



The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EDUCATION AND CULTURE COMMITTEE

Tuesday 25 September 2012

Session 4

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EDUCATION AND CULTURE COMMITTEE

24th Meeting 2012, Session 4

CONVENER

*Stewart Maxwell (West Scotland) (SNP)

DEPUTY CONVENER

*Neil Findlay (Lothian) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)

*Clare Adamson (Central Scotland) (SNP)

Colin Beattie (Midlothian North and Musselburgh) (SNP)

*Neil Bibby (West Scotland) (Lab)

*Joan McAlpine (South Scotland) (SNP)

*Liam McArthur (Orkney Islands) (LD)

Liz Smith (Mid Scotland and Fife) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David Belsey (Educational Institute of Scotland)

Marco Biagi (Edinburgh Central) (SNP) (Committee Substitute)

Paul Buchanan

Professor Jim Gallacher (Glasgow Caledonian University)

Kirsty MacLachlan (National Records of Scotland)

Robin Parker (National Union of Students Scotland)

Professor Jeremy Peat (David Hume Institute)

Emma Phillips (Unison)

Mary Scanlon (Highlands and Islands) (Con) (Committee Substitute)

Mary Senior (University and College Union Scotland)

Humza Yousaf (Minister for External Affairs and International Development)

LOCATION

Committee Room 2

Scottish Parliament
Education and Culture
Committee

Tuesday 25 September 2012

[The Convener *opened the meeting at 10:02*]

Interests

The Convener (Stewart Maxwell): Good morning. I welcome members to the Education and Culture Committee's 24th meeting in 2012. I remind members and people in the public gallery to ensure that electronic devices are switched off at all times.

I welcome George Adam, who is a new member of the committee, and Mary Scanlon, who is here as a substitute for Liz Smith. Apologies have been received from Liz Smith and Colin Beattie, who is another new member of the committee. I welcome Marco Biagi back to the committee as Colin Beattie's substitute.

Agenda item 1 is to invite George Adam to declare any registrable interests that are relevant to the committee's remit.

George Adam (Paisley) (SNP): I refer to my published declaration of interests. For completeness, I say that I was a councillor in Renfrewshire Council until May this year.

The Convener: Thank you.

Does Mary Scanlon wish to declare any registrable interests?

Mary Scanlon (Highlands and Islands) (Con): I, too, refer members to my published declaration of interests.

The Convener: Thank you very much.

Decision on Taking Business in
Private

10:03

The Convener: Item 2 is to decide whether to take item 7, under which we will consider our approach to our new inquiry into taking children into care, in private. That item will involve a discussion about the groups that we want to take oral evidence from and other matters. Are members content to take item 7 in private?

Members indicated agreement.

The Convener: Before we move to item 3, I want to provide members with some information. We invited the BBC to attend the committee and provide oral evidence on the BBC Scotland jobs and finance cuts, but both the head of BBC Scotland and the new head of the BBC in the United Kingdom have declined our invitation to do so. They said that they have nothing to add to previous evidence that they have given.

I am extremely disappointed by the BBC's response. Given that the job losses were announced after the BBC's previous appearance at the committee, I would have expected our invitation to have been accepted, but the BBC has made it clear that it does not wish to attend.

Draft Budget Scrutiny 2013-14

10:04

The Convener: Item 3 is an evidence session on the Scottish Government's draft budget for 2013-14. The committee has agreed that the following broad objectives will shape our scrutiny of the draft budget. We will seek to determine how last year's final allocations helped the Scottish Government to deliver its policy objectives; identify the progress that remains to be made and how the allocations in this year's draft budget will help to achieve that; and assess how spending on further and higher education is contributing to the Scottish Government's overarching purpose.

The committee will have an evidence session today and another one next week, before taking evidence on education from the Cabinet Secretary for Education and Lifelong Learning and on culture from the Cabinet Secretary for Culture and External Affairs on Tuesday 23 October.

Our first panel today will provide an expert overview of the main issues that are facing the further and higher education sectors. I welcome to the committee Paul Buchanan, the former chair of the board of management at Reid Kerr College, Professor Jim Gallacher, who is emeritus professor of lifelong learning at Glasgow Caledonian University, and Professor Jeremy Peat, who is the director of the David Hume Institute. Good morning, gentlemen.

We move straight to questions.

Professor Jim Gallacher (Glasgow Caledonian University): Before we begin, it should be noted on the record that, although I am here in my role as an independent academic, I am also a board member of the City of Glasgow College. I am clearly not here in that capacity, but I thought that it would be appropriate to put that on the record.

The Convener: Thank you for that, Professor Gallacher. Neil Findlay will kick us off.

Neil Findlay (Lothian) (Lab): What are your views on the general direction of Government policy on colleges?

The Convener: Who wishes to begin?

Paul Buchanan: For want of another volunteer, I will say a few things. Government policy seems to be directing us towards an overall emphasis on younger rather than more mature students, and there are many reasons for that.

Such an emphasis is causing a shift towards full-time rather than part-time education. A couple of years ago, when that shift started to manifest itself, people who were facing redundancy or who

were leaving jobs and seeking to retrain started to take up full-time places. As the committee will see in some of the evidence that has been submitted, full-time courses were traditionally taken up by school leavers and younger people, so there was an immediate issue with competition for places. That means that there is a backlog of people who are leaving school and not finding places to go.

The second thing that we are seeing as a result of the policy is an increase in what I will call biscuit-tin funding. That term was used many years ago by the chair of the funding council at the time in an effort to abolish it, but we are seeing it come back. There is an increasing number of small pots that are aimed at funding initiatives to get people into employment and training. In Renfrewshire, for example, there are as many as seven competing biscuit tins of money trying to get people back into employment and to get young people involved in the labour market and education. That is causing a bit of duplication and confusion in the marketplace, and it is potentially causing increased administration and the need for more co-ordination.

There are other implications for the college estate. In the past 10 or so years, the college estate has improved out of all recognition, and credit should go to those who funded that. I remember, when I first started on the board of management, dodging the buckets that had been placed to catch the drips that were coming through the ceiling. Most learners across Scotland would find that they are in a suitable environment, although it is a challenge to maintain and continue to improve that learning environment.

My key point is that the tightness of the funding may impact on quality. The potential impact of having larger class sizes, fewer places available for students and more administration carried out by teaching staff is that, although there will be greater numbers going through the system, the education provided will be of a lower quality.

Professor Jeremy Peat (David Hume Institute): At the David Hume Institute we have been working recently on research about the further education sector for Scotland's Colleges. The report will be published in the next month, and I will ensure that committee members receive copies of it. By way of background, I note that the report is a follow-up to work that we did last year on higher education—copies of our report on that were circulated. We have continued to look at HE with the Royal Society of Edinburgh.

As an economist, I am aware that this is clearly a time of severe budget constraints, and I do not envy Mr Swinney's job—or yours—of putting together a budget within those constraints that also tackles the major economic issues. We are in recession and are likely to remain so for a little

while, with issues regarding the labour market critical. To make the best fist for Scotland in the recovery phase—as and when that comes—we need to ensure that we maintain and enhance our skills base, as well as our infrastructure. I therefore agree very much with the priorities that have been set.

Within that context, further education has a major role to play—it can reach parts of the labour market and young folk that other sectors cannot. The diversity of FE and the group of people to whom it can reach out to makes it a hugely important sector. There has been a reduction in college rolls and budgets for a number of years. That is putting severe strains on the FE sector at a time when there is a need to work at both ends of the labour market: both those who are entering the labour market with limited skills and those who need readjustment training through their careers in order to have the skills that are required to participate in what is a difficult and complex economy.

I see the case for FE to have a significant priority, and I am glad that there has been some offset to the cuts announced. At this stage, I find it difficult to work through exactly what that means, and I do not want to enter into a numbers debate with anyone, because that would not be productive. However, I hope that the committee, with its supporters, will find out exactly what that means. FE is a priority for the economy—a great deal of priority should be attached to it, even in the context of a constrained budget.

I also add that it is not only a matter of providing the skills to individuals and working on the motivation of young people; the issue is also how jobs in the labour market are limited in their requirement for skills. It is remarkable that, among European countries, only in Spain, Portugal and Turkey is there a greater proportion of jobs requiring no education beyond compulsory school education than is the case in Scotland. Once people get into low-level jobs, they are not given the incentives to develop their work skills and capabilities and to progress.

The apprentice approach is one way through that, but there is also a need to work with employers. FE colleges are well placed to do that in the labour market, to make the most of people and to consider how skills enhancement works with people in low-level jobs, as well as getting people into jobs. There is a major role for the college sector, and that needs to be a flexible, adjusting and adapting role. Parliament should be looking to provide funding in the areas that are right for that adjusting role in the years ahead.

10:15

Professor Gallacher: Members of the committee will be aware of the written evidence that I submitted in advance, in which I included some data that I hope might be helpful to members.

First, I will pick up on the increasing emphasis in current policy on 16 to 19-year-olds. At a time of such economic recession, it is extremely important that there is adequate provision for young people. The data that I have cited indicates that people in the 16-to-18 age group, which is the Scottish Further and Higher Education Funding Council's band, already make up about 20 per cent of all college participants and 44 per cent of all full-time participants. What will the college sector be able to provide for those additional young people? That is one of the interesting questions that I have identified. If we are bringing more young people into the college sector, we must be confident that we can give them courses of appropriate quality that are likely to lead to relevant qualifications. That is an interesting and important issue.

If we look at the recent data, we see that there are 31,000 young people who are not in employment, education or training. Those young people are difficult to engage in various ways. At a time when all the evidence suggests that college budgets are being cut, it is important to ask what the college sector will be able to offer for those young people that makes a big difference. As Professor Peat indicated, it is rather difficult at this stage to know what the implications of the additional bits of money are. Mr Buchanan mentioned the idea of biscuit-tin funding. We are getting different bits of money from different sources, some of which is quite short term. There is a big question about developing a long-term strategy.

Alongside that, it must be borne in mind that, as Mr Buchanan mentioned, the colleges have been extremely successful in providing opportunities for adult returners. That has been a major success story for the colleges over many years. Much of the research that I have done over the years has shown how successful the colleges are in that respect. At a time of economic change, it is important that we create opportunities for older people to be reskilled, too. It is crucial that the different priorities are balanced, and the reductions in college budgets make it difficult to ensure that that is the case.

As you know, there is a considerable emphasis on regionalisation and mergers between colleges. In many respects, that is valuable—a significant realignment has been long overdue. However, we must recognise that a highly valuable function of colleges, especially for adult returners, has been their local presence, so it is important that, as we

move towards a restructured college sector, we do not lose that important local presence.

The Convener: Thank you very much. I was very lenient in that I let everyone speak for as long as they wanted on that question, but we are extremely tight for time this morning, so I ask that you keep your answers fairly brief and to the point. I ask members to do the same with their questions. In addition, not every witness has to answer every question.

Neil Findlay: I ask each of the panel members to give us a figure for what the cut is this year; one figure is all that I need. What impact will that cut have on places, courses and jobs?

Professor Peat: I will kick off by saying that I cannot, at this stage, give you a figure for what that cut is in absolute terms. I have tried looking at the data—I have looked at them two or three times—and I do not wish to give you one figure. However, I am of the view that there is a cut that will have an impact on the quality of provision and/or numbers—it depends on how it is implemented. It is difficult to be more precise at this time.

