

07 October 2026

Neil Bibby MSP
Convener
Public Audit Committee
Scottish Parliament
Edinburgh
EH99 1SP

By email

Dear Convener

When I gave evidence to the committee on 24 September 2026 on my Scotland's Colleges 2026 report, I committed to providing the Committee with some further information in relation to some of its questions, which I set out below:

Correlation between colleges rated at high or very high financial risk and colleges with financial management capacity issues

The convener queried whether those colleges experiencing financial management capacity issues were among those that the Scottish Funding Council had rated as having high or very high financial risk.

Of the colleges where auditors highlighted financial management capacity issues in annual audit report key findings and recommendations, I only reported UHI Perth among colleges that the SFC had rated at high or very high financial health risk.

It is important, however, to note there is a time lag between our evidence sources in relation to this. Our information on financial management capacity issues in colleges is taken from the 2024/25 annual accounts and annual audit reports. Our information on colleges rated at high or very high financial risk by the Scottish Funding Council is from April 2026.

PFI and NPD commitments

Alan Brown MSP queried whether there had been any assessment of ongoing Private Finance Initiative (PFI) legacy issues at Scotland's colleges.

We had not carried out any detailed audit work on PFI legacy issues as part of this report. The SFC's Financial sustainability of Scotland's colleges 2024/25 to 2028/29 report, published on 1 October this year, states that there are no longer any PFI commitments in the college sector. It also states that the Non-Profit Distribution (NPD) model was used to purchase buildings for three colleges (Ayrshire College, City of Glasgow College and UHI Inverness).

College student headcount statistics

Alan Brown MSP also queried whether there was a breakdown of how the 40,000 reduction in student headcount, from 2022/23 to 2024/25, was spread across colleges and whether the demographic spread is known.

While the Scottish Funding Council does not publish headcount statistics by college, it does publish aggregated sector-wide figures showing headcount by age and sex. These can be found on the [SFC statistical publication schedule](#).

I hope you find this additional information useful.

Yours sincerely

Stephen Boyle
Auditor General for Scotland