

**Education and Culture Committee**  
**Scrutiny of the 2013-14 Draft Budget**

**Cabinet Secretary for Education and Lifelong Learning**

**2013-14 draft budget scrutiny**

Thank you for your letter of 5 October 2012. I set out below the information you requested in respect of draft and final college resource budgets for 2011-12, 2012-13 and 2013-14.

<b>College Funding 2011-12</b>	<b>£m</b>	<b>Comment</b>
FE programme	544.7	As planned at (previous) spending review; SFC budget figure
College bursaries (i.e. student support)	7.0	Added to SFC budget at ABR.
College places	4.0	Added to SFC budget at ABR.
<b>Total</b>	<b>555.7</b>	

<b>College Funding 2012-13</b>	<b>£m</b>	<b>Comment</b>
FE programme	506.9	As planned at (current) spending review; SFC budget figure
College transformation fund	15.0	Added to SFC budget at SBR in 11-12, but applied by SFC in 12-13.
Student support	11.4	Added to SFC budget at ABR.
College places	13.1	Added to SDS budget at ABR.
<b>Total</b>	<b>546.4</b>	

<b>College Funding 2013-14</b>	<b>£m</b>	<b>Comment</b>
FE programme	494.7	As planned at (current) spending review; SFC draft budget figure.
Student support	11.0	
College places	6.0	This will be transferred to SDS in-year as part of a larger transfer (totalling £24m over financial years 2013-14 and 2014-15) relating to the Employability Fund.
<b>Total</b>	<b>511.7</b>	

This is consistent with information previously prepared for Committee members by SPICe, albeit my analysis shows the college transformation fund in the year in which it is being deployed.

In summary, college resource funding has fallen slightly between 2011-12 and 2012-13, and is planned to increase marginally between the draft budgets of 2012-13 and 2013-14 (although it will fall when comparing 2012-13's *final* budget with the 2013-14

draft budget). However, taken alongside capital, the total budget is going from £590m to £655m.

It is important to note that estates developments valued at some £300m at Inverness, City of Glasgow and Kilmarnock colleges, funded through the Non Profit Distribution (NPD) model, are all currently in procurement. Furthermore, additional funding is allocated to colleges for capital, as part of SFC capital allocations (2011-12 : £91.0m; 2012-13 : £60.7m; 2013-14 : £45.9m).

I would like to take this opportunity to correct some errors in previous evidence, where witnesses have overstated the extent of reductions. I am certain that this has not been deliberate: it is clear from your letter, the Committee's recent Official Reports, and the recent SPICe briefing that college funding (and in particular I suggest the interplay between financial and academic years) is a complex matter. But it is nonetheless important to set the record straight.

At your 25 September meeting, Mary Scanlon MSP stated that "In the two years between 2010-11 and 2012-13, the teaching grant has gone down from £521.3m to £387m. That is not a cut of 1.5 per cent; it is a cut of 25%" (col. 1446). She repeated the figure of 25% on several occasions during the meeting. In fact, while teaching grant did reduce between those two years, the reduction on an academic year basis was from £460.5 to £387.6m, or 15.8%.

At the same meeting, Professor Jeremy Peat said that "there has been something like a 10 per cent reduction in public funding for each of the past two years" (col. 1447). The change in college resource baselines was 6.1% (between 2010-11 and 2011-12) and 5.6% (between 2011-12 and 2012-13).

Also on 25 September, Mr. David Belsey said that, while acknowledging that student places can be defined in a number of ways, "there is certainly a drop in the level of teaching activity" (col. 1480). In fact, planned student activity (expressed in both Weighted Student Units of Measurement and full time equivalents) has been maintained since 2011.

I will address your separate points about the Committee's objectives for its scrutiny of the draft budget, both in my opening statement when we meet and in discussion.

In respect of your questions on climate change issues, I offer the following responses (following your numbering):

1. A rise in portfolio emissions is being caused by an increase in spending on School construction. Other variances in the Education and Lifelong Learning budget allocation process are service based provision and have little impact. Because this is a consumption-based measure of emissions an increase in expenditure will lead to an increase in emissions: the more we spend the higher the emissions generated.

2. The purpose of the Carbon Assessment of the draft budget is to provide Parliament with an estimate of the consumption-based emissions resulting from budget spending. It has not been used to support decision-making on a portfolio level. For the portfolio, individual policies are assessed separately for their impacts

(including their emissions consequences, where they are significant). The significant policies to reduce emissions across Scotland are captured in the Report on Proposals and Policies (RPP) where the impact of individual policies on emissions abatement is detailed.

3. The approach taken in the RPP is aimed to ensure that the most cost-effective measures with high public support are implemented first. It is important that today's spending decisions do not lock us into an unsustainable path. This is most acute in infrastructure expenditure. The portfolio invests in schools, college and university infrastructure. Whilst the impact of college and university investment remains steady, the increase in school building warrants additional mention.

The joint CoSLA/Scottish Government school estate strategy sets out the aspirations for Scotland's school estate. Among those aspirations is the desire for a sustainable school estate whose design, construction and operation is environmentally and energy efficient. The school estate should contribute directly to year on year reductions in greenhouse gas emissions introduced by the Climate Change (Scotland) Act 2009, be resilient to the impact of climate change and lead by example in matters of environmental performance. We are continuing to engage with the Carbon Trust, Eco Schools and through the One Planet Schools Working Group to realise this. Although it should be noted that this is direct responsibility for individual local authorities.

Each of the projects within the Government's £1.25bn *Schools for the Future* Programme is being designed in accordance with the Building Research Establishment's Environmental Assessment Methodology (BREEAM), which is recognised as the world's leading design and assessment method for sustainable buildings. Each project must deliver a BREEAM rating of Excellent and an Energy Performance Certificate (EPC) rating of B+ before the intervention of renewable technology.

Phase 3 of the programme, which announced the next 30 schools to be built on 26 September, contained a specific requirement that all projects to be receive funding must demonstrate that the investment will support delivery of key national policies including the Climate Change (Scotland) Act.

Building Standards Division of the Scottish Government will shortly be consulting on the creation of a sustainability label for new school buildings in Scotland, similar to that already awarded to sustainably built domestic buildings. These will build on the current standards which already enforce stringent regulations ensuring significant reduction in greenhouse gas emissions in new schools.

Naturally greener schools are welcomed. However, the higher the standards get, the greater the capital cost of buildings. There may come a point where the learning environment suffers because of the sustainability requirements and this will need to be balanced by local authorities.

**MICHAEL RUSSELL**