the National Strategy for Land-based Education and Training. SRUC believes that there is an opportunity to create a globally-leading tertiary institution for education, supported by world-class research base with the skills and knowledge shared through consultancy and knowledge exchange activities. Our 2-year post-merger review was carried out at the end of 2015 and found that this had been a successful merger, which was starting to deliver the benefits set out in the merger business case, whilst recognising the continuing financial and estates challenges.

Your letter expresses concerns about the management of the extensive and dispersed property portfolio inherited upon merger by SRUC, and the potential impact on provision of land-based activity. This was flagged as a key challenge at the point of merger, and again at the six-month and 2-year post-merger reviews carried out by SFC. We recognise there is a need for SRUC to consolidate and rationalise its estate if it is to remain financially secure and realise its vision. This may result in movement of provision between campuses but also the creation of centres of excellence (for instance, in dairy farming). However, SRUC will need financial assistance in taking forward some aspects of its strategic plan, which SFC is not in a position to offer at this stage. However, we will continue to work with SRUC on

potential solutions both at its Elmwood campus and Barony campus, both of which we know require improvement in order to offer the best possible learning environments.

In terms of provision for AY2016-17, steps are being taken to move forward the National Land-based Strategy, with transfer of veterinary nursing and animal care from two colleges to SRUC, and transfer of sport provision from SRUC to another university. SRUC also works closely with the other colleges that deliver land-based courses through the National Strategy Group.

The other concern you raised in your letter was the position of cash reserves held by the predecessor colleges, presumably at the point of merger on 1 October 2012. I am not clear as to what your specific concern is in this matter. None of the individual colleges had particularly substantial cash reserves and there has been nothing raised by internal or external auditors, or our own financial monitoring since that would give us cause for concern. We would be happy to follow up this issue with you in more detail if you wish.

Yours sincerely



**Laurence Howells**  
Chief Executive