



The Scottish Parliament
Pàrlamaid na h-Alba

EDUCATION AND CULTURE COMMITTEE

AGENDA

6th Meeting, 2012 (Session 4)

Tuesday 21 February 2012

The Committee will meet at 10.00 am in Committee Room 4.

1. **Decision on taking business in private:** The Committee will decide whether to take item 5, and consideration of a draft report on the National Library of Scotland Bill at a future meeting, in private.
2. **National Library of Scotland Bill:** The Committee will take evidence on the Bill at Stage 1 from—
 - Fiona Hyslop MSP, Cabinet Secretary for Culture and External Affairs;
 - Carole Robinson, Bill Team Leader, and David Seers, Head of Cultural Excellence, Scottish Government;
 - Greig Walker, Solicitor, Economy and Transport Division, Scottish Government Legal Directorate.
3. **Report of the Review of Further Education Governance in Scotland:** The Committee will take evidence from—
 - Professor Russel Griggs OBE.
4. **Petition PE 1414:** The Committee will consider a Petition by Dougie Deans, on behalf of Unison F.E Sector, calling on the Scottish Parliament to urge the Scottish Government to reconsider its proposed cuts to the Further Education Sector of £74million over the next four academic sessions 2011/12, 2012/13, 2013/14 and 2014/15.
5. **National Library of Scotland Bill:** The Committee will consider the evidence heard.
6. **Work programme (in private):** The Committee will consider its work programme.

EC/S4/12/6/A

Terry Shevlin
Clerk to the Education and Culture Committee
Room T3.60
The Scottish Parliament
Edinburgh
Tel: 0131 348 5204
Email: terry.shevlin@scottish.parliament.uk

The papers for this meeting are as follows—

Agenda Item 2

Written Evidence Received	EC/S4/12/6/1
PRIVATE PAPER	EC/S4/12/6/2 (P)

Agenda Item 3

Report of the Review of Further Education Governance in Scotland	EC/S4/12/6/3
PRIVATE PAPER	EC/S4/12/6/4 (P)

Agenda Item 4

Note by the Clerk	EC/S4/12/6/5
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Agenda Item 6

PRIVATE PAPER	EC/S4/12/6/6 (P)
PRIVATE PAPER	EC/S4/12/6/7 (P)

Education and Culture Committee

6th Meeting, 2012 (Session 4), Tuesday, 21 February 2012

National Library of Scotland Bill

Clerk's note

1. The Scottish Government's Bill team has provided the below supplementary evidence on the National Library of Scotland Bill, following the Committee's evidence session on 7 February 2012.
2. This paper also contains responses to the Finance Committee's call for written evidence on the Financial Memorandum produced to accompany the Bill – responses were received from the Office of the Commissioner for Public Appointments in Scotland and the National Library of Scotland.

Scottish Government's Bill team supplementary evidence

During the stakeholder evidence session on 7 February the Convener stated that he regretted not asking officials for further information about why the Bill proposes Ministers have a power of direction over some of the National Library's particular functions and objectives in section 2. I am writing to follow up this point.

The intention behind section 8 is to restrict Ministers' powers of direction to prevent any interference with the cultural and curatorial functions and powers of the National Library. These restrictions are listed in section 8(2) and are wide ranging.

The NLS function of promoting collaboration between, and the adoption and sharing of good practice by, other persons providing library and information services gives NLS a place in a broader landscape of public services in Scotland. The function thus reaches beyond the National Library's particular curatorial and cultural functions. The Bill therefore does not exempt section 2(2)(d) from Ministers' power of direction in section 8.

The Scottish Government considers that the objective of promoting the diversity of people having access to NLS is a matter of public policy and is not confined to being a cultural and curatorial matter for NLS. As with all public bodies, the National Library is also subject to equalities and anti-discrimination legislation, but the diversity function in the Bill could also encompass other factors such as geographical diversity in the Library's work. The Bill does not, therefore, exempt section 2(3)(c) from Ministers' power of direction in section 8. This is similar to the approach to diversity taken in relation to Ministers' power of direction for Creative Scotland – see section 37(2) and section 40(2) of the Public Services Reform (Scotland) Act 2010.

Finance Committee Questionnaire Responses

Submission from the Office of the Commissioner for Public Appointments in Scotland

Consultation

1. Did you take part in the consultation exercise for the Bill and, if so, did you comment on the financial assumptions made?

No. Although the Office of the Commissioner for Public Appointments in Scotland appears on the list of bodies consulted during the consultation exercise on the Bill, we have no record of receipt of the consultation papers.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

Not applicable

3. Did you have sufficient time to contribute to the consultation exercise?

Not applicable

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

The Financial Memorandum advises that there will be no financial implications for our organisation. This is not accurate.

