

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

National Union of Students Scotland

While the draft budget sets out a number of extremely positive developments and continuation in Scottish further and higher education, the one area which continues to cause us concern, and the thousands of students who have continued to campaign and make their voices heard on this, is the effect of spending decisions on college budgets. The table below charts the implications of budget decisions on the college sector, both in financial years and academic years, since the year before the spending review.

Table 1: Scottish Government and SFC spending decisions, 2010/11 – 2013/14

	2010/11 Budget	2011/12 Budget	2012/13 Budget	2013/14 Draft Budget
Scottish Budget (Financial Year, £m)	583.7	544.7	546.3 ¹	511.7
SFC Grant Allocations (Academic Year, £m)				TBC
Teaching Grant (Academic Year, £m)	580.8	545.5	524.13	
Student activity (Academic Year, WSUMS)	468.8	429.4	409	TBC
	2,321,250	2,233,140	2,197,873 ²	

Source: Scottish Budget and SFC grant letter

Therefore, the **headline cut in the college budget from 2012/13 to 2013/14 will be £34.6m**. While we recognise the Scottish Government's commitment to maintaining student places in colleges, and additional funding provided for student support, we do still have concerns about how this will be achieved, and will be awaiting further detail from the Scottish Funding Council (SFC). Colleges provide immense opportunities for further and higher education to those from our most deprived backgrounds, and it is vital that their budget continues to recognise this, not least at a time of high unemployment, especially youth unemployment. Without adequate funding, at the sector and student level, opportunities for those most affected by the economic downturn may be compromised.

In light of this, NUS Scotland **has four priorities for the 2013/14 budget**, which are detailed below.

1. Protecting the overall college budget

The Scottish Government's Spending Review and Draft Budget in 2011 proposed cash terms reductions (*over the financial year*) in college budgets of **£74m (a 13.5% cut) over the three years** to 2014/15, with a cut of £31m (7%) in year one. This is shown below:

¹ This figure may differ from others as it includes £13m in additional resource for student activity delivered through Skills Development Scotland (SDS) and £15m in structural funds, through the College Transformation Fund (CTF)

² Includes 4% of previous year's total to be delivered through SDS, with the college delivered total being 2,109,958

Table 2: Draft Budget and Spending Review 2012/13-2014/15, Level 3, cash terms

£m	2011-12 Budget	2012-13 Budget	Draft 2013-14 Draft Budget	2014-15 Plans
College funding	544.7	506.9	511.7	470.7
Capital grants for colleges and HEIs	91.0	60.7	45.9	56.4
HEI funding	926.2	1002.2	1041.6	1061.7
Total	1,570.3	1,577.7	1,599.2	1,596.7

Source: Scottish Parliament Financial Scrutiny³

However, during the budget process, Scottish Government spending decisions were amended following NUS Scotland's *Our Future, Our Fight* campaign, reversing the proposed cuts, shown in Table 2.

Table 3: Additional spending and final college budget 2012/13

	£m
2012-13 Draft College Budget	506.9
Additional resource: student support	11.4
Additional resource: SDS delivered places	13
<i>College resource sub-total</i>	<i>531.3</i>
Additional resource: college transformation fund (CTF)	15
2012-13 Final College Budget	546.3

Source: Stage 3 Budget Debate, February 8th 2012⁴

The means that the **headline cut in budget delivered by the draft budget will be £34.6m**, based on a final college allocation in 2012/13 of £546.3m. However, not all of the additional resource was permanent, or provided for teaching or student support. The CTF was provided for one year to support restructuring in the college sector. Discounting this, recurrent funding to colleges for teaching and student support (including that delivered through SDS) in 2012/13 was £531.3m; **a cut in financial year 2013/14 of £19.6m**, based on a draft budget of £511.7m.

Moreover, within this headline figure, it is important that we recognise that, for the education sector, there is a difference between financial year and academic year. This is best examined by looking at the grant allocation from SFC, due to the differences in financial years (which the Government operates on), and academic years (which colleges and the SFC operate on).

