



The Scottish Parliament
Pàrlamaid na h-Alba

John Swinney MSP
Deputy First Minister and Cabinet
Secretary for Education and Skills

**Public Audit and Post-legislative Scrutiny
Committee**

Room T 3.60
The Scottish Parliament
EDINBURGH
EH99 1SP

By e-mail only:
dfm@gov.scot

Direct Tel: (0131) 348 5390
(RNID Typetalk calls welcome)
Fax: (0131) 348 5252
Email: papls.committee@parliament.scot

6 December 2016

Dear Deputy First Minister,

Public Audit and Post-legislative Scrutiny Committee – oral evidence session

I am writing to invite you in your capacity as Cabinet Secretary for Education & Skills to provide oral evidence to the Public Audit and Post-Legislative Scrutiny Committee at its meeting on **Thursday 2 February 2017**.

The meeting will allow us to discuss in more detail various issues that have arisen from our scrutiny of two recent reports by the Auditor General, namely “Higher education in Scottish Universities” and “Scotland’s Colleges 2016”.

We have already taken oral evidence from Scottish Government officials on the key findings and recommendations from the reports. However, we consider that there are policy considerations – particularly in relation to universities – that could have a significant impact on the future funding and performance of both sectors. It is appropriate that we discuss such policy considerations with you, as the cabinet secretary who has responsibility for further and higher education.

I have set out below various issues arising from the audits that we will wish to cover at the meeting. I would be grateful if you could provide in advance of your appearance a short written submission that addresses these points.

Higher education in Scottish Universities

- There appears to be agreement across the Scottish Government, the Scottish Funding Council and universities that no action should be taken that would lead to universities being reclassified as public sector bodies by the ONS. In

oral evidence we discussed the proposed overarching governance body that may arise from the enterprise and skills review and its possible impact on the Scottish Funding Council.

- please confirm how the review will ensure that the structure and operation of the overarching governance body do not create a risk of future reclassification of universities;
 - in general, we seek confirmation that the Scottish Government and Scottish Funding Council actively consider the potential risks of reclassification whenever relevant funding, legislation and policy relating to universities is being developed.
- In evidence, officials reiterated the Scottish Government's view that access to higher education in Scotland for Scottish-domiciled students should be on the basis of ability to learn, not the ability to pay. The audit states that, of the 47,710 Scottish applicants who applied to Scottish universities for undergraduate and teacher training courses in 2015,
 - 8,885 applicants did not receive any offers
 - 8,160 applied but did not accept a place (there is "no comprehensive information available to identify [their] outcomes".)

Please clarify whether the Scottish Government considers that all Scottish-domiciled students who are sufficiently well qualified should be able to access free higher education within a Scottish university. If the Scottish Government were to fund the places required for such students, via the Scottish Funding Council, please provide a range of estimates as to how much this may cost.

- Please provide—
 - an update on the work being done to ensure that universities, in seeking to widen access, are able to take account of markers of deprivation other than the Scottish Index of Multiple Deprivation;
 - a detailed analysis of the possible costs associated with the Scottish Government's policy of widening access.
- Please clarify whether:
 - SFC funding for teaching is intended to cover the full cost of teaching Scottish and EU students;
 - The Scottish Government intends to take account of universities' income from other sources in making allocations for teaching and research.
- The Auditor General's report noted that Scottish universities are increasingly reliant on fees from international students and that growing competition from the rest of the UK and other countries will make this "increasingly challenging". The audit also said that the SFC "does not comprehensively analyse longer-term sector trends to identify wider risks facing the sector. Examples might include sector trends in non-EU student numbers and fee income"
 - Does the Scottish Government intend to take steps to ensure that the Scottish Funding Council is able to analyse and respond to such challenges?

Scotland Colleges 2016

In our oral evidence session, Scottish Government officials said progress would be made on a number of recommendations in the auditor general's report and on various other issues highlighted by members. I have set out these issues below and would welcome a written update from you (the Committee appreciates that it may be too early to provide a substantial update on some of these issues)—

- Efforts to capture applications to each college by subject, in order to understand any disparities in student demand for places;
- The ongoing and likely future balance between available part time and full time courses, and differences in attainment between part time and full time students;
- Ongoing attainment and retention trends more generally, and how the college reform process is likely to improve these;
- Further information on why some colleges are in deficit, the consequences of this and how it could be remedied;
- An assurance that the issue of depreciation will be tackled and not simply presented in a more understandable way;
- Further detail on how arms-length foundations have operated, including the amount of funds they hold and how funds have been accessed and spent to date;
- Work on the sector's capital funding and estate needs;
- Progress on workforce planning across the college sector.

In general, the Committee is keen to understand how the Scottish Government's education policies, in the broadest sense, will affect the future performance of and funding required by colleges and universities. For example, we would welcome your analysis of:

- how the Scottish Government's aim of closing the educational attainment gap in school is likely to influence future participation in FE and HE;
- whether the public funding of early years, school education, college-level education or university-level education delivers the best return in terms of narrowing educational inequalities, and whether public sector budgets are funded accordingly.

We appreciate that a review of the learner journey is underway, which may be relevant to the above points, but would welcome any information that you could provide at this stage.

Finally, the Committee would also like to know whether the SFC and the Scottish Government have any specific progress goals for the college and university sectors (beyond anything set out in the national performance framework), such as that x% of students complete their study/ go on to a job or other positive destination/ rate their course as satisfactory, etc.

Arrangements for Oral Evidence

The meeting will take place in a Committee Room of the Scottish Parliament in Edinburgh and your evidence session will be held in public. We will contact you if these arrangements are altered. I would be grateful if you could confirm your willingness to attend along with the names and titles of any supporting colleagues, up to four in total, who can effectively contribute to the session, as soon as possible. Please send your response to papls.committee@parliament.scot.

Written Evidence

If you would like to send us a short written submission, please do so by close of **Friday 20 January 2017**. As a guide submissions should be no longer than 4 sides of A4. Our normal practice is to publish relevant evidence that is sent to us on our website and we may also include it in the hard copy of any committee report. **Therefore, if you wish your evidence to be treated as confidential, or for your evidence to be published anonymously, please contact the Clerk to the Committee, before you submit your evidence.** Further information on the publication of written submissions is contained in the [policy on treatment of written evidence](#) by committees. **Please take time to read this policy.** We welcome written evidence in English, Gaelic or any other language.

If you wish a named official other than yourself to deal with the meeting arrangements and correspondence, please could you provide the name, telephone number and address of this contact, and all subsequent correspondence will be sent to him or her.

Should you require any further information please do not hesitate to contact Terry Shevlin, the Clerk to the Committee, on 0131 348 5390 or by email at papls.committee@parliament.scot

Yours sincerely

Jenny Marra MSP

Convener of the Public Audit and Post-legislative Scrutiny Committee