We assign Public Appointments Assessors to provide scrutiny of regulated appointment activity. We have assigned assessors to oversee appointment rounds for this body three times since the establishment of our office. Assignments were made in 2004, 2006 and 2009. On each occasion the appointment activity was cancelled by the Scottish Ministers before any appointment was made and the costs of providing scrutiny of appointments to this body were therefore relatively low. The 2004 round had a nil cost and the 2006 and 2009 rounds cost our organisation £250 and £1,092 respectively. The Bill and FM indicate that a raft of initial new appointments will have to be made. Whilst we cannot predict the cost of providing scrutiny of this activity precisely, we anticipate that it will cost us approximately £3,500 for the first set of appointments and approximately £1,000 for each new appointment round thereafter.

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

Yes

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

We are unable to offer an opinion on this.

Wider Issues

7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

No comment

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

We do not anticipate any additional costs arising for our organisation over and above those we have identified and set out in response to question 4.

We are unable to offer an opinion on costs that may arise for other parties as a consequence of developed guidance or subordinate legislation.

Submission from the National Library of Scotland

Consultation

1. Did you take part in the consultation exercise for the Bill and, if so, did you comment on the financial assumptions made?

NLS has been fully involved in the consultation and preparation of the Bill.

2. Do you believe your comments on the financial assumptions have been accurately reflected in the Financial Memorandum?

Yes

3. Did you have sufficient time to contribute to the consultation exercise?

Yes

Costs

4. If the Bill has any financial implications for your organisation, do you believe that these have been accurately reflected in the Financial Memorandum? If not, please provide details.

Yes

5. Are you content that your organisation can meet the financial costs associated with the Bill? If not, how do you think these costs should be met?

NLS will need to meet the costs of recruiting a new Chair and other members of the revised Board; at a time of restricted funding, this presents some challenges, but the costs can be taken account of in our draft budget for 2012-13. The Bill and its consequences require considerable investment of time from Trustees and senior management, but NLS agrees that this investment is worthwhile to provide a clear statutory basis for the functions of the Library and to improve governance.

6. Does the Financial Memorandum accurately reflect the margins of uncertainty associated with the estimates and the timescales over which such costs would be expected to arise?

Yes

Wider Issues

7. If the Bill is part of a wider policy initiative, do you believe that these associated costs are accurately reflected in the Financial Memorandum?

Not applicable.

8. Do you believe that there may be future costs associated with the Bill, for example through subordinate legislation or more developed guidance? If so, is it possible to quantify these costs?

No.

Education and Culture Committee

6th Meeting, 2012 (Session 4), Tuesday, 21 February 2012

Report of the Review of Further Education Governance in Scotland

The following evidence is an extract from the Report of the Review of Further Education Governance in Scotland conducted by Russel Griggs OBE. The full report is available here: <http://www.scotland.gov.uk/Resource/0038/00386490.pdf>

Executive Summary

Context

When the Cabinet Secretary for Education and Lifelong Learning asked me to conduct this review the terms of reference were set out clearly. That remit clearly split the task I was given into two parts

- a) How the sector as a whole should be managed across Scotland
- b) Having decided that, how each College or entity should be governed.

Subsequent to us starting the review a consultation paper 'Putting Learners at the Centre' was published in September 2011, and as a result of that the Cabinet Secretary amended the focus of the remit slightly.

That consultation paper and the subsequent consultation paper on regionalisation set out a suggested new structure for the FE Sector based on a regional model. Before the publication of 'Putting Learners at the Centre' we had already begun to consider a regional model based on our own thoughts and research. The regions, with one exception, set out in the regionalisation consultation paper are those that we would have recommended.

In effect, therefore, for the purposes of the report we will take our first recommendation of the move to a regional model for the College Sector as being accepted and focus more on what that outcome means.

In all that we have recommended though, and at the centre of all we have discussed, is the learner who has to be at the heart of all that is done in the College.

In conducting the review we have tried to look at not just what is needed today but perhaps more importantly what will be needed in the future. What is recommended in this report should only form the base for the College sector to evolve further. It also tries to, as much as it can, ignore the current fiscal environment we all find ourselves in, and recommends a solution that applies in any fiscal environment.

The benefits we believe this new structure will bring will be significant, but without proper investment and management to match that new structure the task risks being done in a manner that delivers the wrong or an incomplete outcome.

Unusually this Executive Summary lists all the recommendations that we make and that is because we believe that it is the totality of those recommendations that will bring the change that is needed, which will not be achieved by implementing only parts.

Introduction

The structure of governance we have in place today in the College Sector has not really been challenged since 1992.

