



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# EDUCATION AND CULTURE COMMITTEE

Tuesday 5 February 2013

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**EDUCATION AND CULTURE COMMITTEE**  
**4<sup>th</sup> Meeting 2013, Session 4**

**CONVENER**

\*Stewart Maxwell (West Scotland) (SNP)

**DEPUTY CONVENER**

\*Neil Findlay (Lothian) (Lab)

**COMMITTEE MEMBERS**

\*George Adam (Paisley) (SNP)

\*Clare Adamson (Central Scotland) (SNP)

\*Colin Beattie (Midlothian North and Musselburgh) (SNP)

\*Neil Bibby (West Scotland) (Lab)

\*Joan McAlpine (South Scotland) (SNP)

\*Liam McArthur (Orkney Islands) (LD)

\*Liz Smith (Mid Scotland and Fife) (Con)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

David Bass (Lead Scotland)

Mandy Exley (Edinburgh College)

Chris Greenshields (Unison Scotland)

Paul Sherrington (Banff and Buchan College)

Carol Turnbull (Dumfries and Galloway College)

Susan Walsh (Cardonald College)

**CLERK TO THE COMMITTEE**

Terry Shevlin

**LOCATION**

Committee Room 1



# Scottish Parliament

## Education and Culture Committee

*Tuesday 5 February 2013*

[The Convener *opened the meeting at 10:01*]

### Post-16 Education (Scotland) Bill: Stage 1

**The Convener (Stewart Maxwell):** Good morning. Welcome to the fourth meeting in 2013 of the Education and Culture Committee. Please ensure that all electronic devices, particularly mobile phones, are switched off.

Today, we will take further oral evidence on the Post-16 Education (Scotland) Bill. Today's session focuses on those sections of the bill that are of particular relevance to the further education sector.

On our first panel, we have Mandy Exley, the principal of Edinburgh College; Paul Sherrington, the principal of Banff and Buchan College; Carol Turnbull, the principal of Dumfries and Galloway College; and Susan Walsh, the principal and chief executive of Cardonald College.

The principals represent a range of colleges: those that have already been through a merger; those that are planning to merge; those that will become regional colleges; and those that may remain the same. There are many categories. The committee hopes that hearing from differing perspectives will help us to understand better the opportunities and challenges that the sector faces in light of the proposed bill.

We will move straight to questions, as we have a lot of areas to cover.

**Liz Smith (Mid Scotland and Fife) (Con):** There is a striking degree of evidence in the colleges' submissions about the fact that you feel that you have done a pretty good job over the past few decades of ensuring that you not only have the highest standards of education on offer but have been able to offer a diverse range of students different opportunities and to build on a lot of the local demands from within your own areas and your own economies. Our approach to post-16 education must take account of that context and ensure that we can give the best deal to a wide range of learners.

Do you think that the proposed changes to the governance of colleges will be able to enhance the ability of the colleges to deliver the best education?

**Susan Walsh (Cardonald College):** The issue of governance cannot be separated from the issues of autonomy and accountability.

The Post-16 Education (Scotland) Bill suggests two different types of governance: one for the regional colleges and one for the colleges that sit within the multicollege regions, which will have a regional strategic body overseeing coherence within the region.

The boards of the regional colleges will maintain pretty much the same shape, although the bill does not specify what committees are required and how they will be accountable. For the multicollege regions, some clarity is still required on how the assigned college boards will work with the regional strategic boards.

I will speak from my own region's experience. At the moment, we have seven colleges in Glasgow but we hope that, by 1 August, we will have three. We previously had a strategic grouping called the Glasgow colleges strategic partnership, which worked collectively on how best to rationalise curriculums, introduce common policies and procedures, and try not to reinvent the wheel. That has now transformed into a much more formal strategic partnership.

One of the things that our regional lead—Henry McLeish—and the chairs and principals of the seven existing colleges discussed was what the future relationship between the regional strategic board and the colleges would look like, because we are clear that we do not want an additional layer of bureaucracy. One of the strengths of the incorporated college sector was its ability to respond to local need. Within Glasgow, that local need can be very local or can be part of the Glasgow metropolitan response.

There is an issue for the multicollege regions about exactly how the regional strategic body will work with the assigned college boards. It seems that, under the bill, those assigned college boards will be small. My college will have a budget of £41 million but a board of between only seven and 10 members to ensure that it is properly governed and accounted for. There is still work to be done on the quality of the college and on the finances.

**Liz Smith:** Is there a bit of a disconnect between the ability to have good governance over the new set-up and the ability to ensure that funding is placed correctly?

**Susan Walsh:** That is one of the points with which the regional strategic body will have to grapple. The bill gives the regional strategic body the ability to transfer assets and staff between colleges. There will be a tension between the colleges' legal status as incorporated colleges and the fact that they will be working with a strategic

board. A tension will exist in the colleges' legal positions and in their governance.

**Liz Smith:** Are you concerned that there might be some diminution of autonomy for the parts of the college?

**Susan Walsh:** That is a possibility for the assigned constituent colleges.

**Mandy Exley (Edinburgh College):** Where there is a single college within a region, the ability of the regional board to make a coherent regional strategic plan is enhanced. We are in favour of that direction of travel and there is a real opportunity for such planning. The situation does not carry the same complexities as a multicollege region.

**Liz Smith:** Given what you just said about the importance of overall strategic planning, would it be correct to say that your concerns are more to do with the details of the proposals in the bill than their principles?

**Mandy Exley:** Yes, that is correct. We are concerned about accountability and autonomy, which Susan Walsh mentioned.

One of the key proposals in the bill concerns the appointment of the chair of the board and other board members. It strikes me that good progress is being made in the higher education sector with respect to the use of codes of practice as opposed to measures being stipulated in legislation. That is a direction of travel that regional colleges would support.

We utterly understand the importance and relevance of identifying and appointing a chair or regional lead—whichever way that perspective lies—through ministerial appointment. However, we feel that the wider board could be appointed under a code rather than necessarily through ministerial appointment.

**Liz Smith:** Would you prefer the changes to be made without too much of a heavy legislative hand? Could some of them be made without being in the bill?

**Mandy Exley:** Yes. We will be planning on a regionally coherent basis with our partner universities and, if there is an appropriate code for us to follow, we at Edinburgh College do not see what the distinction is between the way in which we may operate and the way in which they may operate.

**Neil Bibby (West Scotland) (Lab):** I would like to follow up on that. In addition to the Scottish Further and Higher Education Funding Council, we will have regional strategic bodies in some areas but not others, as well as regional colleges. To that we must add Skills Development Scotland's involvement in colleges. Is there not a danger that

the different approaches that are taken in different areas will lead to inconsistencies and will become confusing for staff and students?

**Paul Sherrington (Banff and Buchan College):** The changes that colleges have experienced recently in the sources of funding have been a real challenge. It was very welcome that some of the money from the employability fund was transferred back to the funding council and reintroduced via a student unit of measurement model. Even though that model is not perfect, it is a model that we understand.

I think that there is an issue with the degree of consistency. If there is some settlement over the next year as we drive through the positive sides of regionalisation, we will, I hope, avoid the issues that you have alluded to; otherwise, the situation will become difficult and might well impact on the student experience.

**Mandy Exley:** One of the advantages of regionalisation—the opportunity to do things coherently—can be undermined by the complexity of different sources of activity and funding. As Paul Sherrington says, if we are to work on the premise of regions and regionalisation, the distinctiveness of regions should be recognised; otherwise, why do we have regions?

We come back to the concept of what is autonomous and accountable. Our belief is that it is entirely possible to be accountable but to retain a level of autonomy that reflects a particular region appropriately. There could be an argument that consistent application across the board is necessary, whereby whatever happens must happen everywhere—we know that that is not the case with the bill—or we could reflect appropriately the importance of the region.

The funding models are a different matter. The governance and accountability arrangements within regions could well be slightly different as a consequence of what is most relevant and coherent for each region.

**Neil Bibby:** If there is a regional strategic body with assigned colleges, what will happen if the assigned colleges do not meet the agreements with the regional strategic body? Will the funding be taken away?

**Susan Walsh:** That is an extremely good question. It is one of the questions that we, as a sector, have asked to be addressed.

Where there is one region and one college, it is quite clear what will happen—the relationship will be between the funding council and the regional board. That is where decisions will be taken about whether there would any detriment to funding. The same thing will happen with a regional strategic body, but what will happen when one college is

working extremely well and is highly productive and another college—for whatever reason—is not reaching the same levels of performance?

One thing that is missing from the bill is exactly how performance will be measured. We would like to ensure—this goes back to one of the points that Mandy Exley made—that there has to be flexibility. The success of a region will depend on the economic and skills needs of that region. In some areas, it may be a case of concentrating on the 16 to 19-year-olds; in others, it may well be about looking at the proportion of over-24s who have no qualification. The issue is using a fantastic sector to maximise the potential of Scotland's people.

**Liam McArthur (Orkney Islands) (LD):** I want to follow that up. You talk about the flexibility that is needed to cope with the different circumstances that may arise within a region. The submission from Edinburgh College mentions a separate but related issue—the absence of

“reference to a framework for performance measurement, decision making, review and appeal when seeking to identify a ‘non-performing’ college and the reasons for such non-performance.”

I suppose that that broadens out the question and takes us back to the issue of accountability and the independence of institutions. Will you expand on that concern? It would also be helpful to know whether it is shared by other members of the panel.

10:15

**Mandy Exley:** Work is on-going with the funding council on the development of outcome agreements. We have an analogous situation to the one in the university sector in terms of the way in which we are planning to use resources most effectively within the regionally coherent context. Equally, however, we have high-level measures within an outcome agreement context around which performance and, more important, lack of performance are far less clear.

That might simply be an evolving issue, but if we are to talk about performance and accountability at governance and board level, and there is an overall strategic responsibility for effective distribution of resource and therefore delivery of whatever the resource is for, it would be helpful to have a clearer sense of what the performance framework is. That might well be developing through that particular route, but at present there are some complexities associated with the different sources of funding and different funding masters.

Over the past six months, we have had some significant discussions on the way in which Skills Development Scotland funds activity that the college sector delivers. As Paul Sherrington said,

we are delighted that we are going to have a stepping stone approach rather than the full-scale shift that was intended. We are grateful that that situation has changed but, in the widening access context, we also have funding coming via universities where colleges deliver the first two years of degrees and so on. Therefore, we are developing in a short time a multiplicity of places from which money comes into a governance model that is then required to perform effectively, but the outcome agreement process is not yet at a stage at which we can fully understand the framework for performance measurement.

**Liam McArthur:** Could some of that be captured in the code of conduct that you have talked about, or is it at too high a level?

**Mandy Exley:** I do not believe that it is at too high a level. You had an interesting discussion with the higher education sector about its widening access outcome agreement and what will happen if it does not meet it, and it would be no different to have that conversation with the college sector. What is important in that context is the fact that the real benefits of regionalisation are in regional coherence, so it would be helpful to have a coherent approach for accountability and governance for post-16 students, whether they are in the university sector or the college sector.

