

Colleges Scotland

Submission to the Education, Children and Young People Committee – May 2023

College Sector Funding

On Tuesday, 2 May 2023, the Scottish Government confirmed that £26 million announced for colleges in the 2023/24 Budget will no longer be provided to the college sector.

This is deeply disappointing for the college sector – it means that the equivalent of £1m of previously planned funding being removed from each college which will have a devastating impact. Colleges had already been making cutbacks due to significant funding challenges.

The sector had a real-terms budget cut of £51.9m for 2022/23. At the same time costs are increasing significantly, including energy bills and other running costs. In addition, pay awards for college staff for 2022/23 are still being negotiated. The current employers' pay offer to trade unions (3.5% increase for academic year 2022/23 and a further 3.5% in 2023/24 – a 7% cumulative pay rise) if accepted would cost the sector £40.4m in total. The trade unions are currently seeking a consolidated flat rate pay rise of £5,000 for all staff which would cost colleges an additional £72.5 million in 2022/23, and each year thereafter.

Colleges have been planning on the basis of the current financial envelope and as a consequence are anticipating having to shed up to 1,500 staff over the next five years, reduce the number of courses they offer and the number of students they serve. The loss of the additional £26m which was announced in December 2022 as part of the Budget – which colleges were relying on to help with sustainability – will only exacerbate these current issues.

Ministers are relying on colleges to provide hundreds of thousands of students with training and education each year but with less and less funding – it simply cannot be done any more.

Colleges are needed more than ever to mitigate poverty in communities across the country, provide life-changing opportunities for people, and create the future workforce which will tackle the climate emergency. Removing funding previously planned for colleges is the wrong approach in delivering any of these ambitions.

Investment in the college sector to support Scottish Government policy investment will deliver significant gains for the three priorities identified by the Scottish Government:

- Equality – Tackling poverty and protecting people from harm
- Opportunity – A fair, green and growing economy
- Community – Prioritising our public services.

Regionalisation Inquiry

The Committee's recent report on College Regionalisation highlighted the sector's concerns around financial sustainability and the dire state of some college estates as well as issues around the lack of a vision for colleges from the Scottish Government.

The Committee also noted the very wide and deep range of activities colleges undertake every day, every week, every year, which they do with severe restrictions around being able to plan for the future. Colleges cannot borrow funding or carry any funding over into the next academic year, and are facing severe financial pressures which are accelerating.

Education and Skills Delivery Reform

College sector leaders are working with the Scottish Government to take forward the Purpose and Principles work and are open to creative solutions to ensure that they can continue to deliver what students, employers and the economy require now and in the future.

The college sector is also awaiting the publication of the Skills Delivery Landscape Review recommendations and what these will mean for the role of colleges as part of this landscape.

What Does Good Look Like?

Below are the collective asks of the college sector. If these changes were to be implemented, the role and contribution of colleges in the skills delivery landscape in Scotland would be fully maximised. Regardless of the future form of this landscape, which is in part a political decision for Scottish Government Ministers and elected members, it should allow for the following:

1. The articulation of a collective vision across both Tertiary education providers and the wider educational landscape. It is vital that discussions are education wide, rather than just the college sector. It is also vital that we have commitment to 'systems thinking' from all delivery partners, including a senior phase interface. It is vital that the outputs from the various different Reviews underway at this time form a consistent approach to help support the solutions required, and which collectively form a cohesive educational ecosystem going forward.
2. Colleges to plan and deliver apprenticeships and skills provision at the regional level. This approach should include a coherent and value for money commissioning system.
3. A single funding stream and single reporting structure within the skills delivery landscape, to reduce reporting burdens for colleges.
4. Colleges to be measured on impact within the skills delivery landscape as opposed to the current model of measuring input. A single impact framework, focusing on the planning and delivery of skills within regions and reflecting a single funding stream, should be introduced.

Suggested Questions for the Minister

Can the Minister confirm for what purpose the reallocation was redeployed within the budget. And how does the Minister see the necessary transformation taking place in the absence of specific funding to enable this transition?

At this early stage of his tenure, does the Minister have an emerging vision for the college sector, including asking the Minister to expand on his comments around what a 'more significant and recognised role for colleges' will look like.

What initial engagement have you had with the college sector and what are your reflections? What opportunities are there to work collaboratively to address the challenges and issues highlighted in discussions?

The Minister was a member of the Education, Children and Young People Committee which facilitated the College Regionalisation Inquiry – How will the findings of the Inquiry inform his work and priorities for the college sector?

The College Regionalisation Inquiry highlighted the need to develop better industrial relations in the college sector – How does the Minister intend on taking forward the recommendations of the government-commissions Lessons Learned report?