

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

Educational Institute of Scotland

Thank you for passing on the Education and Culture Committee's invitation to comment on the Cabinet Secretary's evidence to the Committee on Tuesday 23 October 2012.

I would be grateful if the Committee could consider the following on behalf of the EIS:

College Funding

The EIS will use the College Funding (revenue) figures provided by the Cabinet Secretary as the basis for calculating future and past changes. The information is welcome, as it is clear and refers to the actual budget passed rather than draft budgets.

It is clear that the change in college (revenue) funding from 2012-13 to 2013-14 is a reduction of £34m – as the EIS and NUS correctly identified.

It is also clear to the EIS that analysing public expenditure to determine college funding figures is difficult and this prevents a shared understanding of what parliament actually spends on colleges.

It is difficult to determine college funding from the SFC – its use of indicative grant and main grant letters with additional circulars makes it difficult to go back to any specific year and determine what was actually spent.

The Cabinet Secretary also states in his written evidence to the Committee that *“However, taken alongside capital, the total budget is going from £590m to £655m.”* I am having great difficulty following this assertion. I presume that he is stating that total (revenue and capital) college funding in 2012-13 was £590m and that it will be going up to £655m in 2013-14.

- This would mean that of the £590m in 2012-13, £546m is revenue and £44m is capital. The 2013-14 Scottish Draft Budget¹ (Table 5.06) identifies £60.7m for capital for FE and HE for 2012-13, which means that Universities only got £16m (unless there is an additional source of capital for colleges).
- For 2013-14, if the total is £655m, and £511.7m is revenue then the balance of £143m is capital. The 2013-14 Scottish Draft Budget (Table 5.06)¹ identifies £45.9m for capital for FE and HE for 2012-13 – even if Universities receive none of their share of this capital funding, then there is a shortfall of just under £100m. I think NPD funding may cover some of this shortfall, but it is not clear how much or whether it should be considered as part of the whole college resource funding as colleges will not own any buildings built by NPD capital expenditure (as I understand it).

¹<http://www.scotland.gov.uk/Publications/2012/09/7829/7>

The EIS makes the following suggestions:

- a) *that when the Final Budget is passed by Parliament that this be used as the college funding figure for that Financial Year*
- b) *that actual or proposed funding be compared with previous actual funding and not draft or indicative figures that were later amended*
- c) *that the SFC or Scottish Government produce a simple and clear document outlining what the final budget was for a particular year – similar to what the Government has produced for the committee. This would include all funding streams such as SDS, NPD etc.*

(I should add that trying to ascertain the Scottish Parliament's final budget for any year is no mean feat, and consists of having the draft budget and then adding the Government's announcements which are released when the budget is finally passed, and then checking the SFC publications and now the SDS publications. This is less than ideal.)

The term 'biscuit tin funding' seems to have been used at the Committee, and I think it refers to the disjointed and discrete nature of FE funding, rather than the amount of funding. After all, if the overall FE funding cuts are as small as the Government claims, why is it accepted that the sector is suffering so badly under the effects of the funding cuts, with so many staff going?

I believe the main reasons for this are:

1. The huge cuts to teaching grant (over 20% actual cuts over the last two years) makes sustaining staff employment or long term planning by colleges difficult.
2. The sector's root and branch re-organisation into regions is mainly being paid for by cuts to the teaching grant budget.
3. The prioritisation of student support (despite fewer students) over teaching has led to disproportionately large cuts to the teaching grant.
4. Additional funding streams, often announced at final Budget are not fully incorporated into college spending plans until later in the year. They are often one-year funding, or of unknown duration at the time of announcement. This means that colleges cannot use these funds to appoint permanent staff – this leads to a further casualization of college staff.
5. The 'Opportunities for All' programme of training or employment placements for all 16-24 year olds is a major programme within colleges – but seems to be funded from cuts to the teaching grant.

College Student Activity

The Cabinet Secretary refers to my evidence to the committee (25 September 2012) and states in his written evidence:

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.

The 'infact' SFC data analysis tool has only got FE information upto and including 2010-11. The 'infact' data series, which is publically available on the SFC website gives the following whole college sector figures – which many of the committee members may recognise:

| | 2008-09 | 2009-10 | 2010-11 |
|------------------------------------|-----------|-----------|-----------|
| Number of Students | 386,729 | 357,729 | 314,585 |
| wSUMS delivered | 2,407,804 | 2,442,898 | 2,448,309 |
| Fulltime equivalent student places | 126,285 | 127,943 | 126,939 |
| Number of enrolments | 483,472 | 438,522 | 383,005 |

The Cabinet Secretary however refers in his written evidence that: *In fact, planned student activity (expressed in both Weighted Student Units of Measurement and full time equivalents) has been maintained since 2011.* The 'infact' data tool has no figures since 2010-11. The Cabinet Secretary must be relying on data other than the 'infact' data tool for his assertion that planned student activity has been maintained since 2011.

It is possible to follow how many wSUMS the SFC funds at each college and now, region. It is important to realise that the wSUMS data from the SFC for 2011-12 and 2012-13 is for target number of wSUMS to be delivered, and is not the actual number of wSUMs delivered.

The oral evidence I presented to the Committee was based on the EIS written evidence submitted – which I quote from below:

The SFC Indicative College Grant letter (Table 4) shows that the SFC is funding 2,109,538 wSUMs for 2012-13, this is a drop from 2,233,140 wSUMs funded in 2011-12 as shown in the SFC Main Grant Letter 2012 Annex C.

Some Regional Outcome Agreements detail the reduction in the delivery of wSUMS by constituent colleges' since 2010-11, and I include some examples below:

| | Number of wSUMs identified in Regional Outcome Agreement that were delivered in 2010-11 by all colleges within region | Number of wSUMs in Regional Outcome Agreement estimated to have been delivered in 2011-12 by all colleges within region | Number wSUMs target in Regional Outcome Agreement for 2012-13 for all colleges within region |
|-----------------------------|---|---|--|
| Aberdeen and Banff & Buchan | 190,063 | 182,496 | 167,041 |
| City of Glasgow | 518,349 | 456,312 | 430,370 |
| Lanarkshire | 216,783 | 203,139 | 205,352 |
| Tayside | 162,822 | 138,249 | 128,869 |
| West | 244,150 | 227,214 | 212,020 |

The information above, together with going through previous SFC main grant letters to colleges support the EIS belief that there is a drop in teaching activity, as defined by wSUMs, in colleges.

The EIS has no data on full time equivalent students numbers since 2010-11, (i.e. the last SFC 'infact' dataset), and therefore it is not possible for the EIS to meaningfully comment on the Cabinet Secretary's assertion that full time equivalents have been maintained since 2011.

I hope that this clarifies my evidence to the Committee on behalf of the EIS.

Yours sincerely

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