**Liam McArthur:** Your written submission supports the broad principles and direction of travel.

**Mandy Exley:** Yes.

**Liam McArthur:** However, you seem to have suggested on a number of occasions that the way in which the bill is phrased cuts across the achievement of those broad principles.

**Mandy Exley:** I am not sure that it is entirely due to the way in which the bill is phrased. Because there are some unanswered questions about how lines of accountability will work, as Susan Walsh said, it is more difficult to be fully clear about how the process will work in terms of accountability.

**Liam McArthur:** Should there be trust so that the regional strategic body or the regional board, once it has been established and you have the outcome agreement in place, is left to get on and deliver without having intervention or opportunities for intervention at each and every stage?

**Mandy Exley:** Yes. We would like to be left to get on, not on the basis of not being accountable but on the basis of having both a level of professional and educational expertise and a level of board membership that is about clear stakeholder interest from communities, citizens and the public, such that we do things in the best interest of the region and its public.

Central planning can lead in some cases to some interesting unintended consequences of always needing to direct. We make the point about demographics strongly in both the Colleges Scotland submission and the Edinburgh College submission, and Susan Walsh made the point about age groups. We are not suggesting for one minute that having that level of planning is not important, because of course it is. I have children, too. Why would it not be important? However, at the end of the day, the lifelong learning agenda is hugely important to us in the college sector, and the people who are furthest removed from being economically active are not necessarily aged under 24.

Most young people—16, 17 and 18-year-olds—sit in some sort of unit, be that a family or otherwise, in which other members will equally need support with learning, education and the ability to get themselves into the workforce. When we plan something minutely that then translates into a governance process, it will not always necessarily achieve what we want it to. Autonomy is very important for that reason.

**Liam McArthur:** There appears to be a clash of Government policy between the priority attached to youth employment for 16 to 19-year-olds and those up to 24, and the wider mission of colleges in lifelong learning. I am not sure how a code of practice or an outcome agreement could be put in place to deal with that clash.

**Mandy Exley:** I hope that what we are discussing is the reform of a process that will not be reformed again shortly when economic circumstances change. If we are setting out something for the long term, which is what we hope we are doing, then Liam McArthur is right, because there will always be a level of tension between policy and practice in what we deliver. What we want is the clear autonomy to be responsive to what is needed at different points in time. A level of central planning and diktat can sometimes lead to unintended consequences.

**The Convener:** Does anybody else want to comment on the issue?

**Carol Turnbull (Dumfries and Galloway College):** From my region's perspective, it is important to have flexibility on student places and age groups, because the number of 16 to 19-year-olds who make themselves available for work is decreasing because they are choosing to stay on at school. Our focus therefore tends to be on the 18 to 24-year-olds and those who are 24-plus.

We feel that it is important to have flexibility so that the college can make a case, in partnership with education services and other relevant partner bodies, for having higher numbers of a certain age group. We will still follow Government policy, but

we must understand why circumstances might be different in our region and respond to that, which is also the case for other regions.

**The Convener:** Sorry, but can you clarify what in the bill would stop that happening?

**Carol Turnbull:** There is nothing in particular in the bill that would stop that happening. It is probably more about our outcome agreements with the funding council, which perhaps have more focus on 16 to 19-year-olds and more of that group coming into the college sector.

**Paul Sherrington:** I agree that there is nothing in the bill as it stands that would prevent us from focusing on local need. Our region is in the process of merging colleges, and the big issue that we face in getting the appropriate strategy and governance for our local need is ensuring that we can offer a broad and balanced curriculum across Aberdeenshire and do not alienate or disengage from communities in the north. For instance, they might be concerned that centralising some of the curriculum will disenfranchise them and that they will lose services currently available to them in Fraserburgh. There are also big issues about, for example, travelling, student support and childcare costs. Therefore, there are concerns, despite the fact that we are assuring people that the vision is to plan coherently and regionally but deliver locally, which is how we understand the concept of putting the learner at the centre.

I think that people's view is that time will tell and that they will need to see how the changes work through. Part of our work is to ensure that we get representative governance that understands the differences between rural and metropolitan environments so that we have representation and buy-in. We must ensure that the arrangements that fall out of the bill will be flexible enough to be implemented regionally and reflect the north-east's needs. We want to ensure that, as well as focusing on priority groups such as 16 to 19-year-olds, we are able to take into account the needs of isolated communities, where there is a different and diverse agenda.

**Susan Walsh:** I struggle to find the underpinning philosophy in the bill. When the Further and Higher Education (Scotland) Act 1992 came in, it was very much market driven with the aim of setting up a competitive marketplace. Some colleges did well, and some colleges did not do particularly well. Perhaps a weakness in that set-up was that the colleges that did not do particularly well were not left to fall to the market but were kept up, because people understand that education is a social good and is an absolute essential in a democratic society.



I can see in the bill some of the frustrations that the Government might have had with the colleges that perhaps fell below the standards expected of them. Mandy Exley talked about how the bill addresses issues of Government policy, but I think that the thing that is missing is responsibility. We have accountability and autonomy, but we do not have anything about responsibility. If the question about who is responsible was answered, it would help us to understand what people want of us.

**Clare Adamson (Central Scotland) (SNP):** Good morning. Paul Sherrington mentioned putting the learner at the centre, which is where the Government has been driving at with the bill. I can understand that outcome agreements need to include specific measures on generic issues such as retention and destination, but it is my understanding that flexibility and regional variances should also be captured in the outcome agreement. If we get the outcome agreement right, will that not make performance measurement automatic from that?

**Paul Sherrington:** I think that the outcome agreements are evolving. In my experience, we are beginning to use the outcome agreements to articulate a more ambitious strategic vision for the region. We are on the second iteration of that, and it is a process that we will all need to understand.

Outcome agreements ought to be focused on the medium and long term, so they ought to be high level. They should encourage regions to be ambitious about putting the learner at the centre and about coming up with their own version of the future rather than just being driven by a set of contractual numbers. However, they inevitably still contain an element of contract, which in my experience can make them quite short term in their vision. To be honest, I think that we will all need to learn from the experience and move them on.

**Mandy Exley:** From an Edinburgh board perspective, we have grappled a little with the conversation on doing strategy and planning in the context of an outcome agreement. As a board that has been in existence since 1 October, it has been quite a buoyant conversation.

As members may appreciate if they attended yesterday's launch of the joint project between Goodison Group and the Scotland's Futures Forum on making Scotland a world-leading learning nation by 2025, one of the benefits of that sort of scenario work is that it enables us—as a board and for our region's benefit—to look a bit beyond where we might be in an outcome agreement to the local, national and global context.

We have generally taken the view that the outcome agreement should be falling out of, as

opposed to necessarily driving, that regional strategic direction. That approach then enables us to take the opportunity, particularly within the outcome agreement's first section on efficient regional structures, to reflect more broadly and more widely in considering the direction of travel that we wish to take. In that context, the point about autonomous governance becomes central and the appointment of board members becomes crucial.

**Liam McArthur:** I am interested in Paul Sherrington's comments about the approach that has been taken in the north-east to the specific challenges of isolated communities in Aberdeenshire. When I visited Banff and Buchan College a year or so back, I noted that there was marked pride in the federated arrangement that had been developed over time not just with other colleges but with the universities in the area.

10:30

You talked about trying to allay concerns about centralisation and disenfranchisement. It is clear that there is anxiety in the student community and I think that there is also anxiety among some staff members that the boards have chosen to go down the route of merger. Such an outcome did not seem likely 12 months ago. It would be helpful if you could explain why you came to that decision. What are the safeguards for Banff and Buchan College, which is markedly smaller than Aberdeen College? How can the college's rural funding be protected and guaranteed under the new structure?

**Paul Sherrington:** You are correct, in that we signed a federation agreement in October 2011. The two colleges were to work together to achieve regional coherence, while remaining independent. However, from about October last year we began to consider the likely consequences of the bill, and we thought that the governance arrangements that would be required if we remained a multicollege region with two colleges would be unnecessarily complex.

We thought that we would serve the region and its learners best by reviewing our options. After fairly detailed options appraisal, we chose to move ahead and create a new, single regional college. From the outset, we were clear about what we wanted to achieve and we appraised our options against a set of outcome criteria on which the two boards agreed.

It is fair to say that two critical issues probably tipped the decision in favour of a single college. One was efficient and simple regional governance. We thought that, as we moved forward, we wanted to be outward focused and future focused; we did not want to tie up time and resource in inward

discussion about two colleges and their relationships with the strategic planning body. The other issue was the need for increased efficiencies and balanced budgets, to ensure that learners are well supported throughout the region. That is why we came to the conclusion that we did.

You asked about protections. We wrote to the Scottish funding council to inform it of our decision, and we asked for assurances about rural funding. We have had a positive response. We are in the process of creating a strategic vision, and the two boards are working closely together. There is a degree of harmony and sense of purpose in the two boards, and we are ensuring that we articulate that vision and put in place structures to ensure that learners in Fraserburgh and Peterhead will not lose out. That is right up there—I think that our first key outcome is the maintenance of services to learners in Fraserburgh.

We are talking to students and staff about efficiencies, but not at the level of curriculum—that is business as usual, which we are trying to maintain, although there are challenges. If I am honest, there is a sense of, “We’ll see how it goes.” Students want to see detailed planning in place, but we are not there yet. For next year, it is business as usual, but we have not yet produced a detailed curriculum plan for the following year and the year after that.

However, because of travel issues and all the other issues that you would expect in a rural environment, we recognise that students want access to FE locally. They do not want to have to travel for an hour and a half a day. We are aware of that and we have assured students that that is our ambition.

**Liam McArthur:** What you said was interesting. The suggestion that the bill was a catalyst for merger as opposed to sticking with the federation model does not chime with what we have been told, which is that mergers will happen only where they are driven from the bottom up, on the basis of academic improvement and what is delivered for students. You said that, when you looked at the bill, you realised that the best way of making things work would be by going down the route of merger.

I am slightly concerned about your description of the benefits of simplicity and efficiency that arise with a merged model. I understand that point but, sometimes, efficiency and simplicity override some of the granularity and messiness that are involved in reflecting different needs and opportunities across a region. There is a concern that, if that is the driving force, the eye is being taken off the ball in terms of reflecting the needs across the region, particularly in the more rural areas. Is that a fair comment, or do you think that the outcome

agreement that you are signing safeguards against that?

**Paul Sherrington:** I think that we will put in place safeguards. It is our intention that the disaggregation of activity across the region, which will be led by regional need and learner need, will be on the basis of planning regionally but delivering locally. We are devising a strategic plan that articulates those objectives clearly. That strategic plan, as Mandy Exley said, will drive our regional outcome agreement and will make it quite clear that there will continue to be services for learners in the north-east.