Professor Gallacher: I agree with Professor Peat. There are many complex issues involved. However, there is no doubt that, over the past number of years, the college sector has experienced a significant cut in its budget, which has undoubtedly had major implications for trying to maintain both the range and the quality of provision.

Paul Buchanan: Likewise, I am unable to give a figure, but there is definitely a downward trend, which appears to continue into next year as well.

Neil Findlay: I find it remarkable that three eminent people who are experts in the field cannot tell us what the cut is. That speaks volumes for how opaque the system is. Nevertheless, you have said that there is a significant cut. Do you understand how members of the Government can tell us that there is no cut?

Professor Peat: To an extent, you have answered that question in saying that the figures are complicated.

Neil Findlay: Yes, but I am asking you.

Professor Peat: College teaching funding has been reduced. I understand that, for 2013-14, there will be a reduction of about 1.5 per cent in college teaching funding. However, there is an increase in some other elements, and there is additional funding coming in that may or may not be permanent and which may or may not have an impact. That is why the picture is complicated. We are trying to put together all the different elements into a figure that the colleges will have to work with

for their course provision—that is what I am not able to provide at this time.

Neil Findlay: Irrespective of that, do you think that it is misleading for us to be told that there is no cut?

Professor Peat: I would be very pleased to have figures that were so transparent that there was no question of the veracity of the position.

Neil Findlay: I will take that as a yes. Do the other members of the panel have anything to add?

The Convener: Do you have anything different to say?

Paul Buchanan: No.

Professor Gallacher: No.

Mary Scanlon: Because I am standing in for Liz Smith today, I did a bit of homework so that I would not let the side down. However, even by the end of last night and this morning, I could not get to grips with the figures, so I find it reassuring that Jeremy Peat cannot work it out either—I do not feel so bad now.

I want to focus on a figure that was given to me by Liz Smith, which is the figure for the teaching grant that the Educational Institute of Scotland has given in its evidence. In the two years between 2010-11 and 2012-13, the teaching grant has gone down from £521.3 million to £387 million. That is not a cut of 1.5 per cent; it is a cut of 25 per cent. I appreciate what you say about biscuit-tin funding but, having lectured in FE and HE for 20 years before coming here, I know that colleges and universities were seriously tightening their belts throughout the 1980s and 1990s. The teaching is what it is all about, whether it is a 16-year-old or an adult learner getting another chance. How can the sector cope with a 25 per cent cut in the teaching budget?

Paul Buchanan: When the cuts first started to hit home a couple of years ago, the response of colleges was tremendous and a lot of smart work was done in colleges to trim costs, consolidate classes, increase class sizes, manage classes more efficiently and so on. As far as I am aware, much of the work on efficiencies to stretch the available resource has been done, so I would find it difficult to see how further efficiencies in teaching could be made without significant reductions in student numbers.

I will give you an example. Immediately before I left Reid Kerr College, we opened a new engineering facility and, behind that, improved the efficiency of teaching. We increased class sizes from, say, 12 to 18 through the new facility, which had better health and safety and so on. That represents a massive increase in productivity but, if the teaching budget is cut and we lose a

member of staff, we do not suddenly go down to a class of 12; we go down to zero. We are at the stage at which losses in teaching numbers will potentially have a larger, disproportionate impact on student numbers. It remains to be seen whether that will happen. There is no direct evidence of it happening yet, but that would be the next stage.

Professor Gallacher: In my written evidence, I tried to indicate some of the key questions that have to be asked about the quality of provision, particularly with regard to the idea of increasing provision for 16 to 19-year-olds. As an academic, I am indicating that we need to ask those questions and seek evidence on them.

Mary Scanlon: I have a question about quality. Many adult learners do not want to commit to a university degree of four years, so they might do a higher national certificate and go into second year of a degree or do a higher national diploma and go into third year. My concern is whether, now, with the huge cuts in the teaching budget in further education—25 per cent in two years—such adult learners will be able to articulate from the college to university and slip in as they have done in the past. From what I have read, I am not sure that they will. I am concerned that that gate could be closed now.

Professor Gallacher: Again, there are interesting questions in that. It must be recognised that the Scottish Government and the funding council have placed considerable emphasis on articulation as a key policy. Much of the restructuring that has gone on within the funding council recently has been aimed at improving the regional role of the colleges and the links between the colleges and universities.

You are right to raise the general question, but it must be recognised that a lot of national and institutional policy has concerned trying to improve the articulation arrangements.

Mary Scanlon: According to the EIS, the direct teaching time has been reduced. Does that not put FE students who wish to go on to get a university degree at a disadvantage and, therefore, widen the inequalities gap in education?

Professor Peat: One of the issues about which you should think is the fact that a very high percentage of FE funding comes from one source: the public sector. In the HE sector, money comes through research, overseas ventures and other activities, so there is a degree more flexibility to cope with changes in funding than there is in the FE sector, where 90-plus per cent of the funding comes from one source.

It is undisputed that there has been something like a 10 per cent reduction in public funding for each of the past two years. I do not believe that

such a reduction can be covered by making efficiencies and reforming structures alone. There was and will continue to be scope for a significant move in that direction, but it is inevitable that there will be pressure on numbers and/or quality.

When one is also trying to put extra emphasis on young people and the problems of those who are in unemployment or who enter the labour market without skills, it becomes difficult to maintain the articulation to which you refer, the quality of provision for older people and the move in.

10:30

Of course, a fairly large percentage of graduates still work in jobs that do not require full graduate skills. A lot of intermediate-level jobs are being filled by graduates, which limits the scope for people with FE qualifications to deploy their skills.

The balance between demand and supply in the labour market, and the constraints on the FE sector, are causing an issue that deserves close attention to help the committee to advise the Government on prioritisation in the education sector under the constraints of limited funding.

Liam McArthur (Orkney Islands) (LD): Each of you has talked about the various demands, the budgetary pressures and the need for a balance, which is clearly accepted. Ministers—and John Swinney, when he presented the draft budget last week—have indicated that the Government's policy is still to have no compulsory redundancies. Given what has been said—particularly by Mr Buchanan—about the creative work that was done to try to manage previous cuts, and given what colleges face in the next year or so, is that policy achievable?

Paul Buchanan: The policy is achievable only if the money is available to support employment; whether it is desirable is another matter. As the chair of a board, I found it difficult to reconcile a desire for no compulsory redundancies, which is universal, with the need to manage the teaching resource to deliver what we needed to do. A crude example is that, if the staff in a department were of an age to and were willing to take a voluntary severance package, a college could lose the ability to deliver one subject. As we come into the much tighter period, meeting the aspiration for no compulsory redundancies will become increasingly difficult.

Professor Gallacher: As Mr Buchanan indicated, this is a difficult circle to square. The Government's policy is associated with the policies of regionalisation and of encouraging mergers and collaboration. As I said in my submission, such mergers do not necessarily achieve short-term fixes and they are complex and difficult to do. For

the committee, it would be interesting to look carefully at how the regionalisation and merger policies are working and what impact they are having.

Marco Biagi (Edinburgh Central) (SNP): Professor Peat, when you mentioned a statistic on jobs in the labour market that need no qualifications, I saw you look down as if you were checking a source. Out of curiosity and for further research, I would be interested to know that source, if you have it to hand. If you do not have it, will you send it later?

Professor Peat: I am quoting a paper by Ewart Keep, who is an adviser to the Scottish funding council. That will be published as part of the papers that I put together. He quoted Francis Green's 2009 paper "Job Quality in Britain", which was "Praxis" paper 1 from the UK Commission for Employment and Skills.

Marco Biagi: I will get the written reference later.

I want to ask about two issues. A lot of the discussion has been about the rightness of priorities and deliverability. Two of the Government's main stated priorities are to maintain the number of student places and to deliver opportunities for all. We have touched a great deal on the first priority, and the panel seems to think that the issue is not so much losing student places as those places being displaced.

As for the second priority, if you start from the standpoint that opportunities for all is desirable—which, indeed, is the Government position—the question is whether, as far as you can tell and given all the caveats about the current figures, it is achievable within the allocated resources.

Professor Gallacher: Again I refer you to my written evidence. I think that this issue raises big questions that need to be asked. For a start, young people—especially full-timers—already form a significant part of the college population, and that links to the question of the quality of the provision that will be provided for them. Will the colleges be able to continue to provide the high level of full-time courses that they currently provide, and/or will they be able to provide courses leading to clearly recognised qualifications that will enable young people to progress either to further study or into the labour market? We cannot give answers to such serious questions just now, because the colleges are still seeking to grapple with them. Over the coming years, we will need to look at the evidence on what the colleges have been able to achieve but, as I have said, there are pretty big questions to deal with.

Paul Buchanan: Professor Gallacher is perfectly right, but I think that management will be

able to take these young people into colleges and provide them with some form of learning opportunity. The key issue is that colleges as purveyors largely of vocational training and of routes into jobs rely very heavily on links to employers and the availability of such jobs—if someone is providing apprenticeships, for example, they need jobs. As a result, the answer to your question lies partly in the economy's ability to generate more jobs rather than in the colleges' ability to generate more places. In the short term, people will be soaked up but within 12 to 18 months they will come back on to the jobs market with higher expectations than they previously had.

Marco Biagi: I am interested to hear Professor Peat's opinion on the matter.

Professor Peat: I have no doubt about the priority that should be accorded to meeting this objective. Indeed, I am pleased that the priority also continues through to the early years because this issue will diminish only through the early years agenda. Of course that will take time to happen.

I am wary, because the overall macroeconomic environment looks unlikely to improve substantially over the next 12 to 18 months, which could mean that unemployment in Scotland might rise further and the problems of the young unemployed become more accentuated. All that points to the need to work very hard on this issue in the period ahead.

I certainly agree with the comments made by Mr Buchanan and others on the need to find the right positions for people to move into. Indeed, that is why incentives for young people are really important. Incentives work quite well at the top end of the labour market, where there is the motivation to find jobs and the expectation that higher education will lead to a decent uplift in wages, status and prestige, but there is no evidence of any motivation at the lower end of the market or that young people react in the same way to whatever spur there might be.

One has to try very hard not to put people into a college just to do a course of some sort, but to link it to genuine employment opportunities that have a chance of leading to progression and the development of people's potential. It is not just a numbers game; it is a matter of the quality of what is provided and the link to the employers. That is where the role of FE within local communities matters. I do not see a contradiction between a degree of agglomeration in many aspects of FE and maintaining local presence—there can be efficiency gains with maintaining the local presence—but it must not be just a numbers game. It has to be about trying to develop the skills that are required within the labour market and working with employers so that they make best use of FE.

I note en passant that it is disappointing that there are still reports from north-east Scotland of major skills shortages in the oil and gas-related sector—I heard that from Professor Ian Diamond 10 days ago—and at the same time large numbers of young people with very few prospects ahead of them. That mismatch, at this time, seems particularly unfortunate.

Marco Biagi: Would it be fair to characterise your assessment as being that, from the point of view of the colleges, opportunities for all is achievable, but that the main difficulties lie in the difficult labour market circumstances?

Professor Peat: That is one element. The other element is that going for opportunities for all at a time of severely constrained resources will mean that other aspects of the work of colleges may suffer in the process. That is why it is extremely important that colleges prioritise what will work in the economic circumstances that we face.

Professor Gallacher: There are twin issues here, one of which is the quality of the provision in colleges. It may well be that the colleges can absorb the numbers, but what is the quality? That links to the issue of what happens to people afterwards. The issue is not just what is going on outside; there is also the issue of how quality can be maintained inside.