Governance can only operate within the context and rules which are given. Therefore we need to be absolutely clear that, in all that we write in this report, there is no criticism of current College Boards and Principals implied or indicated. They have operated in the way they felt fitted with what they had been asked to do.

The definition of governance that we have used is *'it is the framework of rules and practices by which a Board of any form ensures accountability, fairness and transparency in an organisations relationship with its stakeholders and shareholders to ensure they are bought into what the organisation does.'*

Governance in a sector like FE also needs guiding principles and policies in which to operate and in our opinion those have not been clear at a national level for many years. The 'Putting Learners at the Centre' consultation paper published in September starts to provide that national framework so we have used it also as a basis for our review.

Background

The current structure and governance of the FE Sector in Scotland was set up as a straight Scottish parallel to the Further and Higher Education Act in 1992 in England and Wales. Basically it backed Colleges out of the Local Authorities they were part of, made them independent entities with charitable status, gave them some governance requirements by statute, and then told them to be free, independent and create their own future. Since then we can find nothing that has changed, or sought to change, that situation. Neither, as far as we can ascertain, has anyone re-examined that basic decision to see if what was created in 1992 was or is fit for purpose today.

What the FE sector looks like today

Currently we have 37 Boards of Management of incorporated Colleges with a further four Colleges which are not incorporated in statute but are publicly funded.

The sector received £693 million in public funding in 2010/2011 which was a real terms increase from that which it received at the turn of the Millennium.

While the sector undoubtedly did produce the innovation which was hoped for post 1992, in recent years it has also given rise to many inequalities. We highlight over 20 in this report, the majority of which we do not believe add value to the learner across Scotland or provide a consistent national approach in areas where perhaps that is desirable. Focus has remained, for the Colleges, on their own geography without any real focus on what is best for the learners across Scotland.

There also has been no real national direction or policy from Government for many years which can provide the overall guidance and principles that the sector needs, and with 41 different College Boards it has been difficult to establish any real cohesive engagement between Government and the sector as a whole.

The funding mechanism that the sector currently uses also does not help either governance or cohesion.

This, along with other issues surrounding the status of Colleges, has diminished the value that the sector should contribute to the Scottish economy.

We highlight other aspects where the current structure and governance do not bring the outcome that we would all want from the sector, and no-one in the sector that we have consulted has stated that the status quo in the sector should be preserved.

Structure and Governance of the FE Sector as a whole

The regional structure, we feel, gives the best platform on which to build for the future. On the one hand a more cohesive and consistent sector, while on the other maintaining its links with the communities it serves. It also allows policy to be more nationally managed where that is appropriate.

'Regional' though does mean just that and while we accept that there could be different models of organising the existing Colleges, under this new structure there should only be one Regional Board with the power and control to both receive the funding from Government, via the SFC, and decide how to manage what it then controls.

To achieve that we have put in place a set of recommendations which we feel will together deliver this outcome. However these need to operate together and piecemeal selection will not achieve the desired outcome.

Recommendations (i)

1. That as soon as is practicable, and if possible by academic year 2013/14, we deliver a new regional structure for the College Sector in Scotland using the regional alignment set out in Annexe J of this report.
2. The Chairs and the Principals/ CEOs and the Student Representatives of all the Colleges, the UHI centre, the Local Authorities, Trade Unions plus any other body that has a key current or potential interest in UHI be given the task, by June 2012, of producing a solution for their area which uses the regional structure and governance proposals from this review as its base.

Governance of the new Regional Boards

We believe that the new Regional Boards should be distinctly different from what exists today as they are being asked to do different things and also have the capacity to do things differently in many areas.

We therefore believe that the way the Chairs and Boards are appointed be changed to align with that seen elsewhere in the public sector, although we are not recommending that Colleges become public bodies themselves.

We believe that part of the reason why the current governance model is not working as well as it should is the lack of clarity and direction given to Boards in terms of what is expected of them.

To achieve that change we believe means moving to a new place in terms of the way Boards operate, and we recommend that Boards should be given outcomes which they have to achieve and then be judged through a new auditing system to ensure they have achieved them. This will mean that the Boards will be clear of 'the what' in terms of what is being asked of them through the individual outcomes, but will encourage different solutions, and we hope innovation, in 'the how' of those outcomes being achieved.

To achieve that we have listed an initial eighteen outcomes that we believe Boards should be responsible for.

To achieve all that, we have made specific recommendations.