I think that the simplicity and ease of governing and managing with one board, as opposed to doing so with a board and assigned colleges, are an issue. We want to move forward and plan ambitiously for the future, and we believe that we can achieve that more coherently in a single-college region.

**Liam McArthur:** That is interesting—there has been a long journey in a short space of time. Coming to that conclusion within two years of signing a federation agreement in October 2010 is pretty fast.

**Paul Sherrington:** The environment has changed significantly in that time. We have responded to those changes and have reflected on the decision that was made. We have always kept a weather eye on the middle ground in terms of the operating circumstances that we would find ourselves in.

That decision was not made lightly. It was made on the basis of a detailed options appraisal and a consultation exercise, which will be on-going. That consultation exercise, and a lot of our activity from now until the point at which we arrive at a vesting day, will be concerned with what the new college will look like and how it will prioritise the needs of learners.

**The Convener:** I am keen to move on, but the areas of accountability, autonomy and funding have been mentioned and we are keen to explore those issues.

**Liz Smith:** The Colleges Scotland submission raised significant questions about the situation in which the principal of an assigned college would be appointed by the regional board. It said:

“There does not appear to be any precedent for this model in the public sector in Scotland, where the terms and conditions, including the performance review and remuneration of the principal is set by one legal entity but the contract of employment held with another legal entity.”

Do you have concerns about that?

**Susan Walsh:** I am the only person here who is affected by that.

The issue is the role of the employer in relation to their employees. Whether we are talking about the principal, lecturers or members of support staff, employers have rights and responsibilities. The bill takes apart that contractual and psychological obligation that employers have to their employees. If the principal of an assigned college has a relationship with their regional strategic board that defines that person's salary and terms and conditions, where does the loyalty lie? Does it lie with the assigned college or with the regional strategic board? The assigned college might get only 70 per cent of its total funding from the regional strategic board.

The principal should have the drive to ensure that the additional funding continues to be generated by that college. There is an inherent tension there, and there is a legal issue over employment legislation. There is also a psychological issue: in order to get the best from the individual, there needs to be clarity.

**The Convener:** I want to follow up on that, as I might be slightly confused. You seem to be suggesting that that is a unique position. What is the difference between what you have just described and, for example, my previous position? When I worked for Strathclyde Fire Brigade, my conditions of service and pay and everything else were set by Strathclyde Regional Council. Where did my loyalties lie? What is the difference between what you are describing and the regional council setting my pay and conditions while I worked for a particular entity within that organisation, Strathclyde Fire Brigade?

**Susan Walsh:** You have just answered that—it was a particular entity within the organisation. My understanding of the legal standing of the fire service is that it was not an incorporated body. The assigned colleges will still be incorporated bodies, and that is where the tension is.

**The Convener:** That is where the difference is.

**Susan Walsh:** Yes, that is my understanding.

**The Convener:** I am sure that we will explore that as we go along.

**Joan McAlpine (South Scotland) (SNP):** I have a supplementary to Liam McArthur's line of questioning a couple of questions back. He asked Paul Sherrington about the challenges of ensuring that all a region's outlying areas are catered for. I want to ask Carol Turnbull, as somebody in a single-college region in a rural area, how she has found that. Does that work effectively in Dumfries and Galloway?

**Carol Turnbull:** As you know, our college has two campuses, one in Dumfries and one in Stranraer, which are 75 miles apart. There is a challenge in managing multiple campuses. In

theory, it is fairly straightforward for us to move to a regional board. We already have strong partnerships in Dumfries and Galloway. In some senses we are lucky, as we have one local authority and one national health service board, so it is easier for us to get together. The regionalisation agenda will help to strengthen those links and, to an extent, it will formalise them.

We are in the unique situation of having a regional lead appointed in Dumfries and Galloway, Dame Barbara Kelly, although her role involves bringing the universities and the college together on the Crichton campus and dealing with learning for Dumfries and Galloway from that perspective. Funding will still come to our college regional board, and we will still be administered by our college regional board, but we will have an obligation and a part to play in the overall Crichton campus arrangements. For me, the important aspect will be the relationship between the chair of that group and the chair of the regional board, and how they will work together.

**Colin Beattie (Midlothian North and Musselburgh) (SNP):** Most members of the panel have mentioned their concerns about the balance between accountability and autonomy. It is obviously important to get that right. From the Government's point of view, accountability means ensuring that the public funds are being spent in the right way and on the right things, with the results coming out as part of that. Will outcome agreements be able to encompass accountability when it comes to what the colleges are doing? Will they be able to deliver that reassurance?

**Susan Walsh:** It is about how colleges plan their business. I will use Glasgow as an example, because it is probably more complex than any of the other emerging regions. At the moment we have seven colleges, which work collaboratively. We share an economic and skills analysis with regard to what is required by the wider Glasgow region, as well as by Glasgow city. From that, we develop a portfolio, showing the provision that we will offer. Alongside that, we develop a set of performance measures for ourselves. Every college will have its own balanced scorecard—its own way of measuring its own performance. Having delivered that portfolio—effectively and efficiently, I hope, and at a standard that we find acceptable for our students—we then assess our own performance.

Those performance measures will contribute to the regional outcome agreements, but they do not make up the regional outcome agreements. Those agreements have evolved, and they now include something like 10 measures and 29 indicators. My concern is that we end up with detailed strategic planning but we lose the responsiveness that we

need to the requirements of employers, schools or university partners.

10:45

We need to be accountable for the public money that we receive, as we are stewards of that money, and it is not ours. Therefore, we need someone to say, "I'm giving you this, but I want X, Y and Z for it." The colleges always look at all those other performance measures, because it is not just about the money. For us, accountability is also about stewardship, good behaviour and governance. There is a public financial accountability element, but there is also a behaviour element. We all feel strongly about that in considering how our sector is governed.

I do not know whether that answers your question.

**Colin Beattie:** I am looking at the issue from a fairly simple point of view. The local authorities have outcome agreements that they agree with the Government. Like colleges, local authorities use a wide range of other indicators to manage their business on a day-to-day basis. Is that not the sort of model that you should follow? You would still have all your indicators for your day-to-day business, but you would also have the high-level outcome agreements?

**Susan Walsh:** I do not think that any of us would dispute that high-level outcome agreements are useful. The issue is that, at this moment, we have 10 measures and 29 indicators, although I must say that that is much better than the 129 financial indicators that we had at one point, so there is an improvement. My concern is that the system will lose flexibility and become reified, and then we will not have that flexibility that allows really good and dynamic colleges to do the things that Scotland needs them to do.

**Colin Beattie:** So how do you envisage the colleges accounting to the Government for the money that is spent?

**Susan Walsh:** We would have a number of indicators, but we do not want the regional outcome agreements to say that we will have 374 16 to 19-year-olds and 29 hairdressers and so on, as that level of detail is unhelpful. We need qualitative and quantitative measures of colleges. I am sure that every college that is represented today will have employer engagement surveys and will work with schools and universities. We should not lose that qualitative element and have only the quantitative. If I am asked to deliver 74,323 weighted SUMs, you can bet your bottom dollar that more than 74,323 weighted SUMs will be delivered.

**Colin Beattie:** Given that the Government, supported by most political parties, is focusing on things such as youth unemployment and employability, particularly in the 16 to 24-year-old age range, do you not agree that there should be an outcome agreement that is focused on that and which the colleges would have to deliver against?

**Susan Walsh:** That might well be within broad parameters—it might talk about having between 600 and 650 places that are focused on 16 to 19-year-olds or the 24-plus group.

Recently, the funding council changed the date at which the age is measured for 16 to 19-year-olds. In Glasgow, we actually counted all the 16 to 19-year-olds, but the funding council moved the date and now, according to the statistics, we have fewer 16 to 19-year-olds in our colleges, when the fact is that we have many, many more. There is an issue about statistics and how the evidence is gathered.

**Mandy Exley:** I will add a comment from our perspective. As Colin Beattie knows, we try to work closely on the single outcome agreements across the three local authorities in the area that Edinburgh College supports, and we have welcomed the Government's position on the review of the process for community planning. I hope that we are learning from that process about autonomy and governance and how partnerships work together effectively to hold partners to account as we move forward with regionalisation for colleges, because there is real value and advantage in that.

It is always a huge challenge at college board level to try to demonstrate the golden thread that exists between the college's strategic planning process and the three other community planning single outcome agreements. So the way that things are moving forward is helpful and positive. Equally, we acknowledge the Government's need to take a national view on certain things and to be able to gather information and data on particular policies or national issues. Therefore, as Susan Walsh said, having a high-level indicator in an outcome agreement in response to a particular point is helpful from a national position. However, as we do in community planning, we need to ensure that, when we consider that national policy position, we reflect it appropriately within our local contexts and regions rather than it being driven from a central perspective.

If we have guaranteed a place in education or training for all, we should be able to measure whether we are achieving that, but colleges are only one part of that process and that measurement.

The coming together of what we are doing on developing and evolving outcome agreements on

the back of all the experience that local authorities have and the way that the governance arrangements are changing is helpful. However, we want to avoid some of the things that local authorities have gone through in the past five or six years, such as getting too bedevilled with the detail and having mammoth documents that try to track and plan, with lots of different indicators about where we are.

Sir John Elvidge was well noted for saying that we can often hit the target and miss the point. We would like to keep to the point.

**Neil Findlay (Lothian) (Lab):** Edinburgh College's submission says:

"We believe savings and efficiencies can be achieved but the current pace of financial cuts runs the risk of creating a funding crisis and short term staffing and educational difficulties which actually militate against the successful achievement of those positive changes."

Angus Council community planning partnership says:

"in practice, recent changes to college funding for school-college partnerships have already restricted the range and volume of provision available to young people."

To summarise, the submissions that we have received support the principle of regionalisation but say that, in practice, it has been undermined by the depth and speed of the cuts that are being imposed. Will the witnesses comment on that and give us some evidence as to how the cuts are impacting on their institutions?

**Mandy Exley:** I will pick that up as a general point. I am sure that my colleagues will also comment.

The pace has probably been the most challenging aspect of regionalisation. I alluded earlier not only to the pace but to the complexity of the different funding environments. We might say that, in some respects, funding is being moved around rather than entirely taken away. That complexity is as challenging as the total size of the available pot of money.

All along, since we moved towards merger, Edinburgh College has had conversations about pace. However, we are not experiencing the impact of cuts in Edinburgh. We have not cut, and are not cutting, any provision.

**Neil Findlay:** Does that include provision for part-time students and students with disabilities? If I was to ask your college for statistics on provision for those students, would it show exactly the same provision as in previous years?

**Mandy Exley:** We would not show exactly the same provision because we never show exactly the same provision year on year in any particular context. However, we would be able to show that there has been no material or significant shift or

change for any particular disadvantaged group. We would show an increase in class sizes and in what I would call "productivity" and staff would call "hard work". Those measures are relevant to our ability to maintain resource as close to students as possible.