Marco Biagi: On opportunities for all, one of the figures that jumped out at me from Professor Gallacher's evidence was the 30 per cent of students taking courses that did not lead to recognised qualifications. I am sure that we are all aware of the value of first-step courses, which are often taken in community centres; such courses open up the aspiration towards further steps, but that percentage seems rather high. If opportunities for all is causing a realignment, it might not be entirely unhelpful.

What does that 30 per cent look like, in your opinion? Do you agree that perhaps it should be reconsidered at the moment?

Professor Gallacher: There is definitely a case for trying to ensure that as many students as possible gain recognised qualifications as a result of their studies in the colleges. I included the extra column, which looks at the weighted student units of measurement. That is quite important, because it indicates that if you look at that provision in terms of the overall provision within the colleges, the figure is far less than the 30 per cent headline would indicate. It is very important to have that in mind.

As you have indicated, a significant number of students will be undertaking taster courses and similar short courses, which may well be first steps. Some courses may be commercial courses that are being paid for by students or their

employers and which do not necessarily lead to a recognised qualification. We must recognise that there is a load of stuff underneath the figures.

The concern in this context would be if more young people undertook courses that came into the 30 per cent. There is a danger of bringing a lot of young people into colleges, keeping them there for a relatively short period of time and then having them leave without having significantly improved their qualifications. We want to keep that under close observation.

10:45

The Convener: Professor Peat mentioned the skills shortage in the north-east. Of course, the Government announced last week £18 million for skills training. Part of that will be for an energy academy in the north-east, to try to address the skills shortage in the energy sector. I hope that that will go some way towards filling that particular skills gap.

Neil Findlay: Recently, I spoke to someone who works in this sector who said that they feared that opportunities for all might create what they called a holding corral for the unemployed. Is there a danger that we will have people going in a circle, through various courses and programmes, with no destination at the end?

Professor Gallacher: That clearly is a danger. We do not know that that will happen, because we do not have the evidence yet, but it clearly is a danger. That is why we need to look at the issue very carefully. As I indicated earlier, the most recent figures indicate that 31,000 young people in Scotland are in the not in education, employment or training category. Those young people have clearly not been very successful at school and are difficult to engage in the education process. We have to recognise that if we seek to bring more such young people into the system and provide them with high-quality education, that will be a seriously demanding task for colleges and their staff. It could have a significant impact on the learning culture within certain college sectors.

Professor Peat: I think that it is a risk, which is why the more that can be done to address the problems faced by those young people earlier in their lives, the better. The colleges face a difficult task when they get people aged 16, 17 or 18 for whom disadvantage has impacted on them, their motivation and their attitudes for a number of years. I also note that FE colleges have a lower spend per head than, for example, secondary schools do. They face a very difficult problem and there is a severe risk of the recycling that Neil Findlay suggested. The more that can be done to work at an early stage with employers—even very small employers—the better.

Liam McArthur: The focus that the Government has put on 16 to 19-year-olds—and, I suppose, the next age group up—is evident. Everyone on the panel has talked about the impact that that will have on the other work of colleges and, particularly, the reskilling needs of those of an older age. If everything is a priority, nothing is a priority, but does there need to be a rebalancing of priorities? If so, a case could be argued for that to be achieved within the current budget constraints. Alternatively, does action need to be taken to address older learners' needs, with the implication that additional budgetary resources need to be secured to achieve that? Bear in mind that the latter would be exceptionally difficult in the current circumstances. What is your view on where the committee ought to apply pressure on ministers?

Paul Buchanan: You are absolutely right to highlight that issue—had you not done so, I would have done. As a country, we have not answered the what-if question about further education, which does a lot of things to a lot of different people. We have not managed to capture that and bottle it; we need to look at that challenge. To some extent, the outcomes-driven approach that we are following will start us down the road of identifying what we should be doing—a lot of that should be done at the local level and perhaps not the regional level.

One of the things that we undervalue is colleges' role in ensuring a mobile and flexible labour force of people who are in employment, rather than just the people who enter the labour force, which we and the Government have, quite rightly, focused on. We must not lose sight of the fact that more than 50 per cent of college students are over 25, and that the average age is 32. The job that colleges do in the wider economy is extremely valuable, and I do not think that we capture or acknowledge that or even fully understand the role that they play in flexibility and mobility, which will help to generate economic growth in the future. The issue of the levels of priority that are given to younger and older learners is certainly something to consider.

Professor Gallacher: As I said in my written evidence, we have to bear in mind that, as Mr Buchanan has said, the colleges have been extremely successful in providing many older students, especially women, with a second-chance route to gain qualifications and enter or re-enter the labour market. It is important that that role is recognised and maintained. It would be unfortunate if an emphasis on the younger age group were to make it more difficult for the colleges to perform that role.

The Convener: Time is moving on rapidly and I want us to discuss the higher education sector to some extent. However, before we do that, Clare Adamson and Neil Bibby have questions to ask.

Clare Adamson (Central Scotland) (SNP):

There has been a bit of discussion about regionalisation already and, obviously, there are other models in the rest of the United Kingdom—for example, Wales is taking the option of merging colleges without consultation.

Given that we have a number of regionalisation models, can you give us an idea of how the budget allocations have shaped the colleges' preparations for regionalisation? Professor Gallacher talked about the need for the approach to targeting in specific areas to be long term rather than short term.

Professor Gallacher: As you know, we are at an early stage of the regionalisation policy. There are various aspects to the issue. A merger process and a regionalisation process are both under way, which makes the issue quite a complex one for the Government and the funding council to handle.

To some extent, it will be easier to achieve the long-term objectives of regionalisation once the merger processes have gone through more fully. However, with the best will in the world, although some regions will be single-college regions, in relation to which the role of the regional board will be relatively straightforward, others will be large, complex regions. For example, Glasgow—which I mentioned in my submission—will be left with three colleges for a significant period of time.

There is some merit in seeking some restructuring of the whole college sector in Scotland. At present, the process is complex and we are still unclear about where it is leading to.

Professor Peat: Many years ago, I was chair of what was called the strategic change grant committee at the funding council, which covered HE and FE. We had a paucity of demands for funding because the HE and the FE sectors were not keen on getting together in any form and preferred the status quo. I regretted that.

I am pleased that there are moves to increase efficiency by making changes to the delivery, but we must note that that has an up-front cost and that money is in short supply. Again, we have to try to strike the right balance with this difficult issue. We need funds to invest in the change so that it is done properly and will maximise not just the cost savings but the benefits to students. That will not be easy. The balance of investment funds and recurrent funds is another issue that the FE sector will have to tackle.

Paul Buchanan: I have never fully understood why it was thought that there were too many colleges and not too many schools, for example. I never really understood why colleges were seen to be in greater abundance than was needed.

The regionalisation agenda as it is shaping up at present appears to be a way of delivering funding more efficiently. That is one of the funding council's aims, and it achieves that. However, I am not convinced as yet that it answers learner needs better. It is supposed to be a learner-centric policy, but there are a lot of questions over whether it answers learner needs better.

There are some governance issues at the local level. There is a need for greater local accountability. Colleges should be answering to their communities on learning needs, but they are not doing that at present and they will do it even less under the new system.

Neil Bibby (West Scotland) (Lab): You mentioned that the current priorities and budget settlements will make it more difficult to provide courses for older learners. Do you envisage that the cuts that we are seeing and the proposed cut in the teaching grant, which you mentioned, will result in a reduction in courses for older learners and adults with learning disabilities?

Last week, John Henderson of Scotland's Colleges stated in *The Herald* that an educated and skilled workforce is key to economic recovery. I know that there are lots of issues but, in general, do you believe that cuts to colleges harm economic recovery?

Professor Peat: I will kick off on that. As part of the work that we have been doing, we have asked the Fraser of Allander Institute to look at the impact of the FE sector on the economy. It is clear that it makes a significant contribution. Over eight years, something like 1 per cent of gross domestic product is attributable to the FE sector, which is a substantial portion of activity.

I certainly believe that, to be well placed for economic recovery, we need to have the right skills in place in the right locations—I do not doubt that. The difficulty is that limited funding means that choices have to be made, and to some extent the priority is to deal with the young and opportunities for all, rather than the skills development of older people. We cannot avoid the fact that, with limited budgets, even with the maximum efficiency gains that can be pushed through, a choice will have to be made about the quality of provision for one group or the other or both, or about the numbers that are provided for. If there is a guarantee on the numbers under opportunities for all, there will be pressure at the top of the system.

That is a policy issue, as I see it. A choice has to be made about what the priorities are. The only way round that is to allocate more funds on the assumption that efficiency gains will be maximised over the period. If more funds are not allocated, there will be pressure in one way or another, quite

possibly in relation to the skills development of older people.

Professor Gallacher: I agree with Professor Peat that choices will have to be made. One of my concerns is that, in that process, we must not lose the things that colleges have been extremely good at doing, such as providing re-entry routes for older learners and opportunities for them to gain new qualifications and skills. If, as a result of the choices, it was more difficult for colleges to do those things, that would be a significant loss, as there is evidence that they have been doing them successfully.

11:00

The Convener: As it is Mary Scanlon's first appearance at the committee, I will indulge her. You may ask a very brief question, Mary.

Mary Scanlon: It will probably be my last.

Professor Gallacher has mentioned several times the 31,000 16 to 19-year-olds who are out of work and out of training. I find that difficult to reconcile with the Government's policy that every 16 to 19-year-old should be offered a training place, education and so on. Why are 31,000 out of work and out of training when they are all being offered something that was never offered to previous generations? What will happen to them now?

Professor Gallacher: That figure is the most recent Government one. I suppose that the Government is saying that, as a result of its new policies, it is seeking to ensure—

Mary Scanlon: The policy is not that new.

Professor Gallacher: Yes, but I think that the policies are only now starting to have an impact. I think that the Government would say that it hopes that the figure will come down as a result of its policies, but it is important that the figure of 31,000 represents the young people who are most difficult to engage in education, employment or training. It indicates the scale of the challenge associated with the guarantee.

The Convener: Thank you very much. I will move on to HE now, if members do not mind.

Marco Biagi: Over the summer, a great deal of heat was expended in the media about concerns about Scottish students being able to get places in universities, even though this is the first year in which they are not directly competing against the rest-of-UK students who are apparently forcing them out. Could those of you who have particularly impassioned views on higher education give your views on the impact of the new funding system and the differentiation between Scottish and RUK

students on the availability of places for Scottish students?

Professor Gallacher: If we look at the evidence on applications this year, which is the most recent quality data that we have, we will see that Scotland has undoubtedly done much better than the rest of the UK in that respect. Applications to English universities have declined significantly this year, whereas there has been a very small decline in applications to Scottish universities. In so far as that is evidence, that is the evidence that we have. It is clear that there has been a high level of applications from international students to Scottish universities this year.

Professor Peat: From the perspective of the HE institutions, their incentives to take in different students or undertake different activities have changed as a result of the policies that have been introduced in this country, England, Wales and elsewhere. There are advantages for them in overseas activity and in having overseas students from outwith the European Union—that will help them at a time when their resources are constrained, as everyone's are. It is inevitable that that will have some impact on their decisions. One must try to ensure that the end product of the Scottish policy is not any loss of access for Scottish students as a result of the changed incentives that the institutions face.

Marco Biagi: Perhaps that is a question for the next panel.

The Convener: Perhaps.

Neil Findlay: There has been talk about the funding gap between Scottish and English universities. How do you see that? What is its impact?