The below shows SFC allocations for teaching to Scotland's colleges over the period 2010/11 (one year before the spending review) to 2012/13 (the most up to date grant allocation):

³ Available here: <http://www.scottish.parliament.uk/parliamentarybusiness/17534.aspx>

⁴ Cabinet Secretary speech available here
<http://www.scotland.gov.uk/News/Speeches/budget08022012>

Table 4: College Teaching Grants, 2010/11 – 2012/13

£m	2010/11	2011/12	2012/13
Teaching Grant and Fee Waiver	460.4	421	379.5
ESF Match Funding	8.4	8.4	8.4
SDS delivery	N/A	N/A	13.1
Funds brought forward	N/A	N/A	8
Total	468.8	429.4	409

Source: Scottish Funding Council grant letters

2. Protecting, and improving, student support for further education students

Although the draft budget would appear to protect student support at previous levels (although we will need to await the SFC's grant letter to confirm this), through research we know that the discretionary and first come-first served FE support funds in colleges do not meet demand, leaving students either locked out of education, or facing a reduced level of support. Shortages in recent years have led to colleges paying students less than 100% of the SFC guideline amount for student and some to as low as 80% of this. There is also further evidence from the SFC that the student support funds are not sufficient to meet demand.

Currently the SFC runs an 'in-year redistribution' (IYR) of college student support funds, allowing colleges to request additional funds (bursary, childcare, and discretionary) and return any unused funds, allowing any surplus funds to be redistributed. The national outcome for the last IYR is shown below:

Table 5: In-year redistribution, 2011/12

In-Year Redistribution (£)	IYR Request (from colleges)	IYR Allocation (by the SFC)	Difference
National Total	5,468,834	2,717,264	-2,751,570

Source: Scottish Funding Council⁵

This shows that at current budget levels (£95.6m) there was still over £5m of unmet demand from students requiring support before the IYR, and the IYR could not find all the money required, meaning students faced a shortfall of £2.75m. As such, while we fully welcome any moves to continue protecting students support funds, it is clear that there is still a real crisis in bursaries, and we believe needs to go further.

3. Protecting student places

The Cabinet Secretary asked colleges to protect places for academic year 2012/13, as measured by maintaining Weighted Student Units of Measurement (WSUMs) at what they called 'indicative' 2011/12 levels. In 2012/13 the baseline target was therefore 2,109,958, which was 96% of the 2011/12 figure, with a further 4% to be delivered by college programmes through Skills Development Scotland (SDS), bringing the total WSUMs for 2012/13 to 2,197,873.

⁵ In Year Management of Funds, Scottish Funding Council, http://www.sfc.ac.uk/web/FILES/Circulars_SFC252011/SFC_25_2011.pdf

However, while this maintained the number of places outlined from the draft Budget of 2011/12 it is fewer places than the target stemming from the final Budget of 2011/12, which was 2,233,140 WSUMs. To meet the Scottish Government's commitment to maintain places therefore, would require the maintenance of WSUMs at (at least) this 'real' 2011/12 level. We will need to await the publication of the SFC's indicative grant letter for 2013/14 to see what the final decision is on WSUMs.

4. Increasing university opportunities and securing fairer access

One of the positive outcomes of the is the continuing commitment to invest in our universities, and close any potential between England and Scotland, as a result of the fee increase of up to £9,000 at English universities.

At the same time, it is vital that we ensure that this additional investment is used to achieve the greatest outcome, not least given the current employment and economic situation. As our latest research report, *Unlocking Scotland's Potential*, found, rates of fair access remain the worst in the UK, and our university population is decades from being representative of our population as a whole. Therefore, we must ensure that the recognition of the value of higher education and universities, and the additional public investment this has brought about, translates into additional opportunities for the greatest public benefit.

Conclusion

Over the years we have managed to see real changes to the way further and higher education is funded in Scotland, with a real emphasis being placed on both social and economic value. This has only been possible with the support of Parliament, and the recognition of the importance of colleges and universities through government budgets over many years. It is our view that we must ensure this strong role for our universities and colleges is continued through the budget for 2013/14. It is our hope that the Scottish Parliament recognises this, and the vital importance colleges have to some of the most deprived areas and people in society, and move to protect budgets in 2013/14, and beyond.

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