Where we are enacting cuts is in the context of management and merger. It is the pace of that that causes us real challenges.

**Neil Findlay:** So that I can get others to address the same points, I ask you to address staffing numbers and quality of provision.

**Mandy Exley:** From our perspective, quality of provision has been maintained. We have recently had our annual engagement visit from the Education Scotland inspectors. Two of the former colleges, Stevenson College and Edinburgh's Telford College, had the most recent inspection reports. We are doing our level best to keep resource as close to students as possible—hence my reference to the management changes—in order not to affect quality.

**Neil Findlay:** Convener, it might be helpful if I follow up on that point and go to each of the witnesses—

**The Convener:** You can ask one final question, and then we will move on.

**Neil Findlay:** I have two final issues for Edinburgh College. I might be wrong about this, but I have heard from constituents that, although Edinburgh College usually produces its prospectus about nine months before courses begin, the prospectus for this year has not been produced or has been delayed. What is the reason for that? Secondly, can you confirm that the cost of the merger process has been £17 million so far?

**Mandy Exley:** In answer to the first question, as you can imagine, when three organisations are brought together and they have 5,500 courses and a broad curriculum, to put that into a single place and space as a single document overnight is quite a task. Our new curriculum offer, which we launched last week, was reviewed with a wide range of staff over quite a long period, including the time leading up to the merger. It is now out in the public domain. It will probably continue to be tweaked and altered as we move forward in order to address some of the sheer logistics, rather than anything else, that are associated with that.

On the second question, I cannot confirm that the cost of the merger has been £17.6 million. That figure was quoted in a bid that went to the Government's transformation fund at an early stage. We were going through a rapid period of change in process and we were asked to give an indication of what we thought the potential costs might be. The figure reduced to £14.2 million in

the business case that was presented before the merger proposal in April of that year. To date, we have spent £5.8 million on the merger process.

**Neil Findlay:** Do you expect the cost to be £14 million?

**Mandy Exley:** We do not expect it to be quite as much as that but, as we move forward, there are complexities in relation to the releasing of staff through voluntary severance schemes and so on, and some of those things are difficult to predict, as I note in our written submission. In some instances, such as for information technology infrastructure, we have had lower costs than we anticipated.

**Neil Findlay:** So the bulk of the cost will be in redundancies.

**The Convener:** Neil, we will get the rest of the panel to—

**Neil Findlay:** But these are important points, convener—

**The Convener:** They are important points—

**Neil Findlay:** —and we did spend 45 minutes on the previous section.

**The Convener:** They are important points. I ask you to wrap up your questions because I want all the panel members to respond.

**Neil Findlay:** Yes, absolutely.

**The Convener:** If you want to ask a final question, I will let you back in after all the panel members have responded. Carol, will you try to summarise your views on some of the points that Mr Findlay raised?

**Carol Turnbull:** On the cuts, it is a real challenge for us, as a small rural college, to achieve economies of scale and efficiencies. We have two campus sites and the distance between them makes things difficult. There is no choice but to duplicate some of the costs.

Three years ago, the previous principal and the board recognised that the public sector resource was going to be reduced and they took steps to reduce the size of our staff complement. Because of that, we have been able up to now to maintain our student numbers within the budgets that we have been afforded. Where we have had to make reductions is in our part-time provision. The focus and the funding have moved away from that. Whereas we had, perhaps, 8,000 part-time enrolments three or four years ago, we are now down to about 4,000 in total. We have had to shift our resource in that way to focus on full-time places for young people.

**Neil Findlay:** What about the issues of staff losses and the like? How many staff have gone?

**Carol Turnbull:** A total of 41 members of staff left three years ago. Not all of them were full time. Since then, we have maintained our staffing complement and we anticipate that we will be able to do the same for 2013-14.

**Neil Findlay:** That was 41 out of how many?

**Carol Turnbull:** I think that the total at that time was nearly 300.

**Paul Sherrington:** Over the past two years, our staff full-time equivalent figure has dropped from 237 to 220 through a process of not replacing staff who have left and staff who have taken voluntary severance. The activity around our weighted SUMs has fallen. Like Carol Turnbull's college, we have prioritised, in the first instance, full-time provision for 16 to 19-year-olds and workforce development for 19 to 24-year-olds. We see less short part-time engagement. In the past, we would have had about 8,000 enrolments, of which a significant number would be part time. However, that number has fallen to nearly 6,000.

11:00

Over the past two years, we have closed two of our outreach centres, which were in the west of our area, in Keith and Huntly. We still operate in that area, doing training and offering programmes, but we do not do it from a leased, bespoke centre. We have found a way in which to work with partners and use their premises. We also work with fewer schools than we used to. Previously, the college probably delivered a greater proportion of its SUMs in schools than a lot of colleges did, but we have cut back. In the past, we possibly worked with 14 schools, but now we work with six or seven and we prioritise the schools from which we recruit full-time students so that, as they begin their journey, we can support their transition into college more effectively. Some schools in rural areas are in danger of falling betwixt and between colleges, but we are working closely in a coherent, regional way to ensure that we plan provision more effectively.

**Susan Walsh:** Cardonald College's portfolio has changed slightly over the past four years, so there was some change before there was any talk of regionalisation or merger activity. Mr Findlay asked about learning support and part-time students. We were delivering 21 per cent of our provision in learning support areas, some of which were well outside our region. As a college in south-west Glasgow, we delivered provision in Port Glasgow, for example, which is far away from our normal catchment areas.

We rebalanced our curriculum. Like other colleges, we focused on the Government priorities of 16 to 19-year-olds and key sectors, but we also took a number of measures internally. We

increased class sizes and looked at alternative ways of delivering, not just for students but for staff. We have managed to more or less maintain levels of activity, partly because staff have been willing and flexible enough to take on different roles and look at different ways of doing things. A simple example is that we normally sent two members of staff a year to get their teaching qualification, which is very expensive, but we worked with the trade unions and the staff and came up with a new model, which means that, for the past two years, we have sent 14 members of staff to get their teaching qualification. That was possible because the staff gave up teaching remission time. Through collaboration and co-operation we have managed to arrange alternative delivery.

Like every other college, we have lost staff, but it has all been through voluntary severance. We have lost 50 FTE over the past two years, out of 450. However, we have increased productivity and changed some publicly funded courses into commercially funded courses. For example, anyone who wants to do a course in patchwork quilting in the south and west of Glasgow will now have to pay for it. That kind of move released weighted SUM activity so that we could take in more students in other areas and it increased our commercial income. We have a sales team who knock on doors and sell our provision to employers. That takes a lot of effort from staff whose main focus is on supporting students, but we have been able to do that. However, as a large college in what will be a multicollge region, I am frightened that I will lose the ability to respond in those ways.

**Neil Findlay:** I have two brief questions. First, what reserves does your college have? Secondly, do you believe that the bill is being driven by financial priorities or by educational priorities?

**Susan Walsh:** There is obviously a lot of discussion about what is a reserve. However, the amount of available cash that Clyde college will have on 1 August is £8 million.

**Neil Findlay:** And educational priorities or financial priorities?

**Susan Walsh:** I think that there is frustration, in some cases, about the sector's ability to fulfil its potential. I honestly do not have a view on whether the driver is political, financial or educational; what I know is that the college sector will find the best way to respond. Our job is to try to influence Government in relation to how we can best help Scotland's learners. The Government, because it is elected, has a mandate to make decisions. On the financial element, our job is to persuade people that we are a good investment.

**Neil Findlay:** I understand that you might not want to give your view, but you must have a view on what is driving the process.

**Susan Walsh:** You are quite right. I do have a view, and I am not giving it.

**Paul Sherrington:** Our cash reserves are under £1 million—I cannot give you an accurate figure today. We are a relatively small rural college, with annual turnover of about £10 million or £11 million. Obviously, that varies, depending on contracts that we manage to bring in. We do not have substantial reserves.

Do I think that the bill is being driven by political or educational priorities? To be quite honest, there is an element of both. There are some educational advantages in coherence, which we welcome. However, it is clear that there is a whole set of external priorities and difficulties, which we all face. We know and understand that.

**Carol Turnbull:** I cannot give an exact figure on our reserves, but they are very small. On our priorities, my challenge is to maintain breadth of provision. We are a small college and we are the only college in a rural area, so it would be very difficult for a lot of our students if they had to travel elsewhere for their courses. For us, that is a priority and the big challenge. We must align our curriculum to the economy while maintaining breadth of curriculum for all learners who come to the college.

**Mandy Exley:** Edinburgh College's cash position, in terms of working capital, is around £11 million. To give you an idea of that in context, if we exclude the additional funds that we have from the funding council for restructuring, turnover is about £68 million, and our salary bill is about £4.9 million. We have a couple of months' worth of money to trade on; we do not have huge cash reserves.

Neil Findlay and I had a brief conversation yesterday about the motivation behind the bill. My view is that a process of education reform has been going on in Scotland for a number of years. I welcome the reform part of the process, from an education perspective. I have worked in the college sector all my life and I have a huge commitment to ensuring that we have the ability to become this world-leading learning organisation of Scotland, while promoting social justice and tackling social inequalities.

That is absolutely the right direction of travel. I think that regional reform will help with that; equally, I think that the pace at which it is operating is probably a damn sight faster because of the economy. The ideal would have been to have gone down an educational route in a slightly more measured way. However, we are where we are.

**Neil Bibby:** What do you think will have the biggest impact on student learning: the bill, or continuing staffing and funding cuts?

**Mandy Exley:** Sorry, the bill or—?

**Neil Bibby:** Continuing staffing cuts and funding cuts to colleges. What will have the biggest impact on student learning?

**Paul Sherrington:** Funding cuts.

**The Convener:** Panel members and I seem to be having the same difficulty. What exactly do you mean by your question, Neil? Will you expand on it, so that it is clear?

**Neil Bibby:** I am asking what will have the biggest effect on student learning—the provision and the quality of learning. Will the bill make a big and positive impact on student learning, or will student learning be more affected by funding cuts and staffing cuts? Which is more important, in the context of provision for students?

**Mandy Exley:** We should always find resources to support those who need support most. We should always try to find those resources.

However, how we find those resources could, over the longer term, be better after a process of regionalisation. As a taxpayer and citizen who considers the public pound, I take the view that, in the long term, that could be better if we work in a more regionally coherent way and look at our relationships with universities, local authorities and community learning and development. The process of reform could help us to spend that money more effectively and better.

Of course, taking money away in the short term will have an impact. That will always have a disproportionate impact on those who need it most, whether the reform is to welfare or to education. Philosophically, that is not a place that I would like to be in. However, I think that the regionalisation process could ultimately provide a greater benefit to a wider group in the longer term.

**Carol Turnbull:** I certainly support Mandy Exley's view on that. I think that regionalisation will bring added benefits from working more closely with the university sector through articulation, with local authority education services and with employability partnerships. That means that together we will address the specific needs of the region as well as the needs at national level.