Professor Peat: In the latest figures that I have seen, which are for 2010-11, it certainly seems to be the case that the spend per head on HE in Scotland is significantly higher than that in any of the other three UK nations. Of course, that is the spend per year; given that many courses are four years long, the gap in total spending on each graduate looks bigger. Although I am all in favour of the continuation of strong HE availability for Scottish students, it is always worth bearing in mind the cost to public finance of such an approach, as compared with alternative models. After all, that is where the pressures are falling given the funds that are being allocated to meeting the sector's requirements.

The Convener: What do you specifically mean by "alternative models"?

Professor Peat: This is obviously very contentious ground and I do not in any way wish to tread on toes. All that I am saying is that the Education and Culture Committee will have to

examine the difficulty of the FE sector in delivering at both ends of the spectrum at such a difficult time while, at the same time, the HE sector continues to be relatively well funded. The fact that the model is different to that in other UK nations places particular pressures on the situation. Over time, one will have to consider whether there might need to be some adjustment, if only at the margin, to ensure that all the objectives of educational activity can be achieved at best value to the Scottish economy. I do not particularly want to say any more beyond that.

The Convener: I am curious about what is an important point. Might the fall in the application figures in England as opposed to what is happening in Scotland not lead you to reconsider your view?

Professor Peat: It certainly makes me feel that what has happened to fees in England might well be counterproductive to the English economy and I certainly would not support the scale of the fees that have been introduced there. Nevertheless, one must always be prepared to consider whether certain marginal adjustments can be made to help achieve the overall set of objectives.

The Convener: Thank you for that.

Mary Scanlon: In light of the 25 per cent cut in the teaching grant to further education and given that those in further education now teach to degree level—and have been doing so for a considerable time; indeed, I was doing it in 1994—can you tell me whether further education gets the same funding for teaching a degree course as a university? If not, what is the difference? Given that for articulated students HNC and HND courses are degree courses, why has there been such a cut, why is there such disparity and what are the national figures?

Professor Gallacher: There is certainly a major difference in that respect. As with many of these funding issues, however, I am not prepared to tie myself to a mast with regard to actual figures; you would be best to ask the Scottish funding council for an official response to what is a perfectly reasonable question. All that I can say is that there is clearly a major funding gap, that it is historical and that it reflects views of the research role and so on of the university sector as compared with the role of the college sector.

Mary Scanlon: Why are colleges expected to teach to degree level—to a level that is allegedly equal to that of a university degree—with what I think you said is a significant funding gap? I know that you cannot give me a figure.

Professor Gallacher: That, again, is a policy issue. You had better ask that question of the people who are responsible for those policy decisions.

The Convener: I am sure that your colleague Liz Smith will raise that with the funding council and the cabinet secretary in the coming weeks.

Mary Scanlon: I am sure that she will.

George Adam: What is your reaction to the new package of student support, which has been protected? What are your views on it?

Professor Gallacher: Are you talking about the commitment to the £7,000 a year?

George Adam: The support, yes.

Professor Gallacher: One would welcome that from a student perspective. Going back to issues that were raised earlier, there are policy choices to be made on all these issues and finding the funding for such a package of student support clearly has implications elsewhere in the budget. We must recognise that none of those decisions are made without costs.

George Adam: We agree that a fully supported student is a happy student who goes on to become all that he or she can be.

The Convener: I hope that we all agree on that.

Paul Buchanan: The idea of happy students is perhaps stretching the imagination slightly. The support addresses some of the equalities issues about access. For the mainstream it is welcome, but it is particularly welcome for people who find it harder to access further and higher education. On the equalities side, it is welcome.

Neil Findlay: I am not asking you to give me the answer to this—

The Convener: I think that that is the point of our questions.

Neil Findlay: If I were to ask you what your income was, you would tell me about your salary, all the shares that you own, the income that you get from your holiday home in France and all that type of stuff. You would not tell me how much you owe in loans. The Government packages up the student support as a minimum income guarantee, but it is not an income—it is a loan. Do you agree with that?

The Convener: Does anybody wish to express an opinion on that?

Neil Findlay: Would any member of the panel regard a loan that they have—God forbid that you might have one—as their income?

The Convener: I think that the answer is no. We have got no response to that.

Gentlemen, thank you for taking the time to come along and give evidence this morning. I suspend the meeting briefly to allow a change of witnesses.

11:13

Meeting suspended.

11:19

On resuming—

The Convener: Welcome back. I welcome to the committee our second panel who will provide the unions' reaction to the draft budget for FE and HE. I welcome to the committee David Belsey, the national officer for further and higher education in the Educational Institute of Scotland, Robin Parker, who is president of NUS Scotland, Emma Phillips who is a regional organiser for Unison, and Mary Senior, the Scottish official for the University and College Union Scotland. Welcome to you all.

Variety is the spice of life, so I will do it the other way around and start with HE this time. I will begin with Marco Biagi.

Marco Biagi: I go back to a question that I asked the previous panel. Concern has been expressed about potential competition between Scottish and rest-of-UK students, given the changes to the funding system, even though that funding system means that, for the first time, they are not competing directly against each other for the same quota of places. I notice that the issue was raised in the EIS submission. Is it your view that there is such competition, given that Scottish and RUK students have been separated in that way for the first time? How broadly will the funding package impact on the number of places to which Scottish students have access?

Robin Parker (National Union of Students Scotland): Thank you for giving me the opportunity to speak on these subjects.

Scottish places have been protected, which is definitely a good thing. The question must be about to whom those places are open. There are many issues that we need to talk about. It is good news that there are plans to bring forward legislation in this area, but we need to look at what form that legislation takes and to ensure that work is done with universities and across the Parliament to widen access and change the face of who in Scotland takes up those places.

I have discussed with the committee previously what I think about the RUK funding package. The current situation goes beyond the situation that we have south of the border—there is a huge amount of room for improvement in that package. The package for Scottish students is really good. The fact that we do not have tuition fees in Scotland, along with the student support that was announced over the summer, gives us the framework to make the big improvement in access that I mentioned. The question whether there is a

funding gap with universities south of the border is now closed.

Mary Senior (University and College Union Scotland): I, too, thank the committee for allowing me to come along to speak on the draft budget.

As Robin Parker said, Scottish places are protected but, with the new system that was introduced this year, we have moved into an unknown area. As the first panel said, there are different incentives for universities to take on different students. UCU was concerned about the way in which the rest-of-UK fee system was introduced last year. It is extremely disappointing that there was not more debate in this Parliament and more broadly about alternatives to the RUK fees regime. In effect, we have introduced a market in Scottish education. It is clear that there are incentives for institutions to take on more RUK students, because they bring funding into the system. To be fair, trade unions are using that, too, because it is an income. It is disappointing to see English, Welsh and Northern Irish students being used as cash cows. That is resulting in our institutions having different levels of those students. We will see the tensions that play out as that develops.

As far as other access issues are concerned, the new student support proposals for Scottish students are very welcome and we support them.

David Belsey (Educational Institute of Scotland): I thank the committee for inviting the EIS to give evidence.

There is no doubt that the Scottish Government and the Scottish funding council have gone some way to protecting university places for Scottish students and have assisted with not charging tuition fees and providing student support.

The other side of the coin is the fact that students from different parts of the world bring in differing amounts of money. That makes it attractive for Scottish universities to have as many non-EU students as possible and, depending on the rate at which a Scottish university charges its RUK fees compared with what the SFC pays for a particular subject at that university, some RUK students may be more attractive in some subjects than in others.

As we highlight in our written evidence, we are somewhat concerned that the fact that RUK students can, in some cases, bring in more money may encourage universities to recruit such students rather than Scottish students. We should also remember that, although the funding for Scottish students has a cap or quota—it is a finite number—it is also based on each university having student applicants with the right entry requirements. Consequently, it is not simply a case of filling the quota with Scottish students. It

must be played against other candidates from other parts of the world who may have higher qualifications.

The Convener: Before we move on, I would like to clarify what you just said, Mr Belsey. Do you agree that student places for those who are domiciled in Scotland are protected?

David Belsey: The funding is protected, yes.

The Convener: You seemed to suggest that, somehow, those places were available to students from elsewhere.

David Belsey: No. Universities recruit students according to the number of applications that they have and according to the qualifications that those students have.

The Convener: If Scotland-domiciled students do not apply, they do not apply.

David Belsey: Exactly. Those places could be filled by other students.

Marco Biagi: I am concerned about—and, to be frank, puzzled by—the perception that there is competition and that there is, to use a word that has been used already, tension. If places are set aside for Scottish students, as they are—let us leave the EU issue aside for a moment—those places will be available whether a university recruits five or 500 rest-of-UK students.

If that availability is set, and if international or rest-of-UK students can be brought in and, perhaps, become an important part of a university's funding arrangements, where is the loss to the Scottish students? I do not understand what is at risk. Indeed, over the past 10 years in particular, there has been a huge expansion in the number of international students at Scottish universities at no cost to Scottish students. They have certainly been a great benefit to the universities' cosmopolitan atmosphere and international success.

If you could explain what the tension is, I would be grateful.

David Belsey: The cap on RUK students was removed from 2012 onwards. This is the first year of that arrangement, so we do not know what the outcome will be. As I said at the start of my evidence, the Scottish Government has gone some way in seeking to protect the number of places for Scottish students by having funded places. We are trying to point out scenarios in which tensions are created within universities, particularly if a university is concentrating on revenue.

The Convener: Sorry, what tensions?

Marco Biagi: Yes, what tensions?

David Belsey: Different students from different parts of the world bring in different amounts of money—more money.

Marco Biagi: Indeed, but does that have an impact on the availability of places for Scottish students if there is a finite, set or—to use an unpopular term—ring-fenced number of places for them? I cannot see how a tension exists.

Robin Parker: It does not affect places, but it brings up other issues. You highlighted the cosmopolitanness—to coin a term—of a campus as being a good thing for everyone. However, there has been a change in the student demographic as a result of tuition fees in England and we do not know how the demographic of students coming from the rest of the UK to Scotland will change as a result of RUK fees. That is clearly bad for the overall student experience. The Scottish Parliament has a responsibility for Scottish universities, their overall success and the overall pool of students, wherever they come from.

Marco Biagi: I do not want to put words in your mouth, but I take it that you would agree with me that the number of available places for Scotland-domiciled students is unaffected by the changes.

Robin Parker: The number of places for Scottish and EU students has been protected. If anything, the conversation that we should have on that is about whether there is an opportunity, either for universities or for the Government, to increase the number of places and about who those people are.

The Convener: I am sure that we will come on to that, but I want to clarify the point that we are on. Mary Senior wants to comment.

11:30

Mary Senior: I used the word “tension”. In St Andrews or Edinburgh, some students will pay £9,000 and others who are domiciled in Scotland will not pay tuition fees. Clearly, the students who are paying £9,000 are investing a great deal. We do not know how that situation will play out. More pressure might be put on lecturers and other university staff because the students who are there as consumers might have higher or different expectations. That is a concern. We do not know what pressures that situation will put on the learning environment in our universities.

Marco Biagi: Can we learn any lessons about incentives and pressures from the expansion, in the past decade, in the number of international students, who routinely pay £15,000 per year for many courses?

Mary Senior: International students come from different areas and do not pay the same taxes as everyone in the UK pays, so their situation is a

wee bit different. It is surely welcome that we have an internationally renowned higher education sector that attracts international students. That is clearly a good thing.