Recommendations (ii)

3. New Chairs and Boards are recruited and appointed to manage and govern the new regions.
4. The new regional Chairs and Boards be selected using an outcome based approach to determine the skills necessary to carry out their task and once in post each Board should be audited against that set of agreed outcomes.
5. The Chair is appointed in line with the principles and procedures which apply to the public appointments system, though we do not believe that the new regional bodies need be 'public bodies' in the formal sense. We recommend that the appropriate Minister in charge of this sector endorses the appointment.
6. The Chair of the new regional entity, using the principles and procedures of the public appointments system, leads the process of appointing the Board, as set out on pages 28 and 29. That Board should be a maximum of 12 members and contain within that number one member of staff and the elected President of the Student Association to represent the learner. The latter two would have the same roles and responsibilities as other Board members.
7. Each Regional Chair and Board will be audited annually or at an appropriate time to ensure that they are fulfilling their agreed outcomes. If they are not doing so a programme of action will be put into place to rectify areas of concern or failure. This could ultimately lead to the removal of the Chair and/ or Board if they do not fulfil the required outcomes.

8. Chairs of the individual Regional Boards should be remunerated in the same manner as Chairs of some other public entities.
9. The Principal should attend all Board meetings other than where it would be inappropriate to do so. The Principal though should be involved with the Board on all discussion to do with the creation of the strategy which the Principal and his/her team will have to deliver.
10. By December 2012 Audit Scotland, Education Scotland, and the Scottish Funding Council work together to put in place an auditing framework which will allow the outcomes driven approach pursued by the new Regional Board to be judged and monitored effectively.
11. Repeal of the requirement which remains in the 1992 Act that the Board of Management must contain a nominee of the local enterprise company.
12. Chairs of the Regional Boards should serve one term (4 years), with the option for a further term at the decision of the Minister concerned.
13. Members of a Board of Management should serve for one term, with the option of reappointment for a further term at the decision of the Board. A subsequent term or terms of appointment should thereafter be permissible, but only following open recruitment procedures to fill the vacancy which are consistent with the practice on appointments recommended elsewhere.
14. Repeal of the provision which requires, where a Board member leaves before the completion of her/his term, that the successor's first term of appointment should cover only the 'unexpired' term of the departed Board member.
15. Boards should have the flexibility to make appointments for periods of up to four years, rather than for a fixed period of four years as at present.
16. Boards should be free to make an appointment regardless of the age of the candidate.
17. The current inability of a Board to elect a Chair who is a councillor or a council employee should be removed.
18. A central team is formed to manage the process of change across the sector and work with the new Chairs and Boards, once recruited, to deliver their initial outcomes. The 'FE Change Team' would report to the Cabinet Secretary and his senior officials in terms of its work. It would also control the transition

funding that will be needed to achieve these changes. It would be disbanded when the new structure is in place.

For all the above to operate as we believe they should, other items impacting on the sector will have to be addressed and other issues, and bodies, will have to be changed as well.

These include

- What national guidelines and policies need to be in place consistently across Scotland
- How the College sector should be strategically managed at a national level
- How the sector should be funded
- How we move to a more national set of terms and conditions for staff

While we believe that all we recommend should be considered as a whole, we understand that there are practical reasons why it may take time to implement and that everyone may not go at the same pace. Therefore we have recommended how a transition to this new way of working could be achieved encompassing all our recommendations.

To achieve all the above we have added the following specific recommendations.

Recommendations (iii)

19. There should be a limit of initially 10% of annual revenue on the surpluses a College is allowed to create for its own use.
20. All reserves held that exceed 10% of annual revenue have to be used for the betterment of the sector overall. That could be either within that region or elsewhere but priority and allocation would be decided by the new FE Strategic Forum at a national level.
21. All current College liquid reserves in excess of 10% of annual revenue are frozen (unless already specifically allocated to projects already underway physically) and central Government uses any excess nationally for the sole purpose of funding the costs of the changes we are recommending and any other changes which may come from the current overall review of post 16 education. This residual sum should be focused on added benefit for the learner in the most appropriate manner.
22. By the end of 2012 decisions on what should be undertaken by Colleges nationally, and consistently across all regions, should be taken. By the end of

2013 further decisions should be taken on how the sector should contribute to national priorities for the coming five years.

23. Student participation and representation become a commitment across the College Sector. Student Associations should be strengthened and become appropriately funded, autonomous and sustainable.
24. A specific sum per learner-head, to mirror the process currently used by some Universities, should be allocated from the regional budget to fund the recommendation above.
25. The FE Strategic Forum [see recommendation 28 below] examines each inequality set out in this report and proposes a solution to each.
26. The regional College becomes a statutory member of the appropriate Community Planning Partnership (CPP) to allow the contribution of the College, in line with Government policy on lifelong learning, to be a fundamental part of community planning.
27. That either through a 'Partnership Group' as recommended to us by EIS in its submission or through another similar structure put in place by the Regional Board, groups are created to give local communities an input into their strategy.
28. The Scottish Government establishes its own leadership and strategic guidance of the sector through the creation of a new FE Strategic Forum which would drive the sector forward and constantly review and evolve the sector in terms of fitness for purpose in a changing educational and economic world.
29. The FE sector moves to an outcomes based funding model where each College is given a small number of outcomes which will fulfil Government policy and aspirations and is then allocated a sum of money to deliver those.
30. Colleges should not be judged on yearly surpluses but on a longer term sustainable financial model.
31. Government takes total responsibility for funding major capital projects in the FE Sector.
32. A central resource is established within Scottish Government that works with Colleges to deliver major capital projects for the FE Sector.
33. Arrangements as set out in section I of this report are put in place to permit a return to national bargaining within the FE Sector in timescales outlined in that section.