However, as always, budgets are extremely important. Everyone across the public sector is extremely stretched, and we need to recognise that by being innovative and creative about how we address those issues.

**Paul Sherrington:** From my point of view, the issue depends on how much longer and how deep those cuts will continue to be, so I cannot give a

yes or no answer. Turning the question round, if I was asked, "What has the potential to effect the greatest improvement and have the greatest impact on positive outcomes in the sector?" I would say that, although I accept all the positives in the bill and we have embraced the reforms, if there were a means or opportunity to reverse those cuts—I realise that this is a wish list—we would be able to exploit all the advantages that regionally coherent planning provides for joined-upness with schools, universities, employers and other colleges. If something could be done to arrest the decline in funding—the cliff fall that we are facing—we could exploit those changes more effectively.

**Susan Walsh:** I think that regionalisation has the potential for great benefits, and those of us who worked in previous regional administrations could see some of those benefits. However, in those previous regional administrations there were also strictures and barriers to innovation and creativity. In securing the benefits that we previously had within regions, we need to ensure that we do not reify the system because, when that happens, colleges start to be sluggish and not respond quickly in doing the things that Scotland's communities, people and employers need.

The Post-16 Education (Scotland) Bill could be improved to provide greater clarity. There needs to be definitions about responsibility and about what exactly is good and bad performance. I also think that there needs to be something about partners working together. The bill is full of, "The colleges will do X, Y and Z," but it does not say what other partners, such as the funding council, SDS and the universities, will do to help us.

On your question about which will bring the greatest benefit, the answer is that we need a level of investment in Scotland's colleges. I am talking not about buildings but about an on-going revenue stream that allows us to invest in Scotland's people. Regionalisation is just a mechanism to help us to make that investment count for more.

**The Convener:** Clare Adamson has a question on surpluses.

**Clare Adamson:** In the "Report of the Review of Further Education Governance in Scotland", Professor Griggs recommends that a college's surplus should be limited to 10 per cent of its annual revenue. What is your position on that recommendation? According to figures that we have been given, the sector has £200 million-worth of reserves, but there are huge variations between the different colleges because of the competition model that was set up.

Mandy Exley said that she had two months' worth of cash to meet operating costs. I can



understand what effect that might have on a business that might not have another guaranteed source of funding, but is that a reasonable point given that funding for colleges from the Government and other sources is not going to dry up overnight?

11:15

**Mandy Exley:** I should make a couple of points in response. First of all, Audit Scotland's report on Scotland's colleges has been a helpful resource in understanding the sector's health.

There is of course an obvious advantage to us in being a Government-funded body. For a start, our bond is clear when we are working in partnership with citizens, employers, businesses and others. Equally, however, given the number of financial health indicators that, as Susan Walsh mentioned, the sector has had over the years, I do not think that having 60 days' worth of cash in hand is the best position to be in. I sit as a director on a couple of companies and am never enamoured when I find that there is only that much cash in the system. After all, so many adverse things can arise, particularly in the current economic climate.

I find the term "reserves" interesting. I know that Colleges Scotland is trying to unpick some of this issue to give us a clearer picture of what is liquid, cash or real working capital versus what are reserves in a broader sense. My honest answer is that the situation feels tight to me. I would rather have 90 to 100 days' worth of cash or working capital than 50 to 60.

**The Convener:** I have to say that I take Clare Adamson's point. It is unlikely to happen, but there might be some businesses that can see that on 1 March, say, they will have zero income and the money that they have will have to keep them going. However, that is just not going to happen with a college. If you are concerned about having only 60 days of reserves, are you really operating in the real world?

**Mandy Exley:** I think that this all comes down to colleges' strategic direction and what they do in a wider context.

I should perhaps put these figures into context. About 15 per cent of Edinburgh College's turnover—about £10 million or £11 million—comes from sources other than public funding. That money generates a bottom line that is reinvested in certain quite expensive activity that happens in places where we really cannot afford to do it. If an institution is to be diverse and sustainable in the long term, it needs the variety of sources of funding that, as Susan Walsh made clear, it generates to help in that respect. As charitable organisations, we try to identify other areas of

activity that will help to underpin support for local communities and citizens.

For those reasons, I view the situation differently. I am not saying that I do not acknowledge that a certain amount of money will always be coming in if we contract to do a certain amount of business. However, as we have seen in recent times, the money has gone down quite a lot.

**The Convener:** Your description of it made it seem that your income could turn to zero overnight and that you would have to use the money—

**Mandy Exley:** I do not think that I described it as if it could suddenly turn to zero.

**The Convener:** Well, you did not say that—you said that you had 60 days' worth of cash.

**Mandy Exley:** But if we want to be in a comfortable position with regard to sustaining our workforce, paying our staff, paying our bills within a 30-day period and committing to everything that we think is really important, cash flow and working capital are important. You asked for my view—that is my view.

**The Convener:** Absolutely. You might agree or disagree but, in its report, Audit Scotland clearly stated what it viewed as reserves and put them into two categories. It also indicated—correctly, I think—that your reserves have doubled over the past few years. What is your view of the suggestion that the sector use some of those reserves for its on-going work?

**Susan Walsh:** The question is how reserves are classified. In the legislative framework within which we operate, we are autonomous independent organisations and, as a result, must ensure that we are going concerns. I think that that is where Mandy Exley's point about having available cash comes in.

The reserves that we have are not stuffed in the bank—well, they are stuffed in the bank, because we have treasury management policies to ensure that we maximise the income that we get from that money, which is for reinvesting in students, ensuring that our staff are well trained and investing in our estates. It is also necessary for dealing with the changing nature of pedagogy, because we are moving from classroom-based delivery to greater use of e-learning and independent learning. There is an investment plan for that money; it is not just sitting in a cupboard somewhere.

It is important that colleges have been prudent and have shown that they can generate income, but not all colleges can. John Wheatley College in Easterhouse, which is one of the colleges in the Glasgow colleges strategic partnership, faces

huge social challenges and has an entirely different portfolio from my college. I can go out and sell to the Saudi Arabian Government; it cannot do that.

You asked whether we should have reserves. I think that reserves are important. Should they be used for the benefit of the sector? I think that that is to do with national coherence. We have talked about regions providing internal coherence. As yet, no one has told me who is going to provide coherence for the regions. That is the next level up. Your question can be answered only if we know what that national coherence will look like. It would appear that, to date, it has not existed.

**Liam McArthur:** I have a couple of points on governance issues that we have not touched on. The bill contains a statutory requirement for staff and student representation on the boards and the strategic bodies. We have had evidence, including from Edinburgh College, about there being no requirement for the principal to be a member of the regional college board. In addition, Asset Skills Scotland has expressed its concerns about the lack of statutory representation of employers on the board.

Will you expand on the concerns that you have about the principal, and touch on what underlies your concern about employer engagement? Is the absence of a provision in the bill on employer representation a weakness, or can it be addressed in other ways?

**Susan Walsh:** I feel extremely strongly about employee representation. Under the existing legislation, the board has on it a member of the teaching staff and a member of the support staff. They are full members of the board; they are not representatives. It is a weakness not to provide for broad teaching and support staff representation. If a college has only one staff member on the board, that does not take account of the fact that members of staff have different perspectives, different views and different aspirations. I would be much more comfortable on any board—whether it was an assigned college board, a regional board or a regional strategic board—on which the totality of college staff were represented.

**Mandy Exley:** With respect to the Edinburgh College position, we have been developing our board configuration in the context of where a regional board will sit. With respect to staff and student representation, we sit with two members of staff and a student on the board, and we will continue to do so as we move forward with the legislation.

I am in two minds about having an employer representative as a statutory board member. What is important is that the board is appropriately reflective of the needs of the regional economy

and the national context. Without good employer representation on a board, there will not be a good balance of board membership, but I would not necessarily subscribe to the view that an employer representative should be a required member. That goes back to the question from Liz Smith about the composition of boards and autonomy, and our point about who appoints the board. With more autonomy, it will be possible to ensure that there is a good mix of board members.

The point that my board has made about the membership on any board of the principal relates to the role that a principal has in supporting educational leadership, which is an issue that I hesitate to talk about, as I feel that I have a vested interest. Because the role of the principal involves educational leadership, the contribution that a principal brings to a board represents that very facet. If there is not a principal, you might suggest that there must be a statutory role on the board for someone who provides educational leadership. There is nothing to demonstrate that the role of a principal as part of a board as it is currently set out in statute is bad, wrong or does not work. As a board, we have therefore wondered about the direction of Professor Griggs's recommendation in that regard.

I refer back to the higher education sector and the university court. It would be pretty much unheard of under the code and through custom and practice not to have a vice-chancellor present at court. Hence, in the boards that I sit on, the chief executive is always present—and hence the Edinburgh College position.

**Liam McArthur:** So, the ability to attend and address the board would not be sufficient to pick up the aspects you mentioned about the input that a principal would be expected to offer a board.

**Mandy Exley:** Yes. Susan Walsh made the point about consistency of practice. The university sector operates under a code in which, in effect, through custom and practice, a vice-chancellor is always present. They give that leadership and it happens in every university. Their not being at the board would be the exception rather than the rule. Why not, for consistency of educational leadership across regions, have the principal there by statute, rather than by invitation?

**Paul Sherrington:** The new regional planning board in the north-east would view it almost as essential that the principal be part of the board; it would not be good enough simply to have the principal attend. The principal needs to be part of the board, to share its vision, to sign up to its code of conduct and behaviours, and to go out and model and articulate that to the wider constituency. There is a lot of good practice around principals being part of that process. If they were simply to turn up to answer questions or

provide a report without being part of the whole governance agenda, there would be a dislocation in the vision of the board and in how things were implemented on the ground. I do not understand why the principal would not be part of the board.

I do not have a strong view on the subject of employer representation. I am sure that boards would deal with that point. Clearly, however, representing the wider context of the communities that are served is important in order to get the balance right.

**The Convener:** We are rapidly running out of time, so I want to move on. Joan McAlpine has questions about equality issues and support for learning.

**Joan McAlpine:** A number of organisations have raised concerns about support for disabled students. The written evidence from Lead Scotland discusses how the most recent outcome agreements have said very little about disabled students, and mentions the fact that there are very few targets for disabled students. Is that your experience, as principals? Do you think that that might change in the future?

**Carol Turnbull:** Dumfries and Galloway College treats every student and every application the same. There are no specific targets in an outcome agreement in terms of disabled students, but neither do we put up any barriers. We support and will continue to support disabled students who come to the college. There is no change in how we treat applications.

**Mandy Exley:** The reference was specifically in relation to higher education outcome agreements on widening access and the statistics from Lead Scotland relating to disability. There are continuing financial pressures and constraints around being able continually to support students with complex disabilities and learning needs. By that, I am referring to cases where students are not necessarily able to progress in their learning—based not only on a criterion-referenced approach but on a learner-referenced approach. When we come to the discussions about regional outcome agreements with other partners in other bodies, we need to consider much more coherently—within outcome agreements and regarding single outcome agreements—how best we can provide support.