The Convener: Sorry, but I am confused. I thought that you said that the tensions that you are concerned about will arise because students from the rest of the UK will, for example, pay £9,000 and will be consumers and so will perhaps have different expectations from those of Scotland-domiciled students. You then said that non-EU students, who pay £15,000 or more, do not seem to be a problem. Surely, they are consumers, too.

Mary Senior: Students who are from outwith the EU are a different issue. They come from different legislatures and different tax systems. That is different from the situation of people from the UK. Obviously, at present, we have a United Kingdom.

David Belsey: I will give an example of a theoretical tension that might arise at a university. Let us say that a university runs a chemistry degree course with 50 funded places for Scotland-domiciled students and that the tariff to get into the course is 20 Universities and Colleges Admissions Service—UCAS—points. The university can stick as many students into that course as it wants to. It can give 50 places to Scottish students who meet the UCAS tariff and then put in extra students although, ultimately, there will always be a finite number of chemistry students. Alternatively, the university could raise the UCAS tariff to 25 points and make it more difficult for Scots to get in. It would therefore be less likely to receive all the funding, but it could fill up the course with extra overseas students, who bring in significantly more money than Scottish students do.

That is a theoretical tension that could exist. That is the type of theoretical conversation that we are having.

The Convener: Do you have any evidence of that happening?

David Belsey: At present, there is no evidence of that, which is why we are talking about theoretical tensions.

Marco Biagi: With regard to your hypothetical example, I am not sure, but I think that the teaching grant per head for a chemistry student is slightly higher than £9,000, so it would actually be more profitable for that university to have the Scottish students on the course.

David Belsey: It would not be more profitable if the university charges students from non-EU countries £12,000 or £16,000 a year. That is what the Scottish students are competing against, is it not?

Marco Biagi: That is the non-EU issue, which is a long-standing one. However, I recall that, on the issue of rest-of-UK fees, the university principals were concerned that £9,000 was not enough for courses such as medicine and science or technology and engineering. Perhaps it is no bad thing to create an incentive through funding for universities to move Scotland-domiciled students into those courses, where there would be a higher grant from the SFC.

David Belsey: That is a possibility, but there are many possibilities that could play out.

Robin Parker: The conclusion from all that is that bringing in a market makes things messy. I do not think that we should charge people fees at all, wherever they come from. I accept that the Scottish Government was forced to do something, but it certainly did not have to introduce a marketised system with a higher fee level and fewer access protections, which is what we are left with. The problem is to do with the market. The clearing issue was also fundamentally a problem with the market, although it was mischaracterised a lot in the press.

The Convener: We were slightly sidetracked by that tension—theoretical or otherwise. Does Emma Phillips want to answer the original question?

Emma Phillips (Unison): I have nothing to add.

The Convener: We will move on.

Liam McArthur: My question is about an issue that might have been touched on in the exchange between Marco Biagi and David Belsey. In the EIS's submission and in what David Belsey has said is the suggestion that the issue is not about the global total of places for Scotland-domiciled students and is not necessarily a problem with individual institutions.

You seem to highlight concern about the demographics and the make-up of students on courses, which might be worth further scrutiny. You say:

"HEIs may be tempted to move funded (Scottish places) to lower tariff courses, or be over-eager to put RUK/non-EU students into courses that have not been able to fill their Scottish students funded quota."

Are you talking about an issue that applies course by course or department by department, rather than about the overall number of places for Scotland-domiciled students, which we agree is subject to a cap that creates strong incentives to achieve that number?

David Belsey: Yes—we are talking about that. As your colleague Marco Biagi said, it might be beneficial to put Scottish students into chemistry, but in courses that receive a lower tariff, that might not be beneficial. The concerns are theoretical and

may or may not play out over time. I stress that, as I said, we acknowledge that the Scottish Government has made a significant effort to protect the number of Scottish students.

Clare Adamson: Excuse my voice.

I have a couple of concerns about what has been said. On the theoretical tension, I fail to see why the introduction of rest-of-the-UK students into the equation is any different from what happens at the moment with international students.

I want to dig a little deeper into the idea of the student as a consumer and the suggestion that the relationship between Scottish students and rest-of-the-UK students has somehow changed and is now considered different in universities, because Scottish students are funded by the Scottish Government. The idea of the introduction of marketisation is difficult, because that resulted from the introduction of tuition fees down south and not in Scotland.

Mary Senior: You are absolutely right that the introduction of fees down south created the situation in Scotland. However, until the current academic year, rest-of-the-UK students were in the general student numbers that were capped. They have now been taken out of those capped numbers, so the position is different. Before RUK fees were introduced, RUK students paid a generic flat fee of about £1,800 a year. That is why the situation is different and how we have introduced a market into Scotland for RUK students.

Joan McAlpine (South Scotland) (SNP): I apologise for my late arrival. Unfortunately, the traffic on the M8 was bad because of the weather.

It is broadly acknowledged that the situation has been caused by the UK Government's introduction of the market. Given what you have said, do you have solutions to the problems that you perceive? If so, have you costed those solutions?

Robin Parker: I would be happy to send the committee a further briefing on the issue, to which we should return when the post-16 education bill goes through the Parliament.

We have made a number of proposals for different things you could do. First, we could have a flat fee across all courses. That is just an idea; I am not saying that it is the right solution. I just want to make it clear that there are more and different options.

There is no justification for the possibility that we will have even higher degree costs than there are down south, and no justification for the fact that there are fewer access support protections for students. There is no equivalent of the office for fair access as there is down south, and no

equivalent of the bursary requirements that that protects.

There is a range of different options that would not introduce a market system, that would have protected access better, and that would not have resulted in an even higher fee level. I am happy to send those options to the committee. However, the argument that the problem fundamentally comes from the Westminster Government's decisions is different.

The Convener: I should have brought Mary Scanlon in earlier. I apologise.

Mary Scanlon: I want to follow up my earlier line of questioning about articulation. On page 8 of its submission, the EIS says:

"the incentive to encourage articulation or to favour Scottish students from poorer backgrounds may be weak."

I find that very worrying. On page 9, it says:

"The EIS does not believe that the Government is seeking to use the HE sector to respond to the challenge of youth unemployment. There have been limited efforts to improve articulation from colleges and improve access to poorer students."

Before coming to the Scottish Parliament, I lectured in economics in further and higher education for 20 years. FE was always a great way for students of different ages and from disadvantaged backgrounds to sign up for a year or two years and then to go on. I would like more clarification in that regard that because that possible inequality is a huge cause for concern.

Given the background of the 25 per cent cut in the FE teaching budget, will FE students be able to pitch into year 3 of a degree? I am a substitute member of the committee today so I do not have the same background as my colleagues. What the EIS seems to be saying is serious.

David Belsey: The first part was a theoretical concern. In our paper we highlight theoretical concerns about the funding model and possible marketisation within HE, and that is what is referred to on page 8 of our submission.

The point on page 9 is about where we are rather than a theoretical concern. The EIS favours as much articulation as possible and wants the learner journey from FE college to university to be as seamless as possible. The Government has made some efforts to improve articulation through the development and funding of articulation hubs, but they are, in the main, for post-1992 universities, and universities' participation in those hubs is voluntary.

The Government has also expanded articulation by including it as a target in the outcome agreements with universities. The EIS has not seen those outcome agreements so we do not know how rigid the targets are or what the

penalties for missing them are. Last year, there was a publication that showed that, for whatever reason, the number of Scottish students from the bottom 40 per cent of postcodes was lower within Scotland than it was in England, which is a cause for concern.

11:45

The comment in our submission that

"The EIS does not believe that the Government is seeking to use the HE sector to respond to the challenge of youth unemployment"

comes from the Government's pre-legislative paper on education, which paints a high-end picture of higher education that is research driven, affects Scotland's culture and clearly produces graduates for a knowledge-based economy.

However, in relation to the Government's approach to FE, the paper sought to refocus the sector on training 16 to 19-year-olds and providing training to find work and skills for employment. The approach to HE is not based on any of those things.

Of course, graduates should—one would hope—be able to get more skilled posts but according to the pre-legislative paper, that was not to be the sector's express purpose. Consequently, the EIS believes that the youth employment strategy is being dealt with not in the HE sector but through opportunities for all and employability initiatives run by the FE sector.

The Convener: I might be having a bad morning, but I fail to understand that response or your interpretation of the pre-legislative paper, which, as you have said, talks about growing the knowledge economy, increasing graduate employment, improving research and developing high-end skills. How does that equate to the statement in your submission that

"The EIS does not believe that the Government is seeking to use the HE sector to respond to the challenge of youth unemployment"?

David Belsey: Perhaps another way of looking at it is to see the role of the FE sector as directly supporting individuals and the role of the HE sector as creating a better Scotland in which individuals can access opportunities from a larger economy that is driven by more successful universities. There is a step difference in that respect. Unlike FE colleges, universities are not taking in unemployed people or people not in training or employment and giving them extra training.

The Convener: When I became a student, I was unemployed. I accept that that was a long time ago, but surely being unemployed has not

become a barrier to being accepted by a university.

David Belsey: No, but most students go to university straight from school.

Another problem with articulation that has not been addressed by the funding council or the Scottish Government is that those who complete HNCs and HNDs experience barriers in starting their second or third year at a university; those who have completed an HND often have to repeat a year at certain universities but not at others.

The Convener: That is different from the point that I was trying to pin you down on. You seemed to suggest—in fact, it was a very direct suggestion—that the HE sector does not assist with youth employment. I am struggling to understand how people going to university and getting a degree does not assist in that regard.

David Belsey: As you yourself have suggested, the pre-legislative paper sets out the university sector's purpose as creating a knowledge-driven economy with high-end research and affecting Scotland's culture and ethos. According to the paper, its purpose does not seem to be to produce graduates for employment; instead, the paper talks about creating graduates who are more balanced individuals having had the opportunity of undertaking a four-year university course and being in that culture.

The Convener: I will stop there, but I believe that Joan McAlpine has a question about this.

Joan McAlpine: Your comments make me curious, because you seem to be saying that driving a knowledge economy through centres of excellence and focusing on universities' widely recognised economic role is a mistake.

David Belsey: We are not saying that it is a mistake; all we are saying is that driving that activity in universities is not going to deliver work directly for 16-year-olds or additional training opportunities for 16-year-olds who have no qualifications.

Joan McAlpine: Surely a measure designed to create a knowledge economy and boost productivity and research across Scotland will obviously boost the whole economy and benefit everyone.

David Belsey: Yes, it will benefit everyone as a consequence, but not specifically youth unemployment.

Joan McAlpine: In the QS world university rankings that were published this month, three Scottish universities appeared in the top 100 universities in the world for the first time, as a result of that policy. Is that wrong? Would you compromise that?

David Belsey: We are not looking at the same thing, to be honest with you. The Government is paying FE colleges to take in unemployed 16 to 19-year-olds from the street and give them the opportunity to retrain or develop their skills—opportunities for all—but the HE sector is not being used in the same way. We believe that investment in the HE sector is a good thing and we want as many Scottish universities as possible to be in the QS top 100 or the *Times Higher Education* top 200—or whatever other measure you would like to use. We are not saying that that is a bad thing. However, we are talking specifically about unemployment among people aged 16 to 19.

The Convener: I am struggling to see the relevance of that.

Emma Phillips: I represent Unison, which represents support staff in colleges and universities—the so-called back-office staff who are considered okay to cut because they are back-office staff and savings can be made there. I want to explain what that means and how that is impacting on the learner's journey through colleges and into universities.