34. A new national MIS system be developed and implemented which satisfies all the changes that this new structure for the College Sector will entail.

At the heart of all we have considered is the learner, and we hope we have tested all that we recommend to ensure that the learner benefits. So the learner needs to play a major part in its formation and continuance in as many ways as appropriate.

Finally, as we state at the outset all we have recommended will only put the sector in a position that is fit for purpose today, and evolution must be a key driver for the sector going forward. In education, like many other parts of life today, change is the only certainty.

Education and Culture Committee

6th Meeting, 2012 (Session 4), Tuesday, 21 February 2012

PETITION PE1414

Introduction

1. The Public Petitions Committee (PPC) agreed at its meeting on 7 February 2012 to refer petition [PE 1414](#) to the Education and Culture Committee. The petition, by Dougie Deans, on behalf of Unison F.E Sector, calls on the Scottish Parliament to urge the Scottish Government to reconsider its proposed cuts to the Further Education Sector of £74 million over the next four academic sessions 2011/12, 2012/13, 2013/14 and 2014/15. The Petition is enclosed at Annexe A.
2. In accordance with Standing Orders Rule 15.6, it is now up to the Education and Culture Committee to consider what action, if any, it wishes to take in relation to the petition.

Background

3. For members' information, Annexe B reproduces the background note that was prepared by the PPC clerks for that committee's meeting on 7 February.
4. Petition PE 1414 relates specifically to the level of funding allocated to the further education sector in the Draft Budget 2012-13 and Spending Review.
5. In scrutinising the Scottish Government's Draft Budget 2012-13 and Spending Review, the Education and Culture Committee focussed on the issues of further and higher education. In respect of further education, the Committee took evidence from a number of bodies in the sector and the Cabinet Secretary for Education and Lifelong Learning, before making a number of recommendations to the Finance Committee. In particular—
 - "The Committee also invites the Scottish Government to state whether it would be feasible to reduce the impact of next year's cuts by adjusting its spending plans over the Spending Review period."
 - "The Committee understands that there may be Barnett Consequentials of up to £67.5 million available to the Scottish Government for financial year 2012-13 as a result of the extension of the council tax freeze in England. The Committee acknowledges the concern of the colleges that the combination of reform and cuts will be damaging and asks the Cabinet Secretary to explore the possibility of a share of Barnett Consequentials to ease the colleges' transition to the new arrangements."
6. Since the PPC considered and referred the petition the Parliament has formally agreed to pass the Budget (Scotland) Bill, which included funding for further education. During the Stage 3 debate on the Bill, the Cabinet Secretary for

Finance, Employment and Sustainable Growth announced additional funding for the FE sector.

7. The draft Budget for 2013-14 will be published in September 2012 and the Committee will have the opportunity to scrutinise it at that point.

Decision

8. **The Committee is invite to agree what action, if any, it wishes to take in relation to petition 1414.** (Members should note that where a committee decides to close a petition, it has to notify the petitioner of the reasons for doing so.)

ANNEXE A - PETITION

(For official use only) PUBLIC PETITION NO.	PE1414
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PLEASE REFER TO GUIDANCE NOTES AT THE BACK OF THIS FORM.

1. Name of petitioner
Dougie Deans, Unison F.E Rep on behalf of Unison F.E Sector
2. Petition title
Funding for Further Education
3. Petition text
Calling on the Scottish Parliament to urge the Scottish Government to reconsider its proposed cuts to the Further Education Sector of £74million over the next four academic sessions 2011/12, 2012/13, 2013/14 and 2014/15.
4. Action taken to resolve issues of concern before submitting the petition
<p>Unison Further Education reps put forward a local petition on behalf of their members and raise awareness to the Angus Community how the proposed cut aforementioned would affect the Community. We involved local press with an advertisement campaign also local councillors and MSP's. We gathered approximately 2000 signatures locally.</p> <p>MSP's & Councillors contacted were Jenny Marra MSP, North East Scotland, Alison McInnes MSP, Cllr May and Cllr Murphy at Angus Council. The responses received were supportive which resulted in press coverage and visits to Angus College to meet with students and staff to discuss in more detail what these cuts would mean to the College and Community as whole.</p> <p>Jenny Marra and Allison McInnes have raised the issues with Mike Russell the Education Minister at Holyrood.</p>
5. Petition background information
<p>The Education Secretary has released £15 million to the F.E Sector but this is insufficient as the conditions attached are not to the benefit of the student, this extra money is to be used to rush through mergers of the Colleges. This comes under the explanation of a transformation Fund to enable Colleges to merge and collaborate more together (see The Courier 08/12/12) and support voluntary severance schemes.</p> <p>As previously stated this will be to the detriment of the communities that the Colleges serve and less staff to facilitate a professional service.</p> <p>In this recession the Further Education sector has a massive role to play by retraining and upgrading individuals skills.</p>