I have a deal of sympathy with Lead Scotland's position on the issue, but the colleges cannot address it in their own right. As Carol Turnbull said, we do not set specific targets on the subject. However, in our role in community planning, we need to look at the issue in a broader context and, perhaps, to be more explicit about it than we currently are.

11:30

**Joan McAlpine:** Do other witnesses agree?

**Paul Sherrington:** I agree. Our outcome agreement has no specific targets on students with learning difficulties or disabilities, but it refers throughout to disabilities legislation and our responsibilities on diversity. We have specific objectives in our newly created strategic plan—they are currently in the college operational plans—on how we will work collectively with partners. We have formed a newly constituted partnership matters agenda group with local authorities and others to deal with the issue as fairly and consistently as we can.

I know that some of our existing students on our employability programmes and their parents have concerns about how we might rationalise that provision in the future. At this point, there are no such intentions—we are talking about local delivery and access. It is important that we continue to talk about and articulate that.

**Susan Walsh:** As I have said, our college had a fairly high level of supported learning in its portfolio, which has reduced mainly through a focus on local provision rather than diverse provision in regions that are well beyond our boundaries.

We need to focus on the benefit to the student and the partners that we work with, such as social work departments. If a student can benefit from an education experience at whatever level, we will do our best to help and support that student, when we can make reasonable adjustments to enable that.

In relation to part-time students, female students and learning-support students, the available activity has been reprioritised. The issue is how to manage that sensitively to keep the breadth and aspiration in the curriculum and ensure that it is not exclusive in a detrimental way.

**Joan McAlpine:** I understood that the move in outcome agreements to have more certificated courses, for example, was perhaps damaging some courses for learning-disabled students, because those courses were not certificated. Have courses changed to dovetail more with outcome agreements by having certificates at the end or by being linked more to employability?

**Mandy Exley:** We have certainly moved significantly to use organisations such as the Award Scheme Development and Accreditation Network for certification. That involves using not criterion-referenced learning but learner-referenced learning, which means that we can identify progress in ways that are different from normal assessment. That is crucial to employability.

In the past, we have been guilty of producing far too many so-called college certificates for pieces of learning, which employers would not recognise in the future. In the past four or five years, colleges have moved significantly away from that. The discussions around "Putting Learners at the Centre—Delivering Our Ambitions for Post-16 Education" have referred clearly to non-recognised qualifications, but the number of them has reduced dramatically over the years. That is good, and it is good for students.

**Susan Walsh:** The question is what is appropriate for the student. The definition of "non-recognised qualifications" is not particularly clear. Mandy Exley referred to college certificates. For some students with learning difficulties, those certificates are absolutely appropriate, because they represent the highest recognition of those students' potential at that point in their lives.

The funding council is—helpfully—looking at the definition of "recognised qualification". I hope that it will not build its new definition so tightly that it removes from the system what is appropriate for students who have learning support needs.

**Paul Sherrington:** I agree. We have used a range of certification, at whatever is the appropriate level. We have not felt under any pressure to change the things that we do in the best interests of students as a consequence of an outcome agreement. It is one of those areas where we reflect that back. It is a regional decision based on our experience. We would resist being driven in any direction simply because of some sort of view about what is inappropriate. We have a view about that and we would express it.

**Joan McAlpine:** What Susan Walsh said struck a chord with me. Some of the learning-disabled people's organisations that spoke at the cross-party group on learning disability suggested that in the past, some students had been parked on the same college course for years and years and were not making any progress. I am getting a sense that you are touching on that, too. Is it your experience that that sometimes happens?

**Susan Walsh:** No. I have worked in a number of colleges and my experience is that staff work very hard to progress students. It might be a slow progression, but they still progress students. If you look at the curriculum that my college offers, you can see those progression routes. What happened in the past was that a student with a learning difficulty went to a college and, having worked their way through a progression route, was not ready to take on employment opportunities and so they decided to go to another college and do something else. They might go in at a different level or they might repeat some of their previous work. It is not unusual for me to go to a college and meet someone who has been a student at

another college. They say, "Hello Susan," and I think, "I recognise you."

We need to ensure that there is no disarticulation between that which is available educationally, and that which is available for people with learning difficulties that will engage them and give them something purposeful to do, which might not be in the college sector.

**Paul Sherrington:** A really positive result of the regionalisation agenda could be people's transition into colleges and out of colleges into the wider community becoming more focused as a consequence of the relationships that we build with others outwith our sector.

**Neil Findlay:** We know that there have been significant cuts in provision of courses for people with learning disabilities; the Scottish Consortium for Learning Disability said that there has been, I think, a 34 per cent cut. You have mentioned cuts to part-time places. We have had evidence about how that has impacted on women learners, in particular.

The concept of lifelong learning seems to have gone off the agenda and we seem to be focusing on a narrower group, which means that a load of people are being excluded, or are at risk of being excluded, from the college set-up. In my view, colleges are about lifelong learning. What is your view?

**Susan Walsh:** Colleges have a responsibility to respond to strategic and policy drivers but they also have a responsibility to ensure that they deliver for communities: that balance is the issue.

One of the good things about being an autonomous independent organisation is that you can say, "This is not a good thing", so we can do our best to ameliorate challenges that might be caused by focusing solely on policy drivers. We need to take responsibility for ensuring that we actively continue to engage with particular student groups.

**Mandy Exley:** I have a great deal of sympathy with what Neil Findlay said. It is why we made a statement on age in our submission. We discussed that earlier. Liam McArthur asked whether there is tension between the policy and the bill. Yes, there is tension, but the issue is to recognise where policy currently sits and—as Susan Walsh said—to have the autonomy to support as far as possible the people who are furthest from the workforce.

We are talking about people who are not economically active, which is where you want to get them to be. We are also talking about people who are currently in work and want to get better jobs. We have the clear purpose, within the framework of "Putting Learners at the Centre", of

helping people to get a job, keep a job or get a better job. The getting a better job bit is about lifelong learning, which is not necessarily about someone's age. That is an important part of what we need to do.

**The Convener:** Thank you. Our final question is from Liam McArthur.

**Liam McArthur:** Susan Walsh talked about the benefits of colleges being autonomous organisations. We started the evidence session with panel members' concerns about the funding council's review powers over course provision—if there are any more comments on that, please let us know. However, the funding council is also being given powers to review the number of post-16 further and higher education bodies. The Scottish Government has made it clear that it is for colleges to restructure that on a voluntary basis. Paul Sherrington gave an example of where that has changed over time. Do any of you feel that there may be circumstances in which the funding council may require the coming together of bodies in a way that is not being done at the present time, or is that inconceivable?

**The Convener:** Panel members do not have to speculate if they do not want to.

**Susan Walsh:** That might require the funding council to actually do something. [*Laughter.*]

**Liam McArthur:** You sound sceptical.

**Susan Walsh:** I am disturbed by your lack of faith.

**The Convener:** We are often disturbed by Liam's lack of faith.

**Susan Walsh:** We talk about regional coherence and what the regions will be able to do better, but nobody has talked about national coherence, which is partly where the weakness lies. If we are saying that there will, because of the bill, be clarity about how we will ensure national coherence, that would obviously require a body to ensure that it was implemented. That may involve, for example, saying that instead of three colleges there should be one. However, I do not think that that has entered our thinking, because we are dealing with fast-paced change in a difficult funding situation and trying to do the best for Scotland's learners.

**Paul Sherrington:** I recognise the scenario in which the strong links in the north-east enable fairly seamless transition from colleges to university, for example. We are fortunate, because we have built those links over time, and the articulation routes that we have now agreed, almost at a contractual level, work very effectively. That was done through encouragement and building the support and the model. I am sure that the funding council would be keen on replicating

that model across Scotland, and we would like to see that.

To go beyond that—if that got to the nub of your question—there are different senses of purpose. Certainly, I feel that my organisation has a different sense of purpose than HE. We focus 80 per cent of our activity on what I would call non-advanced FE. We work on introducing people to the employability pipeline and getting them to the point at which they can get a job. I hope that, no matter what, that focus or sense of purpose would be retained and not lost. I am not sure whether that answers your question.

**Liam McArthur:** It does so as much as I could expect.

**The Convener:** Okay. I thank all the witnesses for coming along this morning. We have spent a little more time on the discussion than we intended, but that was necessary as we were discussing an important part of the bill. The panel's views are obviously extremely important for our deliberations for the stage 1 report. Again, I thank you for taking the time to be with us.

11:43

*Meeting suspended.*

11:48

*On resuming—*

**The Convener:** For our second panel of witnesses, I welcome to the committee Chris Greenshields, chair of Unison Scotland's further education committee, and David Bass, who I believe is senior policy and information officer at Lead Scotland. Members will be aware that Penny Brodie, executive director of Lead Scotland, was to attend the meeting, but I believe that she has been trapped by the weather.

**David Bass (Lead Scotland):** She is snowed in.

**The Convener:** She sends her apologies. Garry Clark, head of policy and public affairs from Scottish Chambers of Commerce has also sent his apologies, which means that we are without a representative from that body. However, I am sure that we will get on fine with the panel that we have.

Welcome, gentlemen. You may have heard some of our earlier discussion. However, I want to start back at the beginning with the governance issues in the bill. Again, I ask Liz Smith to start us off.

**Liz Smith:** Mr Greenshields, your submission states very clearly that Unison members

“feel that management and governance bodies do not engage adequately with staff both on the day to day running of institutions or on organizational improvement and development.”

That is a very clear statement. Can you provide us with the detail of the evidence that led you to make that statement? How does that lack of engagement have a detrimental impact on the way in which the colleges deliver education?

**Chris Greenshields (Unison Scotland):** We have done quite a bit of work on staff representation at board level. We have checked quite widely with our members in Scotland's colleges to ask about their impression of how staff representation works in colleges. From that information, it is clear that there has been—and is, even now, when key decisions are being taken in colleges—a lack of engagement. We think that there is still a lack of consultation with staff and trade unions. We are still not invited on to partnership boards or the shadow boards that are operating at present. When college boards have taken decisions to merge recently, there has been very little consultation with staff. That is what we feel.

**Liz Smith:** My second question was about how a lack of engagement has a detrimental impact on colleges' performance in delivering education. Can you be specific about how that lack of engagement has caused any college problems?

**Chris Greenshields:** Trade unions have found it very difficult when they have tried to get to board level to resolve disputes before they escalate and create problems for students and for the organisation. Historically, the boards have left decisions that they see as non-strategic to senior management—I think that senior management has encouraged them to do so. We think that some issues that we have seen over the past few years could have been avoided if there had been proper engagement with the trade unions.

**Liz Smith:** Has that been true in all colleges across Scotland, or has there been a particular difficulty in specific colleges?