Our members try to get people who want to return to work or go to college on the right course in the first place by providing pre-course guidance. There have been massive cuts in that area. There are cuts in admissions officers and many other posts, and that means that people are not getting that guidance.

When people get on to a course, the cuts in our members mean that it is difficult for students to get hold of their bursary, childcare allowance or transport costs. There is a large drop-out rate within the first two weeks, either because people are on the wrong course or because they have not received the funding to allow them to take the course. Even people who want to get on to courses are not beginning them. They are not counted in the normal drop-out rates because they drop out within the first two weeks.

We also provide support to people on their courses. We have a great deal of concern that opening hours are being cut back, or that they differ across different buildings, which prevents part-time workers and people who have families from returning to college. The opening hours for Carnegie College have reduced from four nights a week to two nights a week, and the college is no longer open on Saturdays. There are a number of other examples. Most colleges are cutting their opening hours, in direct contradiction—

The Convener: If I may interrupt you, we are discussing HE now; we will come on to FE.

Emma Phillips: My point is that all those people who would be doing their HNC and HND through

those routes, in part-time places, are not doing those courses because they cannot access them. The new Inverness College has been built without a nursery, which means that someone with childcare responsibilities cannot do an HNC or HND course there.

There seems to be a debate between Skills Development Scotland and the colleges about who should be providing careers guidance for HNC and HND students who are leaving college. SDS and the colleges have both received massive cuts, and both are saying that the other should provide careers advice, with the result that no careers advice is being provided. Langside College had someone providing careers advice five days a week; that has now become half a day for all the Langside students. People who want to move on to degree courses are not getting the advice and guidance that they need.

The Convener: I misunderstood what you were saying there. I apologise.

Robin Parker: We published a report over the summer about widening access to universities. That issue really resonates with all of this. Universities are already doing a lot for youth employment but there are more things that they could be doing, one of which is around widening access and looking at who they admit.

Universities can find people from deprived backgrounds with a huge amount of potential not just in schools but, through articulation, in colleges. We should not overlook people who studied at the FE level, whether highs or Scottish vocational qualifications, in college. Universities could look into that area a lot more. Universities take a lot of older students directly, which helps with the whole labour market scene.

As for things that should happen, universities need to be pushed on their commitments around articulation in the outcome agreements that they have made with the funding council. The universities should be pushed on the number of college students that they are taking on, particularly in relation to taking them on at the right level in the Scottish credit and qualifications framework, so that students are making the right progression and do a four-year degree, rather than a six-year degree.

Finally, with the current budget there is an opportunity to equalise the amount of funding that colleges receive to deliver HNCs and HNDs and the amount of funding that universities receive for first and second year. They are the same levels of study and should receive the same amount of funding, which would create fairness. We can still look at the budget and work across the parties on that opportunity. I highlight that that money would come from the Student Awards Agency for

Scotland, rather than from university or college budgets. That would be a good thing: it would get more money into colleges and would increase articulation. We could increase the amount of credit that students receive in college, so that they would be better able to articulate.

The Convener: Before we move on to FE, we have a couple of questions from George Adam and Neil Findlay.

George Adam: I will ask the same question that I asked the previous panel. I may elaborate a bit more, as I just got a shrug of the shoulders last time.

For me, students and the packages involved with them are the most important things—how students enjoy student life and how they get on. What is the panel's reaction to the new package of student support? We can take it from there, and I hope that we can discuss it this time.

Robin Parker: We have campaigned for this for five or six years and it is really good news that the package has been introduced. The package represents the best HE student support system anywhere in the UK. It is important to say that it supports HE students in colleges who are studying HNCs and HNDs and it supports university students.

One thing that we have noticed in the past—and that we have come back to—is that the retention rate in universities and the HE retention rate in colleges have not been as good as they should be. Our research suggests that, if we increase the amount of money in students' pockets, it will help support them through to the end of their courses. That has to be good for everyone, whether students or the Government. We have the best package in the UK.

Neil Findlay: It is a loan.

Robin Parker: It is a loan, and it would be even better if it were fully in grant.

The Convener: But it is still the best package in the UK.

Neil Findlay: It is the best loan in the UK.

The Convener: Thank you Mr Findlay. Does anybody else want to respond to Mr Adam's question?

David Belsey: I reiterate that it is great news for students, but we must remember that—as at least one person on the previous panel said—if the programme budget for FE or HE is finite, putting money into student support means making choices and less money being put into other places. In considering their teaching budgets, colleges will look with envy at the fact that student support funding has been maintained.

George Adam: For retention rates alone, it is a great thing.

David Belsey: It is good for students and it is good for retention. It is good for keeping students in their courses.

George Adam: From my perspective as a constituency MSP, I can tell you that the University of the West of Scotland has difficulties with retention rates. As Robin Parker has already said, the package is a great thing.

David Belsey: It is good and it brings benefits to institutions. Retention rates, which the Government has a target to improve, will be significantly improved by students having a minimum income.

Robin Parker: I want to come back to the question: if students drop out, who will be left in our colleges and universities to be taught? Student support is a crucial and fundamental part of what we are doing.

To come back to Neil Findlay's point, the ideal situation would be that students received a full grant. However, the views of students in our biggest research report indicated that the most important thing to them was the amount of money that they had in their pockets. Their amount of graduate debt was of secondary importance. Both of those things are really important, and we should strive to remove problems with both, but the most important thing was simply that they should have enough money in their pockets so that they can pay their bills and get through their courses.

Mary Senior: To echo what Robin Parker has said, the student support system is welcome. For the first time, we see support for part-time students, too. Although the income threshold that someone needs to be under to access that is fairly low, it is recognised that there is support for part-time students, which again picks up some of the issues about people improving themselves and continuing professional development.

I also agree with Robin on the fact that support is provided through loans rather than grants, although it is obviously welcome that the loans are not at the same rates as commercial loans or credit cards and that that has less financial impact on the budgets, too.

12:00

Neil Findlay: I do not deny any of that, and I welcome the fact that more student support is available, but we should not call it a minimum income guarantee. We should call it a loan because that is what it is. The terminology is misleading.

The Convener: That was a statement, not a question, so we will leave it at that.

Clare Adamson: My question relates to student support and the drop in the number of applications down south. There has been a bit of discussion about the fact that there are no tuition fees in Scotland and, obviously, the Scottish National Party stands alone as the only party that supports that policy. Robin Parker, how important is free education for students?

Robin Parker: As you said, we have seen changes in the numbers of applications south of the border and, in particular, where those applications are coming from. We have laid the foundations to make access much fairer in Scotland by keeping tuition fees off the table and providing the student support package, but we must address access and turn it into reality. It would be much better if we ensured that the fact that we have put all the public funding into universities so that we do not need tuition fees benefits the public in full. That is where the next change needs to come and what the focus must be in where we go next.

Emma Phillips: We strongly believe that free education is a fundamental right and that it should be free at the point of access—that goes for universities, colleges and other forms of learning throughout a person's life. Sadly, it is being cut at the moment because of funding issues, but it is welcome that there are no tuition fees.

The Convener: We have taken rather longer on HE than I had hoped, but we will move on to FE now. We start with questions from Neil Findlay.

Neil Findlay: I will avoid responding to the party political point that has just been made.

The Convener: Everyone should avoid responding to party political points; let us stick to FE.

Neil Findlay: Two professors and a former chair of a college sat on the previous panel and they were unable to give us a figure on the budget cut for colleges. Will the panel have a stab at that?

Robin Parker: The straight answer is that—if we compare the Parliament's first budget since the 2011 election with this draft one—the planned cut in John Swinney's recently announced draft budget is £34.6 million for next year compared with the current year. A caveat, which is important to the discussion, is that that level in the 2012-13 budget, in academic year terms, has only just begun to be spent in colleges and on students in the past few weeks.

The other thing about the previous budget is that it contained a number of new elements, including structural funds for college transformation and money via SDS, and we need

to determine how they work out. I have a lot of worries about how this year's academic year college funding will pan out. The idea that we are contemplating a £34.6 million cut is incredibly worrying. As happened last year, students want to see politicians from across the Parliament work to improve the budget by its final stage, and the committee needs to address that issue over the next few months.

Neil Findlay: Does any other member of the panel disagree with that figure?

David Belsey: No. That reflects the EIS's perspective, too. The budget for 2012-13 included about £546 million for FE, and the draft budget for 2013-14 includes about £511 million. The difference is about £34 million.

Marco Biagi: Is that a revenue figure, a revenue and capital figure or some other combination?

Robin Parker: It is the overall college budget. In our briefing, it is the top line. I am not sure—

David Belsey: I think that it is non-capital. It is the FE programme budget.

Marco Biagi: So it is the revenue budget.

Robin Parker: Yes.

Marco Biagi: I suppose that asking that question has illustrated the difficulty that the previous panel mentioned.

The Convener: Can I clarify something? Are you comparing the original published figure from last year with the published figure this year, or are you taking into account any in-year changes in the figures that you have just given?

Robin Parker: We are comparing final budget with final budget, so we are taking into account all the changes that happen during the process between the draft budget and the final budget. On the second page of our briefing, we include the college transformation fund, which was announced between the draft budget and the final budget, the SDS-delivered places and the extra student support money.

The Convener: Therefore, you are not comparing the baseline announcement last year with the baseline announcement this year. You are taking the baseline announcement from last year and including the other stuff that was announced in year.

David Belsey: What it includes—

The Convener: Sorry. I was asking Mr Parker.

Robin Parker: It is the final budget compared with the draft budget.

The Convener: That is what I was trying to clarify. Thank you.

Robin Parker: Yes. Apologies—we do not have a final budget for this year yet.

Emma Phillips: I discussed the matter with Robin Parker and David Belsey when we had a cup of tea before the meeting, and I agree with their figures. However, it is so difficult to interpret the figures that it is ridiculous. I am a product of the Scottish higher education system and statistics was one of the subjects that I studied, but I still find it difficult to come to a final conclusion because there is so much smoke and mirrors. There needs to be much greater clarity in the process.

Mary Scanlon: All the members of the panel have said that the cut for this year is £34 million, but a footnote on the first page of the EIS submission mentions

"£8m funding brought forward from 2013-14, which will be re-paid."

It states:

"It is questionable therefore, whether £8m of the £387.5m can (or should) be considered as 'funding' for 2012-13."

For that reason, are we really talking about a cut of £42 million rather than £34 million?

I need more than a cup of tea to understand this, I can tell you. [*Laughter.*]

David Belsey: Most of us do.

As Robin Parker stated, the £34 million figure comes from comparing the £546 million figure for the final budget last year—that figure was also used in a Scottish Government news release earlier in September—with the £511 million figure in the draft budget this year. Those amounts are, in effect, what the Scottish Parliament gives to Skills Development Scotland and the SFC.

We then get into the subject of spending, including how the SFC spends the money. In 2012-13, it brought forward £8 million from 2013-14. The Scottish Government does not tell us in its draft budget—rightly so—whether that £8 million will be written off or whether it will be repaid in one year or two years. We do not know about that. I raise the possibility that the effect of the £34 million cut in revenue on Scottish funding council spending might be greater, but alternatively the SFC might write off the £8 million. We do not know. I am raising potentials.

Mary Scanlon: If I may say so, I think that you are doing a wee bit more than raising potentials. The footnote states:

"There is a strong argument therefore to state that £379.5m is the best figure to use".

David Belsey: Although I talked about potentials, I am clear that the £8 million was brought forward. That is not a potential.