If these proposals go ahead nationally it will reduce the F.E workforce to less than the 7% 1000 in real terms. The workforce stands at 14,900 currently and should this continued reduction continue our staff would stand at around 11,600.

Also courses would be cut giving less opportunity to all communities served by a Further Education College in Scotland. Included in these proposals is a merger of 41 Colleges into 12 Regions this will impact on opportunities for students who might have to travel to study, making more of a financial impact on studying to gain qualifications.

6. Do you wish your petition to be hosted on the Parliament’s website as an e-petition?

NO

7. Closing date for e-petition

8. Comments to stimulate on-line discussion

ANNEXE B– BRIEFING FROM THE PPC CLERKS

Public Petitions Committee

2nd Meeting, 2012 (Session 4), Tuesday 7 February 2012

**PE1414 on Funding for Further Education
Note by the Clerk**

PE1414 – Lodged 20 January 2012

Petition by Dougie Deans, on behalf of Unison F.E Sector, calling on the Scottish Parliament to urge the Scottish Government to reconsider its proposed cuts to the Further Education Sector of £74million over the next four academic sessions 2011/12, 2012/13, 2013/14 and 2014/15.

[Link to petition webpage](#)

Purpose

1. This is a new petition which the Committee is asked to consider and decide what action it wishes to take. The Committee has not invited the petitioner to speak to the petition.

Background – the following information is taken from the [SPICe briefing](#)

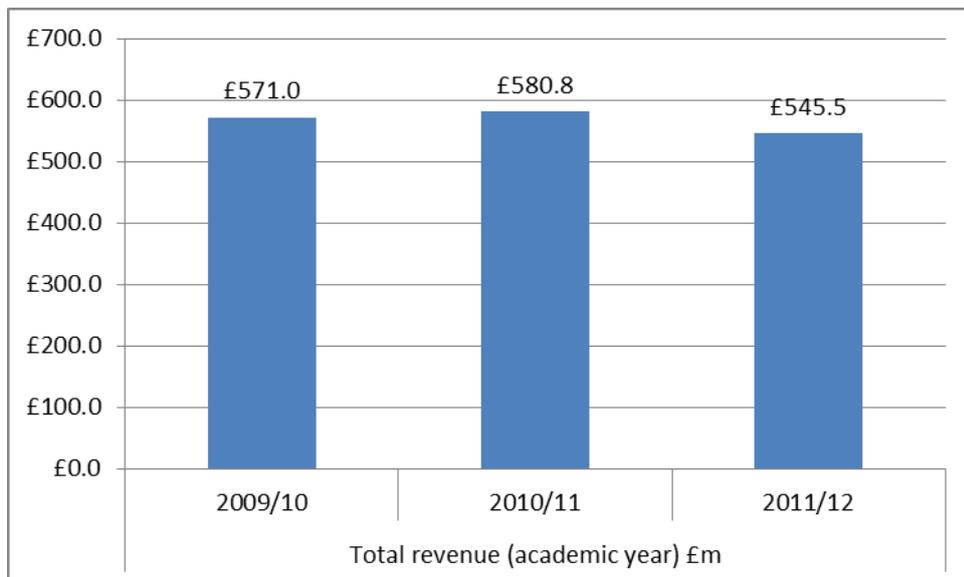
2. The Scottish Government funds the further education (FE) sector through a grant to the Scottish Funding Council. This is set out in the Scottish Budget and spending review documents. The planned reduction in funding from financial year (FY) 2010/11 is set out in the chart below. It can be seen that the revenue budget for FE is set to fall by 13.6% (cash terms), from £545 million in FY 2011/12 to £471 million in FY 2014/15 :

Chart 1: SFC Revenue budget for further education. Scottish budget 2010/11 to 2014-15. £m Cash terms. Financial years.



- Following the draft budget, the Scottish Funding Council then allocates this revenue funding to individual institutions for the following academic year. The chart below shows the total revenue funding provided to colleges by academic year, since 2009/10.