**Chris Greenshields:** There has certainly been a difficulty in specific colleges, but the general feedback from our stewards in colleges suggests that there is a similar problem throughout Scotland.

**Liz Smith:** The college principals told us earlier that they recognise that the regionalisation reform process could be very helpful in setting out more strategic aims, but they are also concerned about individual colleges losing autonomy. Do you agree with them on that?

**Chris Greenshields:** We broadly welcome the changes in governance, which we think are well overdue, as we said in our written evidence. On

the lack of local autonomy for colleges, for years we have struggled to get Government involvement in issues that have an impact on colleges because the Government had no power or control. Therefore, we welcome the fact that the colleges will be a little bit more accountable to wider bodies. However, the issue for us is that the changes in the legislation will not address our representation issues, which are about having staff reps on multicollege regional boards.

**Liz Smith:** For the principals this morning, the definition of autonomy was how well a college can respond to the needs of a local area or economy. Their concern, which I presume you share, is that they are not convinced that that is sufficiently spelled out in the bill. Do you agree with them on that point?

**Chris Greenshields:** I am not so sure that that issue is related to the governance side, but I can see that regionalisation may have an impact on the ability of colleges to act in the best interests of their local communities.

**Neil Bibby:** Given the different structures, there will be the potential for inconsistencies among the regional strategic bodies in different parts of Scotland. In Unison's opinion, what are the human resources challenges of that? I notice that you mention that the Transfer of Undertakings (Protection of Employment) Regulations 1981 should be enforced. What do you see as the HR challenges?

**Chris Greenshields:** At the moment, we—and everyone we speak to—are still unclear about how the system will operate post regionalisation. We have very little idea, especially in the multicollege regions, of who the employer will be, how that will work and what access we will have to resolve disputes or grievances, should they arise. That gives us difficulties. We urgently need clarification of what the position will be, because we are careering towards change that is going a bit unchecked.

**Neil Bibby:** That is all for now, convener.

**The Convener:** I would like to pursue a couple of those points.

In response to Liz Smith, you mentioned that you had a number of concerns about the boards, one of which was about representation. I presume that your concerns relate to boards in the multicollege regions and in single-college regions, although maybe that is not the case. Could you expand on what your further concerns are?

**Chris Greenshields:** Under the bill, the plan is that the regional boards will have two staff representatives. Our experience is that staff reps perform a role, but it appears from the evidence that we have gathered that the approach to

delivery is inconsistent; in some cases, the role of staff rep is non-existent as far as communication and the proper representation of the staff is concerned.

We feel that the trade unions should be involved. We understand that they are involved in the universities, and we do not understand why that involvement is not being extended to the regional boards and the colleges. We have a structure behind us: we operate at national, regional and local levels, and we have wider staff structures that can inform us and help us to do the best job for college staff. We also know how to operate in a wider campus structure. We have all of that. In addition, we have facility time and we are directly accountable to members. We do not feel that the staff reps have those things, and we think that it will be difficult for them as the system widens and they start to operate in a regional context.

**The Convener:** Can I stop you there? You can continue in a moment, but I want first to clarify an issue to do with staff representation on and membership of boards. You will understand that boards have to be of a manageable size. I presume that you are suggesting that we move to having a guaranteed place for trade union representation on the board. Is that correct? Is that what you are suggesting?

**Chris Greenshields:** It is.

**The Convener:** Are you suggesting that there should be one place per board, regardless of the fact that a number of different unions are involved, or are you suggesting that there should be one place per union?

**Chris Greenshields:** We are suggesting that there should be one place per union for support staff and for lecturing staff.

**The Convener:** Would it not cause some difficulties in relation to the size of boards if a variety of unions were represented?

**Chris Greenshields:** We are talking about two additional representatives, which we do not see as a major issue. There are currently two places for staff reps. We are saying that perhaps we should consider those staff reps being trade union reps.

**The Convener:** Thank you. I am sorry—I interrupted you. Please go on.

**Chris Greenshields:** The other area that we have a problem with relates to multicollage regions and, specifically, the assigned college boards, which were previously called local boards. In areas where the size of the board is smaller, there will be one staff representative for the two different sets of staff. We have no faith that that will work. That is quite a different arrangement from that for staff in the regional colleges. A different process is

involved. We feel that that needs to be addressed urgently.

The trade unions have been engaging with a number of regional college chairs to ascertain their views on that, and we have had encouraging responses.

**The Convener:** You said that having one staff rep is a problem. Why is that a problem?

**Chris Greenshields:** Because the two groups of staff might face quite different issues after regionalisation. Given that support staff and lecturing staff each have an understanding of their own area, I think that there would be a lack of faith that the reps would work for both sides.

12:00

**The Convener:** We will now move on to deal with some of the issues around accountability and autonomy, which you heard us discuss earlier.

**Neil Findlay:** In the evidence that we have received so far, there seems to be some support for the principle of regionalisation, but there is a fear that it is being undermined by the pace and depth of the cuts. Will you comment on that and on what is happening in the college sector because of the pace and depth of the cuts?

**Chris Greenshields:** As you know, 1,300 jobs have been lost in the sector in the past 18 months alone, and we hear of an expected £50 million in savings from the regionalisation process. Taking an average salary of about £20,000, that figure represents—at a rough estimate—about 60 jobs in each of the previously existing 37 colleges.

The college that I work in currently has about 100 support staff. If we lose 60 jobs, it will be carnage in terms of the support that we provide to our students. We do not think that there is a real plan for what service will be put in place after those cuts.

The cuts are having an impact at the moment. The waiting lists for students who are applying to the college have been extended. There are queues for students who want access to the necessary funding. Staff are overworked, with people doing the jobs of two or more staff. There is a variation in support services across Scotland, depending on whether a student is studying part time or full time, which campus they are studying at and which college they attend. Some colleges provide adequate careers services, counselling services, library services or bursary cover, and some colleges do not, because they have chosen to redirect those funds while letting staff go. More students are being directed to online services, which is having a real impact, as can be seen from what happened recently with the Student Awards Agency for Scotland, with lots of students still

waiting for funding as we approached Christmas. Such issues have a huge impact on a student's ability to progress through their course.

We think that the focus on more online services and on detaching services from the frontline will cause students increasing problems. The changes to the Careers Scotland service, which is now part of SDS, mean that higher national certificate and higher national diploma students in our colleges no longer have direct access to a careers officer and are, instead, directed to the website. We do not think that that is adequate.

Lecturers are being given more administration and admissions work. We are even hearing stories of students having to jump on public transport to go to different campuses in order to get the support that they require, such as funding for progressive studies.

The cuts are creating a situation that is difficult—to say the least—for students. With the predicted level of cuts after regionalisation—another £50 million—and the fact that there is no plan in place for what service will be delivered thereafter, we think that there will be carnage in terms of support services for our students.

**Neil Findlay:** Does David Bass have any comment on how the cuts will impact?

**David Bass:** It is important to differentiate between regionalisation and the impact of the cuts. From our perspective, the cuts and the pace of the cuts have had an impact on FE student support and on the opportunities that are available to older disabled learners. That is something that we will probably get further into later on.

**Neil Findlay:** Do you think that the bill is being pursued in the interests of educational excellence or for financial reasons?

**David Bass:** It would be beneficial to have a more public debate about why the bill is being pursued and what the implications are likely to be. For example, is the focus on one age group a temporary response to the recession or will it be a more permanent feature of our education sector?

The availability of opportunities for lifelong learning is a serious issue, particularly when we consider the education sector as a whole. The community learning and development sector is now being funded through the early years intervention fund, with a focus on younger students as opposed to the second-chance learners with whom we have more traditionally worked. That and the fact that, traditionally, Scotland has a low level of active labour market policies will combine to produce some pretty nasty effects for some of the second-chance or older learners.

**Neil Findlay:** Will you elaborate on that?

**David Bass:** Sure. The August labour market report showed decreasing employment for the 26-and-above age group as opposed to the 16 to 24-year-old group on which the bill focuses. As the college principals mentioned, the economically inactive portion of the population is growing even though, technically, unemployment is falling. Those are segments of the population that CLD and colleges traditionally served.

**The Convener:** You mentioned the bill's focus on 16 to 24-year-olds. The bill makes no mention of any such focus. It is about post-16 education and introduces the regional structures about which we have been talking. It is also about widening access.

**David Bass:** I guess that I am talking more about post-16 education reform in general.

**The Convener:** Right. The concentration on 16 to 24-year-olds is a policy. It has nothing to do with the bill as such.

**David Bass:** Yes.

**Chris Greenshields:** It is clear that two things are going on. It is Unison's belief that the colleges are not merging for any educational rationale. Similarly, they are cutting without any educational rationale.

Mark Batho from the Scottish funding council talked about the potential for merger efficiencies and savings figures being based on estimates. We have a problem with the fact that all the predicted savings are based on estimates.

I think that Edinburgh College said recently that 60 per cent of the job losses through which it expected to make savings would come from administration. That was to protect learners. We are not quite sure what the rationale is behind protecting learners by making 60 per cent of the job losses in support services. The college also mentioned that £8 million of the £9 million of cuts that it was expecting to make in the merger related to staff.

I am not sure that the colleges are embracing the change for any reason other than to address the cuts that are coming their way. We also believe that they are being forced into merging for fear of being cut adrift as lone bodies within the region thereafter. The impact is huge.

**Neil Findlay:** On the bill, the focus on 19-year-olds is being facilitated through the outcome agreements.

**The Convener:** Not the bill.

**Neil Findlay:** Yes—the outcome agreements.

**Colin Beattie:** I would like clarification about part of Unison's submission, which makes some fairly strong statements on shared services. I want



to confirm whether those statements are informed by experience in England and Wales. I assume that the National Audit Office report that is mentioned in the submission refers not to Scottish experience but to English and Welsh experience. Does Unison have any evidence from experience in Scotland?

**Chris Greenshields:** The evidence that Unison supplied comes from further afield than Britain—it comes from even as far afield as Australia. We could pull together the evidence that we have on Scotland for you and perhaps forward it on at a later date.

There is a document from the Association for Public Service Excellence and Unison Scotland, which contains quite a lot of information. It concluded that front-line and back-room services were closely interlinked and were interdependent, and needed to remain so. It said that separating them was often found to be a design mistake and left higher-paid staff to do the tasks previously done by less qualified people at greater cost. The document uses quite a lot of evidence from a variety of sources. We are happy to forward that on as well.

**Joan McAlpine:** I have a supplementary question. I do not know whether you had the opportunity to catch our previous evidence session with the college principals. They may have had some qualms about the details, but a number of them said that they saw benefits in regionalisation, through its ability to help them to plan better and reach wider groups. That does not seem to square with what you are saying.