Mary Scanlon: Between smoke and mirrors and potentials, it is difficult. I am just a substitute member at today's meeting, but I have found this totally bamboozling.

Robin Parker: Have you got our written submission in front of you?

Mary Scanlon: Yes.

Robin Parker: Table 4 on page 3 sets out the different sources of direct funding for teaching and delivering educational activity in academic year terms. In other words, we have translated the figures from the financial year to the academic year. As that table shows, in order to get from the £379 million to the £409 million, you need to include money from the European structural fund and Skills Development Scotland as well as the funds that have been brought forward.

This is a very important point for the committee. When you take evidence from the cabinet secretary, you should ask him about what is going to happen to the ESF money. It was meant to last only until now, but more money has been announced for youth employment under Angela Constance. Will some of that funding be allocated to colleges? Moreover, will the SDS funding that was made last year be repeated this year? If not—

Mary Scanlon: I am trying to focus on the teaching budget, particularly for further education, because that is where my concerns about inequalities and articulation arise. We are talking about a cut of more than 25 per cent between 2010-11 and 2012-13, if you take the £8 million into account. I think that I need to go back to the biscuit tin.

David Belsey: The £8 million could be an additional cut to next year's college budgets. The Scottish funding council has made no announcement about that, but the fact is that it has brought money forward from next year to this year and something needs to be done about that.

Joan McAlpine: So the £511 million does not include the college transformation fund.

David Belsey: It is a one-year budget.

Joan McAlpine: Which means that there is another £15 million.

David Belsey: No.

Robin Parker: As table 1 in our written submission shows, the £15 million is part of the final 2012-13 budget of £546 million—in other words, the money from this session of Parliament's first budget that has just started to be

spent on students in the past few weeks. In order for us to—well—[*Interruption.*]

The Convener: I am sure that the cabinet secretary will clarify some of these points when he gives evidence in a couple of weeks' time.

Neil Findlay: I am sure he will.

Marco Biagi: Although the previous witnesses were quite confident that further education student numbers are being maintained, they highlighted the risks of displacement within that. Do you agree that those student numbers will be maintained?

Emma Phillips: No. The evidence from colleges is that full-time and part-time student numbers and courses are being cut. Although the colleges say that they are still running certain courses, they might be running only one where they used to run three. Access for part-time students has also decreased.

Moreover, some of the funding that made courses viable was for people who, for example, were unemployed, did less than 16 hours a week or were asylum seekers. Those people are not getting that funding any more, which means that the courses are no longer viable and are not being run.

Certainly, our experience is that there are fewer students. I know that *The Herald*, for example, has mentioned a waiting list of 10,000. We also have anecdotal evidence of students dropping out of courses as soon as they get on to them, which means that they are not counted in the numbers. For example, we have anecdotal evidence that at Reid Kerr College 70 per cent of students dropped out of one course within the first two weeks, but they are not even counted in the drop-out rates.

Robin Parker: Although this is more to do with budgets rather than places, the first thing that I should say is that the biggest cut that happened to colleges in the past few years happened in the last budget of the previous session of Parliament. The consequences of that cut were seen in the academic year that ended in the summer, which is an important point to bear in mind.

I have another important point to make about places. During the course of the last budget in the last session of Parliament, extra places were added between the draft budget and the final budget. However, when the places level was agreed for the first budget of this session of Parliament, it was done using the draft figures so, in effect, places were being protected between the draft budget of the last budget of the last session of Parliament and the final budget—no, sorry. I mean the final budget of the last budget of the last session of Parliament with the—no, sorry. I mean that places were protected between the draft budget of the last budget of the last session of

Parliament and the final budget of the first budget of this session of Parliament. That is not comparing like with like. If we compare the final budget of the—

12:15

George Adam: I hope that the official reporters are getting this.

The Convener: I do not know about anyone else but I have absolutely no idea what you are describing, Mr Parker.

Robin Parker: The short answer is that, if we compare like with like, and compare the final budget in 2011-12 with the final budget of 2012-13, we see that there is a 1.5 per cent reduction in the number of places. Therefore, there is a question around that.

One thing that has come out of the recent stories in *The Herald* is that there would be no surprise if there had been an increase in demand for college places, given the youth unemployment situation. If we are having a conversation about achieving opportunities for all, we should be talking about how we can create extra new opportunities with the appropriate funding going to colleges to do that.

Marco Biagi: You talked about comparing final budgets on a like-with-like basis, but what would happen if you used a different baseline, such as initial budgets?

Robin Parker: If you compare what was in the draft budget with what was in the final budget—no, I will put it another way. The Scottish Government called those extra places temporary, and the question is whether or not they are temporary. If they are indeed temporary—and we question that—they have been maintained at the same level.

Marco Biagi: Okay. My other point is about waiting lists. In all the discussion about the figure for waiting lists, the point has been made that some people might be on more than one waiting list, but I have not seen figures for the normal level of waiting list. Are those figures available? Do you have some kind of impression of that?

Robin Parker: Unfortunately, we do not know the final figure for applications and that will not come out until later in the year. We do not know how this year has been in comparison with previous years, but some principals have said that they think that the number of applications has increased. That makes sense because, with the youth unemployment situation, it is no surprise that older and younger people who are finding it difficult to get into work are applying to get into college.

Marco Biagi: I think that we all accept that a lot of people are looking to get into college at the moment, but it is hard to set that 10,000 into context of previous years since it was a freedom of information exercise. As we do not have the figure for previous years, we do not know whether the increase is 2 per cent or whatever.

I also want to talk about opportunities for all and the potential for its delivery. The earlier panel was quite positive about the achievability of opportunities for all within the college sector but not necessarily with the obstacles that are being faced in the labour market. What are your views on that?

David Belsey: Just go back to the point about student numbers, the EIS believes that Scottish funding council data show that there has been a drop in the number of student places in recent years.

There is a question mark over how to define a student place. Are we talking about full-time equivalents, head counts, enrolments, and so on? However, we still believe that there has been a drop in the number. There is certainly a drop in the level of teaching activity. The weighted student unit of measurement for 2011-12, for example, is higher than the level for 2012-13, so the EIS's view is that there are fewer students in Scotland's colleges.

The opportunities for all programme is designed to give a short opportunity for all 16 to 19-year-olds who are not in employment or training or enrolled. It started this academic year, and it is too early to say how it has been rolled out.

Robin Parker: On the previous panel, Jim Gallacher made clear the difference between head count and activity. It is important to note that there has been a shift in that situation.

Opportunities for all is about creating as many real opportunities in jobs and education—in universities and colleges—as possible.

Neil Bibby: We have just discussed the number of student places. What do you think will be the consequences of cutting college budgets in terms of employment of staff at colleges, course availability and student choice?

David Belsey: Colleges' teaching grants being cut will cut the number of courses. We have evidence from the EIS, via its branch secretaries, that colleges are cutting courses. They are also merging college courses, which means that two streams that deliver one programme will be merged. They are also introducing larger classes. Last year, the funding council's advice for funding was that two hours could be cut from non-advanced courses.

On staff, the Scottish Government statistics that were published at the start of September identified that there are 1,300 fewer further education staff than there were 12 months ago. According to that document, that is an 8 per cent decrease.

It is probable that the mergers will, unfortunately, lead to some rationalisation, with the HNC and HND courses being reduced.

Emma Phillips: The reduction in the number of staff has been mainly through voluntary severance or people leaving and not being replaced. There have been some compulsory redundancies. They have been mainly in the private sector companies that work in colleges; the people are college staff, but because their service is delivered by the private sector, they are the people who are being made compulsorily redundant.

On support staff, the number of technicians in Anniesland College has been reduced to the point at which serious concerns have been expressed about health and safety on electrician courses, motor mechanic courses and engineering workshops. We have fewer administration staff than we used to, so lecturers and managers are doing their own admin. That might sound good but, frankly, the admin staff are probably better than the lecturers and managers at doing the admin, and they do the work more cheaply.

There is concern about the morale of the people who are left. Some of them are going on to workstreams to work towards mergers and so on, so they are not even doing their own jobs, but are doing various things to do with the fact that there is so much change happening in colleges. We have collected quotes such as:

“This is the worst I’ve felt in 11 years”,

“Services are stretched to breaking point and morale is at an all-time low”

and

“We do not know where the axe will fall next.”

That is the kind of impact that is being felt by staff in colleges.

Robin Parker: I would be worried about the impact of the cuts in terms of the quality of students’ college experience. It will be important to keep an eye on retention figures. Retention is already a massive problem in colleges and is something that we should be working to improve. If college cuts mean that contact hours are reduced, class sizes get bigger or crucial services such as guidance, careers advice and counselling go, there will be a decline in the rate of retention. We need to monitor retention and protect those services.

Neil Bibby: It is deeply concerning to hear the impact that the cuts have had so far.

I believe that the chief executive of Scotland’s Colleges, John Henderson, said last week that an educated and skilled workforce is essential to economic recovery. Do college cuts put economic recovery at risk?

Emma Phillips: Yes.

Robin Parker: If we go ahead with a £34 million cut to colleges’ funding, I cannot see how that will not impact on the quality of education. It would be deeply concerning if it meant that colleges did not continue to provide the same number of opportunities and if student support were not protected, although it looks as though it will not be. If all those things go down, that will be bad, particularly for unemployment but, more generally, for the economy.

David Belsey: The answer is yes.

Mary Senior: I agree.

Liam McArthur: As Marco Biagi said, the members of the previous panel expressed their confidence that the opportunities for all guarantee could be met, but with caveats as regards the potential impact on the other roles that colleges perform, particularly for older students and those who seek reskilling. I would appreciate your observations on how that tension could be addressed.

Last week, Mr Swinney reiterated the Government’s commitment to a policy of there being no compulsory redundancies. Ms Phillips has already referred to what is happening in the private sector component of the FE environment. Does the panel feel that the policy of no compulsory redundancies can be achieved against the backdrop of cuts and the regionalisation agenda?

Emma Phillips: I have great concerns about access opportunities. Sometimes, people who go into FE need more support because they have not done so well in school or because they have difficult home circumstances—they might have children, for example. That support is being cut back. Last year, some people at Langside College could not receive their bursaries until December because of understaffing. I understand that the college has rectified the situation this year, but I know that a number of colleges predict that bursaries will not be paid until November. Even if people have the opportunity to go to college, getting them to stay on their course is difficult because they need money and support.

On careers advice, although the “My World of Work” website is very nice, people often need one-to-one tuition. Speaking to a careers adviser provides people with excellent support and much greater guidance than a website could give. On teaching, the larger the class, the more limited is

the lecturer's ability to provide the one-to-one support and help that are sometimes needed. The situation is also problematic in other areas, including counselling and travel.

In addition, there are some problems with the regionalisation plans. In colleges that have more than one campus, many support services are centralised, which means that students have to travel to get various things. That travel is not always possible. The potential merger between Aberdeen College and Banff and Buchan College will mean that people from Banff and Buchan will have to travel to get to the main resources, which are likely to be based in Aberdeen College, because it is a bigger centre. They will have to do much more travelling or they might not get counselling support or the same financial support, and they might not get help with travel and the time that it takes. We have great concerns about people's ability to access provision.

David Belsey: You asked two questions. The first was about the tension between older students, who might need reskilling and the like, and younger students. It is quite clear that Government policy is to focus the work of FE colleges on the younger students—those in the 16 to 19 age group. The intention is to focus delivery on full-time courses for those students, and on courses that are aimed at delivering better prospects of success in finding employment.