Chart 2: Revenue allocations to colleges 2009/10 to 2011/12 £m Cash terms, academic years.



Source: 2009/10 to 11/12 from SPICe Briefing “Scotland’s Colleges”.

- Revenue allocations to colleges for academic year 2012/13 are due to be announced imminently. In a letter to the Principals of FE colleges on [11 January 2012](#), the Cabinet Secretary for Education and Lifelong Learning explained that no college should see a further reduction in their teaching grant of more than 8.5% in academic year 2012/13, and budgets for student support and capital maintenance grants will be maintained in cash terms.
- The quoted maximum 8.5% reduction in teaching grant and maintenance of student support and capital maintenance uses a baseline of the initial revenue allocations for academic year (AY) 2011/12, as set out in the Scottish Funding Council [Circular 35/2010](#) (Dec 2010). It is not based on the final revenue allocations received by FE colleges in AY 2011-12, which include in-year adjustments. For example, last year, the Scottish Government provided an extra £15m to the FE budget as it was going through Parliament. This provided an extra £8m for college student places and an extra £15m spread across 2010/11 and 2011/12 for student support. ([SFC 09/2011](#)). This additional revenue funding is thus not included in the 2011/12 baseline used, when comparing revenue funding for academic year 2012-13.
- Despite these budget cuts, the Government has made a commitment to maintain student numbers in academic year 2012/13 „at the baseline 2011/12 levels“. This “will involve 4 per cent of places being funded through a pilot scheme that is aimed at

promoting greater synergy between Skills Development Scotland and colleges.”
([Michael Russell, Official Report, 26th January 2012 col 5799](#))

7. In 2011 employment in the FE sector fell by 9.3%. There was a reduction of 1,200 posts from 12,400 in Q3 2010, to 11,300 in Q3 2011 ([Table 8, public sector employment in Scotland](#)).
8. The structure and funding mechanisms for the FE sector are subject to significant change from academic year 2012/13 onwards. The Cabinet Secretary for Education and Lifelong Learning has written to all college principals, asking colleges to re-organise themselves into a number of regions, providing an additional £15m to support this change, in the form of a „College Transformation Fund“. The [Cabinet Secretary's Letter](#), dated 25 January 2012 states that:

„The fund will primarily be used to fund voluntary redundancy schemes to deliver the staffing changes needed for mergers (or in some cases, strong federations) and realise the associated efficiency gains“.
9. The College Transformation Fund (CTF) will be available in FY 2012-13 only and proposals will only be funded that realise savings after one year. Colleges will remain able to add their own resource (for example, from their reserves) to make more attractive schemes.

Scottish Parliament Action

10. The Education and Culture Committee, in its [Report to the Finance Committee on the Scottish Government's Draft Budget](#) made a number of recommendations in relation to further education funding. These included:
 - Seeking clarification from the Scottish Government as to whether there will be additional support available for colleges.
 - In relation to the impending regionalisation and associated costs: “whether it would be feasible to reduce the impact of next year's cuts by adjusting its spending plans over the Spending Review Period.”
 - Asking the Cabinet Secretary to explore the possibility of a share of Barnett consequential, to ease the colleges' transition to the new arrangements.
11. There have been a number of recent written and oral PQs on this issue:

[Question S4O-00624: Jackie Baillie, Dumbarton, Scottish Labour, Date Lodged: 18/01/2012](#)

To ask the Scottish Executive what impact the 20% reduction in college budgets will have in terms of staffing, student numbers and the range of courses available.

Current Status: Taken in the Chamber [on 26 January 2012](#)

[Question S4W-05068: Neil Findlay, Lothian, Scottish Labour, Date Lodged: 19/01/2012](#)

To ask the Scottish Executive where the pilot scheme to promote a greater synergy between Skills Development Scotland and colleges will take place; when it will begin, and what areas of college education it will cover.

Answered by Michael Russell (30/01/2012):

I have made clear I will bring forward details of the pilot scheme in due course.

[Question S4W-05066: Neil Findlay, Lothian, Scottish Labour, Date Lodged: 19/01/2012](#)

To ask the Scottish Executive whether it has published detailed plans of how baseline student numbers will be maintained at 96% for (a) 2012-13, (b) 2013-14 and (c) 2014-15.

Answered by Michael Russell (30/01/2012):

I wrote to all college principals on 11 January, providing them with high level planning assumptions for maintaining student numbers in 2012-13. I also wrote to the Scottish Funding Council on 25 January providing additional strategic guidance, which asked them now to make funding allocations for individual colleges in 2012-13.

