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Dear Convener,

Thank you for the opportunity to provide the Education, Children and Young People Committee with further information following my appearance on 17 May.

Funding Teachers' Pay Settlement

As we discussed, work remains underway to ensure we have a balanced budget within the portfolio in 2023-24. The previous Cabinet Secretary for Education and Skills and the previous Deputy First Minister made clear throughout negotiations on the teachers' pay settlement that the additional funding would need to come from elsewhere within the portfolio and difficult decisions would be required to free up resources.

This work is continuing, and we remain committed to sound financial management whilst also delivering against priorities. There is not a definitive date by which this work will be completed but we intend to do this as quickly as possible to provide certainty to funded bodies and programmes. Changes to budget 2023-24 allocations will be reported to Parliament as part of the autumn and spring budget revision processes.

Education Directorate Outturn

On the 2022-23 position, the Minister for Community Wealth and Public Finance will present the Provisional Outturn Statement to Parliament on 15th June. This will include the high level portfolio results but will not itemise total operating costs. The draft accounts for 2022-23 are being finalised and are due to be provided to Audit Scotland by the end of June. These will include the 2022-23 total operating cost position for all portfolios. The audited consolidated accounts and the corresponding Audit Scotland report will be published towards the end of the calendar year as normal.

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The Scottish Government is required to set a balanced budget each year and has fully allocated its 2023-24 budget which includes the Education and Skills Portfolio. A breakdown of the allocation is contained within the [2023-24 Published Budget](#). The Education and Skills portfolio invests in changing lives for the better and underpins key government priorities, including enabling everybody to reach their full potential, eradicating child poverty and supporting economic transformation to deliver net zero ambitions. The budget position changes throughout the year and subsequent budget revisions are available from the Scottish Government website. The Provisional and Final Outturn for 2023-24 will be published in 2024.

The total operating costs for the Scottish Government are aligned with the portfolio budget that they support. The total operating costs for a portfolio are all the core Scottish Government staff and associated operating costs incurred directly by the portfolio, plus a share of the costs, such as accommodation, IT, legal services, and HR, that cannot be readily attributed to individual portfolios.

Through the operating costs budget, we will ensure that the organisation has the capacity and capability to support the functions of government and the delivery of the priority outcomes and objectives set by Ministers and the people of Scotland.

To support our aims of an efficient and effective workforce, the Scottish Government put enhanced recruitment controls in place in April 2022 to ensure the organisation continues to deploy its resources flexibly, with any required growth focused on priority areas.

Future Governance of Glasgow College Region

The SFC is currently working on a set of options for the future of Glasgow Colleges Regional Board (GCRB) and will be working and engaging with the Glasgow Colleges Group and stakeholders in the development of those options. Ministers will then take a view on these recommendations before the next steps are announced.

I met with the Chair of GCRB on 5 June to discuss the role of GCRB and her views on its future, as part of my role in understanding the governance landscape in the Glasgow Region, ahead of any decisions made on its future.

Flexibilities and College Funding

We are considering opportunities to provide colleges with additional financial flexibilities within its programme of tertiary education reform. Officials have engaged directly with Colleges Scotland and the Chair of the College Finance Director Network to learn more about what flexibilities would be of most benefit to the sector.

Work on flexibilities is ongoing and I will ensure the committee is updated on progress.

Future Policy Landscape

You will be aware [Independent Review of the Skills Delivery Landscape](#) was published on 7 June. We will, over the next few months, be engaging directly with the organisations, agencies, trades unions and other stakeholders covered by the recommendations to obtain their input before embarking on reform of the public body landscape and skills offering.

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I am in discussions with officials regarding the timescale for completion and publication of the International Education Strategy and Purpose and Principles. As set out alongside the publication of the discussion guide for the interim Purpose and Principles for Post-school education, research and skills, the engagement period closed on 24 March 2023.

The Scottish Government's intention is to issue the annual letter of guidance to the Scottish Funding Council (SFC) as soon as practical after the start of each financial year. The 2023-24 [letter of guidance](#) was issued on 1 June 2023 following appropriate internal consultation and engagement with the SFC. .

Trade Union Representatives on College Boards

The Scottish Government consulted on proposals to add trade union nominees to the boards of colleges with the consultation running from 1 December 2022 until 27 January 2023. The consultation received 29 responses.

Following the consultation, the Scottish Government will bring forward a statutory instrument that will make the necessary amendments to legislation to give effect to the proposals. This is intended to be laid before the Scottish Parliament in the autumn of Parliamentary year 2023-24, with the requirements for there to be trade union nominees on college boards coming into force in January 2024.

Scottish-domiciled students studying in England

UCAS (Universities & Colleges Admissions Service) provide information on the number of Scottish Students accepted to study around the UK, typically on full-time first degree courses. Data from their [2022 End of Cycle Report](#) informs us that 1,550 Scottish Domiciled applicants secured a place of study at an English provider in the 2022 cycle. Since 2013, this number has fluctuated between 1,520 and 1,780 showing that there has been no increase in numbers in recent years.

College redundancies

The future financial position remains exceptionally challenging and consequently colleges are considering the steps that they must take in order to ensure their sustainability. It is for each individual college to determine how best to secure its sustainability while continuing to deliver provision to meet regional needs.

As you are aware, decisions around staffing levels and course provision are held by respective colleges, who are best placed to respond at a local level. However, central to our Fair Work approach is the expectation that employers, workers and trades unions should work together to reach the right decisions and ensure workers are treated fairly.

To reinforce this expectation, I wrote to all College Principals on 7 June to reiterate the importance the Scottish Government places on the use of fair work practices in the college sector, making clear it is my expectation that every effort should be made, in consultation with the campus trade unions, to protect jobs. I would expect this to include a carefully considered and appropriate standard of notice period, to enable full consultation with staff and trade unions, and to create the time and space to exhaust all options of redeployment.

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My officials are engaging with the SFC to build a picture of the scale of redundancies facing the sector and whether there is any impact on provision.

I look forward to providing further updates to the Committee in due course.

GRAEME DEY MSP

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