From what we have seen of the outcome agreements in colleges, colleges are tailoring their courses to meet the Government's priorities. Consequently, the older students will lose out when it comes to teaching activity. The weighted SUMs are now being reconfigured and refocused on 16 to 19-year-olds.

Opportunities for all is a separate issue to do with the teaching of the universities and colleges, and it brings its own finances and funding. I would not conflate that with general teaching activity.

12:30

There is no compulsory agreement on compulsory redundancies in the FE sector. Depending on who you listen to, the FE sector is or is not part of the public sector. Consequently, it is not covered by the guarantee that has been given by the Scottish Government. In the past year, 1,300 people have left the sector, mainly through voluntary severances. However, the Government's good work and influence in the sector on not making compulsory redundancies must be acknowledged. Not to accept or acknowledge that would be churlish, but there have been compulsory redundancies in the sector, including for lecturers. At the end of the day, the

voluntary severances and compulsory redundancies are driven by FE spending cuts.

Emma Phillips: I should have mentioned that I think that having no compulsory redundancies is perfectly feasible. I know that the Government has applied some pressure in that respect, which is welcome, but more could be done. There have been compulsory redundancies, and they are continuing. The best way to stop them is to fund FE properly. It is not being funded sufficiently.

The Convener: Where would you take the money from in the budget? If committees recommend increased expenditure in an area, they must say where the money would come from. Where would you recommend that we should say it would come from?

Emma Phillips: That is a poisoned chalice.

The Convener: We have to answer that question.

Emma Phillips: It is not for me to say where the money should come from. We believe that education should be well funded and free at the point of access, and that the money should come from taxation.

The Convener: Yes—but the education budget has gone up by 11 per cent in cash terms this year, of course.

Emma Phillips: That money is not going to FE.

The Convener: So, you are saying that the money should come from somewhere else in the education sector.

Emma Phillips: No, I am not saying that.

The Convener: You are not. Okay. It looks as if Robin Parker is going to give me an answer.

Robin Parker: I will take you on on that question.

There are political choices to be made across the Parliament. Education will be at the heart of tackling youth unemployment and economic recovery and growth in Scotland, and colleges will have a crucial role in that, so they need to be properly funded.

We want to make positive suggestions. I go back to a suggestion that I highlighted earlier in response to a question about bringing up the level of college funding for higher education delivery to the same level as that for universities. That could be done from the SAAS budget. That is just one suggestion. There are ideas out there.

Colleges have a big role to play in the youth unemployment agenda using money that the Government has already set aside, including European structural funds, which I mentioned earlier. There is other money out there. Those

moneys should be delivered through colleges, as they are an excellent means of delivering such programmes.

Emma Phillips: We believe that there could be specific Scottish levies on either corporation tax or employers' national insurance, because employers benefit massively from having an educated workforce. That suggestion could also be looked at.

The Convener: That is an interesting idea.

I thank all the witnesses for coming to the meeting and giving evidence, which has been very enlightening and helpful. I am sure that it will help us in asking further questions of next week's panels and, eventually, the two cabinet secretaries.

12:34

Meeting suspended.

12:37

On resuming—

Subordinate Legislation

Population (Statistics) Act 1938 Modifications (Scotland) Order 2012 [Draft]

The Convener: Our fourth agenda item is evidence on a draft order. Under this item, members will have the opportunity to ask technical questions or seek clarification on the order. Then, under agenda item 5, the committee will be invited to consider the motion to recommend approval of the order.

I welcome Humza Yousaf to his new role as Minister for External Affairs and International Development. As this is the first time that he has appeared before the committee, I congratulate him on his appointment. I also welcome Judith Brown, solicitor with the Scottish Government's legal directorate, and Kirsty MacLachlan, head of demography with the National Records of Scotland. I invite the minister to make a brief opening statement.

The Minister for External Affairs and International Development (Humza Yousaf): Thank you, convener. I am grateful for the opportunity to say briefly why the order is needed and to answer any questions that members have. I should say that this is my first appearance as a minister before not only this committee, but any committee. Things seem somewhat different from this side of the table.

Under the existing legislation, when a birth or stillbirth is registered, certain details are provided, "except where the birth is of an illegitimate child".

That should be changed, because the Family Law (Scotland) Act 2006 abolished the status of illegitimacy. Wherever possible, the registration process should collect exactly the same kind of information whether the birth is within or outwith a marriage.

The existing legislation also specifies that if the parents of a child are a married couple, the mother should be asked whether she has been married before her current marriage. Again, the wording of the legislation needs to be brought up to date, in this case to take account of the possibility that the mother is or has been in a civil partnership.

If the order were to be approved, the main change to the registration process would be that the mother's number of previous live births would be collected in all cases rather than only when the parents were married. That would give us much better statistics about the fertility of Scotland's population than can currently be produced; indeed, at the moment, such information is

collected for only about half of all births. That more comprehensive data could inform research into fertility and enable more accurate population projections, which could be used for planning processes for schools, hospitals and so on.

In the spring, the registrar general consulted various interested parties, including local authorities, which are responsible for registering births and stillbirths; national health service boards; some other relevant organisations and some users of population statistics. No objections were raised to the proposal; indeed, 25 out of 28 respondents stated that they supported it without any reservation whatever. The general consensus, therefore, seems to be that the order is needed.

I hope that those remarks have been helpful and am, of course, more than happy to answer members' questions. I also hope that the committee recommends that the order be approved.

The Convener: Thank you, ministers. Do members have any technical questions or points of clarification for the minister or his officials?

Liam McArthur: The minister suggested that there was broad support for the measure. I can certainly see why that should be, but he also indicated that two or three people expressed reservations. What was the nature of those reservations? Were they technical?

Humza Yousaf: I think that concerns have been expressed in the past about why such data is collected only from mothers and not from fathers but I think—and officials can step in here—that there were reservations about whether the process would be handled tactfully. After all, some of the information that we are dealing with can be quite sensitive.

Kirsty MacLachlan (National Records of Scotland): Mr Yousaf is quite correct. Of all the suggestions and comments that we received, only two responses expressed real concern about the sensitivity of the data and asked whether instead of getting information on all births we could drop the whole matter altogether. We do not want to do that because we would lose the potential to collect information to inform fertility projections.

We were also asked why such information was asked only of mothers, and not of men. Again, the reason for that is that fertility relates to women of child-bearing age rather than men.

Liam McArthur: So it is not simply because men do not know.

The Convener: Thanks for that point of clarification, Mr McArthur.

Although paragraph 15 of the executive note says that the order will have

“very little effect on NRS”

the fact is that a considerable amount of additional information will be collected. The note then says that the reason it will have so little effect is that

“it can very easily change its computer system and forms”.
[Laughter.]

I do not want to sound pessimistic about this, but I have heard that a number of times before. Indeed, I note the laughter from members when I mentioned the prospect of changing computer systems “very easily”. What steps has NRS taken to upgrade its computer systems? Minister, can you guarantee that what has been suggested in the executive note can indeed be done “very easily”?

Humza Yousaf: Before I was in my current position, I was a member of the Public Audit Committee, which often took great delight in hearing people make promises about changing systems; indeed, those who had been members of the committee for a number of years would return to that very point.

I will ask officials to write back to the committee with clarification on the matter. Many respondents asked whether the information could be collected from the NHS; however, when various data sets were taken, it became clear that we could not get the information that we needed from that source and that it would be very difficult for us to change the NHS's systems to do so. We recognise that there can be difficulties but we hope that our chosen route will be a lot easier and less disruptive to information systems.

12:45

The Convener: I would be interested to see what officials have to say in writing. The problem is that, in about one minute's time, we will take a vote on the order. Can officials provide any evidence now on the steps that the NRS has taken on the computer systems?

Kirsty MacLachlan: The fields are already in the system. At present, the mother is asked whether she was married before her marriage to the child's father and should answer yes or no. If she answers no, she will not be asked about the previous number of children within marriage. The only change is that, now, she will be asked that question. The fields are there, in the computer system, to record the information; there is really just a difference in process. The change will be that registrars will have different instructions about what to do when someone comes to register. They will ask for not only previous births within marriage, but previous births full stop.

The Convener: So it is a minor change in what is being asked and for the computer system.

Kirsty MacLachlan: Yes.

The Convener: If members have no other questions, we will move to agenda item 5, which is formal consideration of the motion to approve the order.

Motion moved,

That the Education and Culture Committee recommends that the Population (Statistics) Act 1938 Modifications (Scotland) Order 2012 [draft] be approved.—[*Humza Yousaf.*]

Motion agreed to.

12:46

Meeting suspended.

12:47

On resuming—

Elmwood College, Oatridge College and The Barony College (Transfer and Closure) (Scotland) Order 2012 (SSI 2012/237)

Jewel and Esk College and Stevenson College Edinburgh (Transfer and Closure) (Scotland) Order 2012 (SSI 2012/238)

The Convener: The next agenda item is consideration of two negative statutory instruments. No motion to annul has been lodged in respect of either instrument and the Subordinate Legislation Committee determined that it did not need to draw the attention of Parliament to either of them. Do members have any comments?

Neil Findlay: On the order concerning Elmwood College, Oatridge College and the Barony College, there are significant concerns about the merger. A number of representations have been made to me on the matter, and I have taken a deputation of people from the colleges to meet the Cabinet Secretary for Education and Lifelong Learning.

The concern is that this is a forced takeover rather than a merger. I understand that the board at Oatridge College voted by a majority of just one to approve the process, and there is a feeling that the concerns of staff and students have been ignored and that, in general, the takeover by the Scottish Agricultural College is based on the commercial nature of the SAC rather than on its academic work.

Morale among staff is extremely low, and the colleges have great concerns about local access.

I put those concerns on record.

Liam McArthur: I might not have received the volume of correspondence on the matter that Neil Findlay has, but I was copied into concerns that were circulated around committee members earlier in the week.

There seem to be questions about some of the financial assumptions that have been made, and it would be useful to get responses to the concerns from the Scottish Government or the SAC before we sign off on the order. If there is scope to do that, I would be keen for us to pursue that option.

The Convener: Both of those points relate to the order concerning Elmwood College, Oatridge College and the Barony College. Do members want to make any points on the order concerning Jewel and Esk College and Stevenson College?

Members: No.

The Convener: I will deal with the orders separately, as there are questions about only one of them.

On Liam McArthur's question, we have time to ask for a response to the concerns. We do not have to make a recommendation on the order today.

I take note of the concerns that Neil Findlay has raised on behalf of his constituents and agree with some of them. I suggest that we seek a response from the Government to the questions and to the issues that were raised in the e-mail that was sent to members by one of the individuals concerned, to which Liam McArthur referred.

A number of questions must be answered. With the committee's consent, I will seek those answers before we proceed with SSI 2012/237.

Mary Scanlon: I am somewhat surprised that the policy note for SSI 2012/237 says that consultation was pursued with the education authorities in the colleges' areas and with the funding council. Given that the proposal affects the agricultural sector in a huge part of Scotland, was it wise to limit the consultation or should it have been extended throughout the agricultural areas from where the students would be expected to come?

The Convener: We can add that question to the others that we will raise with the Government.

Are members content that I write to the Government to ask questions about SSI 2012/237 and to deal with the order at a future meeting?

Members indicated agreement.

The Convener: Does the committee agree to make no recommendation to the Parliament on SSI 2012/238?

Members indicated agreement.

The Convener: As the committee has agreed to deal with the next item of business in private, I now close the meeting to the public.

12:51

Meeting continued in private until 13:19.

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