[Question S4W-05063: Neil Findlay, Lothian, Scottish Labour, Date Lodged: 19/01/2012](#)

To ask the Scottish Executive how much funding for student support was provided to each further education college in (a) 2009-10 and (b) 2010-11, is provided in 2011-12 and is proposed for (i) 2012-13, (ii) 2013-14 and (iii) 2014-15.

Answered by Michael Russell (30/01/2012):

Matters relating to the funding of individual colleges fall within the responsibility of the Scottish Funding Council. I have asked its Chief Executive to write to the member.

[Question S4W-05058: Neil Findlay, Lothian, Scottish Labour, Date Lodged: 19/01/2012](#)

To ask the Scottish Executive whether changes are being made to the block grant being provided to the further education sector as proposed in the *Scottish Spending Review 2011 and Draft Budget 2012-13*.

Answered by Michael Russell (30/01/2012):

Yes. For example, the £15 million college transformation fund that I announced on 7 December 2011 will be available to colleges in 2012-13 to support change in the sector and help fund the cost of regional mergers. As in previous years, there may also be in-year adjustments to amounts allocated.

[Question S4W-05057: Neil Findlay, Lothian, Scottish Labour, Date Lodged: 19/01/2012](#)

To ask the Scottish Executive for what reason there has been a delay in confirming with colleges their budget allocation for 2012-13.

Answered by Michael Russell (30/01/2012):

There has been no delay. The timetable published in our consultation paper on college regionalisation indicated college funding allocations would be made available in March 2012, following parliamentary approval of the 2012-13 Budget. This is what we will do.

A Parliamentary debate on college funding took place on 2 Feb 2012, the motion and amendment of which are included below:

[Motion S4M-01876: Liz Smith, Mid Scotland and Fife, Scottish Conservative and Unionist Party, Date Lodged: 31/01/2012](#)

College Funding

That the Parliament warmly congratulates Scotland's colleges in terms of the outstanding contribution that they have made to improving educational opportunities for a wide range of learners, improving the alignment between available skills and local employment opportunities and in embracing the need for structural reform; condemns the Scottish Government for forcing on the sector deeply damaging financial cuts for the period 2012-15, which are disproportionately greater in 2012-13, and which will inevitably have a detrimental impact on staffing, student places and support for students from more disadvantaged backgrounds; fails to understand how these financial cuts can be reconciled with the Scottish Government's flagship 16 to 19 policy and the need to address the very worrying youth unemployment statistics that have revealed that 88,000 young people aged 18 to 24 are now out of work, and calls on the Scottish Government to urgently reconsider the proposed budget settlement for the further education sector.

[Motion S4M-01876.1: Michael Russell, Argyll and Bute, Scottish National Party, Date Lodged: 01/02/2012](#)

College Funding

As an amendment to motion S4M-01876 in the name of Liz Smith (College Funding), leave out from "condemns" to end and insert "acknowledges the difficulties resulting from the UK Government's cuts of over £3 billion to the Scottish block and the inescapable pressures that this creates for college budgets; welcomes the fact that the Scottish Government is ensuring that £265 million of capital investment in

colleges is made over the spending review period, including through the non-profit distributing programme; further recognises that the support is in place to maintain student numbers in the coming year; commends the hard work and commitment of college staff and students at all levels, both to improve learner outcomes and to take forward the progressive programme of reform set in train by the Scottish Government, including its plans for a regional structure in which learning provision is better matched to need, and reiterates its support for the creation of 125,000 modern apprenticeships over the current parliamentary session and for the introduction of the Opportunities for All programme, which will provide a suitable place in learning or training for all 16 to 19-year-olds who require it.”

Scottish Government Action

12. The Scottish Government [replied](#) to the committee’s budget report on 24th January 2012. In relation to further education funding it stated that:
- There is a £15million college transformation fund available to colleges in 2012-13 to support change and help fund the cost of regional mergers.
 - We are committed to the planned profile of expenditure set out in the Scottish Government’s draft budget.
 - Cabinet is considering the allocation of consequential arising for 2012-13, in light of our overall financial position and strategic priorities, and will make decisions in due course.

A [review of governance](#) published on 1st February also proposes significant changes to the FE sector.

Action

13. The Budget (Scotland) Bill is due to be considered at Stage 3 on 8 February 2012. The Scottish Government has indicated that following approval of the Bill, college funding allocations will be made available. It is clear that a funding announcement is imminent.
14. The Committee is invited to consider what action it wishes to take in respect of this petition. There are a number of possible options, including—
- (1) To continue the petition to await the further announcement by the Scottish Government and then decide what action to take.
 - (2) To refer the petition, under Rule 15.6.2, to the Education and Culture Committee to consider the issues raised.
 - (3) To take any other action which the Committee considers appropriate.
 - (4) To close the petition under Rule 15.7. If the Committee decides to close the petition it must state publicly its reasons for doing so.