

Friday 22 December 2023

Sue Webber MSP
Convener
Education, Children and Young People Committee
The Scottish Parliament
EH99 1SP

Ref: SS/TH
Direct: 07703 974 675

Dear Convener,

Colleges Scotland Information

On 10 January 2024 the Committee will take evidence from the Minister for Higher and Further Education; and Veterans, Graeme Dey MSP, on post-school education landscape.

Here are some brief points from Colleges Scotland in case helpful:

Audit Scotland

The Public Audit Committee has heard a range of evidence from Colleges Scotland, the Auditor General, and others, as part of their scrutiny of the Audit Scotland 2023 [report](#) on colleges. The headline from this report is that colleges have seen their funding reduce by 8.5% since 2021/22.

The reduction in funding puts huge pressure on colleges to maintain delivery of education and training in an increasingly unsustainable environment. Students going to college should have a great experience with fantastic resources and world-class learning opportunities – but this only comes with sustainable investment. Some challenges are now really persistent and aren't substantially changing over time.

In-year Budget changes for 2023/24

In November 2023, Deputy First Minister, Shona Robison MSP, wrote to the Finance and Public Administration Committee to set out further in-year budget changes for 2023/24.

The letter stated: "Projected lower spending than forecast across a wide range demand-led programmes has enabled the accumulation of potential savings up to a value of a further £56m with no direct equality or fairness impacts on any individual programme identified."

In total, savings identified across the 2023/24 college and university resource budgets saw colleges and universities receive £102m less than what was initially allocated to them in December 2022.

Budget 2023/24 and Draft Budget 2024/25

The college sector's [submission](#) in regard to the Draft Budget for 2024/25 was framed around two main areas:

- Restore
- Repurpose.

The Draft Budget, presented to the Scottish Parliament on 19 December 2023, presents a funding cut to colleges which will mean challenging decisions during 2024/25.

The Draft Budget means for Scotland's 24 colleges:

- That the Scottish Government **will reduce revenue funding** for the college sector, to **£643.0m**. This represents a reduction of £58.7m against the level of funding for 2023/24 which was initially presented to Parliament in December 2022 of **£701.7m**, equivalent to **8.4%**.
- However, Scotland's colleges already lost a £26million Transformation Fund that was promised for 2023/24 - taking this into account, for 2024/25 Scotland's colleges will experience a funding **cut of £32.7m**, equivalent to **4.7%**.
- The Scottish Government has **increased** current levels of **capital funding** for the college sector with the Draft Budget for 2024/25 provisionally confirmed as **£84.9m**. This represents an **increase of £2.5m, or equivalent to 3.0%**, against the Budget for 2023/24.

Cutting college funding creates massive challenges for college leaders. Without adequate funding to deliver education and training, major changes will have to be made. There will be difficult choices about what courses colleges can deliver, what buildings can be repaired, and how to cope with rising staff costs. Colleges have already seen their budgets reduced in previous years.

As part of the public sector, colleges have to balance their books. It will be incredibly difficult with less funding available for colleges to do this in 2024/25.

We acknowledge the extremely difficult position that Scotland is facing but colleges require adequate funding to continue to deliver on Scottish Government priorities. This includes providing key workers for health and social care, upskilling the current and future workforce to support the Just Transition, and supporting other vital industries.

Colleges are of critical importance to Scotland's people, communities, and the economy, they simply cannot keep delivering more with less.

Skills Delivery Landscape Review

This Review, carried out by James Withers, sets out recommendations for transforming the skills delivery landscape. Colleges Scotland has broadly welcomed the recommendations from this Review – read our news release [here](#).

It should be clearly noted that any reform of the skills landscape is moving forward in an environment of extremely challenging finances.

Education Reform Agenda

On 5 December 2023, the Minister gave a statement to the Scottish Parliament on Reform progress to date. Colleges Scotland noted after his statement that “the Minister recognised the need for a more instrumental role for colleges in delivering apprenticeships, and for colleges to be empowered in a revitalised regional skill planning framework.”

He also announced his intentions for less complex funding arrangements and a clearer national careers offer. Colleges already deliver a huge amount of partnership work in their regions with employers, and the Minister today outlined more opportunities for this in the future.

College leaders will work closely with the Scottish Government to help to achieve a more sustainable college sector to give students a world-class experience with the right level of support

in place, help invigorate communities, and provide more opportunities.

It's time for colleges to realise their full potential – for colleges to thrive there has to be change and I'm pleased that reform is coming. Colleges Scotland will continue to advocate for fair investment and for opportunities to build on the outstanding results colleges already deliver – when colleges thrive, Scotland thrives.

Specifically on the reform of apprenticeships, a key point from college leaders is the need for the college sector to be the leading provider of the apprenticeship family and implementing authority for skills planning and delivery, which would support our 'Think Colleges First' principle.

The college sector must be given a leading role in supporting the transition from the existing system to a new one for the delivery of the apprenticeship family and skills planning. Colleges have the knowledge and expertise of leading this at an operational level, by being connected, networked, and an existing (and respected) part of regional economic development and employer ecosystem. The college sector also has the vision required to deliver the apprenticeship family and skills planning more effectively and at greater value for the public purse.

Yours sincerely,

Shona Struthers
Chief Executive