**Chris Greenshields:** I think that there will be some benefits in a regional approach. We would not disagree with that. Our issue is that the whole thrust of regionalisation is not really about taking a regional approach. Rather, it is about delivering budget cuts, and we think that that will have a dramatic effect on our learners as well as, obviously, staff in the area. We think that courses will be focused on certain areas and that that will impact on local delivery. We do not think that a variety of courses will be available locally any more. Obviously, the availability of a variety of courses helps to improve and widen access. We think that access will be restricted. If we go down that route, we need to build in guarantees that that will not happen.

**Joan McAlpine:** Do you accept that there was duplication of courses in the past and that there may have been courses that resulted in people not getting jobs when they left college? Do you accept that policy makers really need to address that?

**Chris Greenshields:** I think that it is true that in some areas we should deliver courses where such outcomes are possible. There is duplication, of

course, but in what you say you ignore the fact that people who access local colleges want to study locally. Their childcare may be local, and they may not want to travel to the south side or to a college 20 miles away where the provision of public transport, childcare or whatever is uncertain. We have evidence that suggests that people want to study locally. We work in our local communities. Our members and staff are out there speaking to people about trying to reduce barriers to access to education, and we know that people are intimidated about going into college or further education, especially those who have been excluded for some time. People might go on a college course that runs in a variety of areas, but we think that that approach is necessary. Such duplication is perfectly acceptable to us.

**Joan McAlpine:** I totally accept what you say about access, but there may have been overprovision of certain courses in the past. There was a lot of overprovision in beauty therapy, for example. Many students wanted to study beauty therapy, but left at the end of the course without having any job to go to. Is it responsible of colleges to provide such courses if there is overprovision of them and there are no jobs at the end of them?

**Chris Greenshields:** Absolutely not. We are not saying that there should not be control or a wider approach to what we offer. That is in everyone's interests and it will happen, but we do not necessarily think that the bill, or what is driving it, specifically addresses that issue.

**The Convener:** I would like to clarify something. You seemed to suggest that the bill would remove local courses and that the connection between a campus and the courses that it runs in a local community would somehow be lost. However, Paul Sherrington, who was on the previous panel, made it very clear that his priority is to ensure that local delivery is maintained. There may be changes in names and structures, but the local delivery would be maintained. That is his top priority.

**Chris Greenshields:** We think that, given the level of budget cuts that are on offer at the same time as we are going through regionalisation, the colleges will make decisions on courses. That is already happening. I caught the tail end of the previous session, when the drop in part-time courses was referred to. We know that students who need access to education use part-time courses to try to get a foothold on the further education journey. Colleges may say that they will maintain courses, but we do not have a lot of faith in that happening, given the budget cuts that are coming.

12:15

**Liam McArthur:** It might be worth exploring that a little further. We heard from the previous panel some concerns about the funding council's review function and the way that provision is made. Paul Sherrington articulated where his priorities lay but said that the funding council's view of efficient, economic provision across a region might conflict with those priorities. Do you have any observations to make about the level of responsibility and influence that the funding council has in relation to course provision across a region? How do you see that working?

**Chris Greenshields:** We are concerned about it, because we do not believe that the funding council particularly protects access arrangements for college students. Courses are disappearing off the radar and in many cases provision is disappearing. Recent figures on the education maintenance allowance show that there has been a 12 per cent drop in students from the most deprived backgrounds accessing further education. Other figures show a 7 per cent drop in students from disadvantaged backgrounds accessing HE, too. Given that the funding council that is currently in place is not protecting access, we find it difficult to believe that it will do so in a post-regionalisation context after the cuts.

**Liam McArthur:** How would the relationship work? Obviously, a significant amount of funding is going from the Government to the colleges through the funding council, either individually or on a regional basis. However, as we heard this morning, colleges' autonomy and ability to respond flexibly to the needs of their areas and regions are seen as absolutely critical. How do we ensure that the bill does not imbalance that relationship and that it provides a degree of accountability while allowing colleges' autonomy and flexibility at regional and local levels to be maintained?

**Chris Greenshields:** I would not like to speculate about how that is going to pan out. The regional outcome agreement is designed to try to help that process. We do not really have a suggestion to make about how the funding council should liaise with the colleges or the regions, other than to say that there should be guarantees that there will be provision, which should be enshrined in the regional outcome agreements.

**Liam McArthur:** I want to return to some governance issues. You have talked about staff representation. Staff and student representation is provided for in the bill, but you voiced opposition to the proposal made by a number of colleges and Scotland's Colleges that the principal should be a member of the regional college board. What is Unison's resistance to that proposal based on?

**Chris Greenshields:** Our resistance at the moment is based on the fact that trade unions will not have a presence on the regional board. We recognise that there have to be checks and balances and independent checks on how principals operate. We have seen to our cost over the past 20 years that that might not have worked particularly well. It is healthy and it would make sense for there to be a clear dividing line.

**Liam McArthur:** Mandy Exley said that in the university sector it is inconceivable that the vice-chancellor would not be a member of the university court and asked why universities should have their governance structured so differently from colleges. Do you envisage a situation in which vice-chancellors would not be members of the university court?

**Chris Greenshields:** We have already said that under legislation the involvement of trade unions in the college sector is quite different from the involvement of our colleagues in the universities. We would welcome further discussion about that.

**Liam McArthur:** Colleges Scotland has questioned why the principal of an assigned college would be appointed by a regional board. Does Unison have particularly strong views on that?

**Chris Greenshields:** No, I do not think so.

**Liam McArthur:** I think that it was Asset Skills that expressed concerns about the fact that there was no statutory provision for employer representation on the boards. It was stated across this morning's earlier panel that it was inconceivable for a board that was truly reflective of the needs of any region not to have that engagement and representation. Therefore, those witnesses did not see a need for that to be enshrined in statute. Do you share that view?

**Chris Greenshields:** That probably happens already, realistically. As far as providing a legislative back-up for that is concerned, we are comfortable with what is there already—outwith the trade union representation.

**Clare Adamson:** Correct me if I am wrong, but you seem to be saying that the rationale for the proposals is financial, rather than being for the benefit of the young people, in terms of educational outcome. Is that fair to say?

**Chris Greenshields:** That is our suspicion, yes.

**Clare Adamson:** We have taken quite a lot of evidence, for example from the Federation of Small Businesses, on the mismatch between college students and the jobs that are available in different areas. Joan McAlpine spoke about overprovision in certain areas and there being no strategic look at provision. The Government has stated that it is putting the learner at the centre,

with regional centres of excellence and with expertise being exploited across each region, although it can still be delivered locally.

I find it hard to see where you are coming from. I do not know whether you heard the earlier evidence, but the Cardonald College principal referred to the market competition system that was set up by the Conservative Government in the 1990s. Some colleges have been able to become income generating and supporting, whereas others have failed in that context. Surely if the issue was just financial, we would be closing colleges that were not performing.

**Chris Greenshields:** You have spoken about whether regionalisation would deliver locally. There are ways of delivering that without the sort of forced mergers that we have seen and are seeing—and that is combined with the £50 million cuts. Usually, the biggest change in further education for more than 20 years would be given some time so that we could properly consider its impact, how it would work and so on. We have not had that—colleges have been forced into a merger agenda, and they are going down that route at the same time as trying to deliver drastic budget cuts without any long-term plan on how to do that.

There is an understanding that everyone will deliver the cuts. People are saying that there is a possibility that that can happen, and some of the written evidence that we have seen suggests that there is confidence that the cuts can be delivered, but no one really understands what the college sector will look like thereafter.

On regionalisation, if we had been involved we would have said that there are ways to deliver improvements to avoid some of the duplication—although we do not accept that duplication is an issue across the board. As was mentioned earlier, there could have been local issues. That could have been delivered without forced mergers

**Clare Adamson:** You use the term “forced mergers”, but we have not received any evidence—certainly from the college principals in their evidence—to say that there have been forced mergers. The colleges are meeting the challenge of the post-16 expectations and are coming together to do that. The word “forced” is very strong in that context.

**Chris Greenshields:** It depends who you ask. The feeling on the ground is that, in the past, colleges were reluctant to merge. We are now seeing them going speedily into the merger process. Our understanding is that that is because they are afraid that if they do not, they will be cut out after the regional boards start to distribute the funding. That is our suspicion.

**Clare Adamson:** You mention in your written evidence that certain courses have been cut, for example

“computer animation, digital gaming, green-keeping and horticulture.”

Have they been cut from one campus or are they no longer available throughout Scotland?

**Chris Greenshields:** Those courses are disappearing from particular colleges. Again, the issue is local delivery. It does not matter whether a course is being delivered in a college 50 miles away—if we are cutting courses locally, that will still have an impact on students who want to undertake those courses.

**The Convener:** I want to move on to the issue of equality and support for learning.

**Joan McAlpine:** In Lead Scotland’s evidence, under “Widening access to education”, you say that

“entire populations, such as disabled students and carers”, could be ignored. Is that not going a bit far? Are you suggesting that a proportion of the population will be cut off entirely from higher education?

**David Bass:** It is probably written somewhat dramatically, but that does not mean that it is not a legitimate concern in the discussion on access to education.

**Joan McAlpine:** You say in your evidence that you are unhappy with the outcome agreements for 2012-13 because they are not specific enough about disabled students. I think that that is a fair summation of what you say. However, presumably if the outcome agreements were different, you could use them positively to help disabled students. The issue is not the outcome agreements per se, but perhaps how they have been written in the past.

**David Bass:** The issue that we were getting at was the more simplistic way in which widening access was being discussed in the bill. There is concern that when you talk about it on that high level, you lose a bit of the complexity that you need to understand the issues and make a difference. I think that that was reflected in the outcome agreements. The concern is that it might be reflected elsewhere in student support and in the wider Scottish Government provision.

I think about it as almost an issue of supply and demand. The simple Scottish index of multiple deprivation 20 per cent indicator increases the demand for students from those areas. What you really need are policies and practices that will increase the supply. A student who is disabled who could go to university needs support early on in school. He or she needs supported transition, and their support systems at university or college

need to be set up early. They really need "Partnership Matters", which is the framework for arranging support to function properly. Civil servants in the higher education and learning support unit who have been working on "Partnership Matters" have been transitioned to other areas. There is evidence that that focus on the complexity and detail of making progress happen on the indicator is being lost.

**Joan McAlpine:** In what way should the bill be changed in order to deliver what you would like it to deliver?

**David Bass:** That is a very good question. I do not have a perfect answer; I wish that I did. That conversation involves a number of people.

**Joan McAlpine:** With regard to college provision for learning disabled people, the college principals who gave evidence seemed to think that by changing the certification of courses, they would be able to serve that proportion of the population well in future and that they were bound by equality legislation to do so.

12:30

**David Bass:** I think that the responses from the college principals on that issue were very good, and I generally support what they said. What they hinted at, but did not quite articulate, is that the issue needs to be discussed as part of a wider conversation that includes, for example, the role of SDS on employability issues, the integration of adult health and social care and CLD provision. The colleges provide one piece of support for disabled learners, but Scotland has made a decision to provide inclusive learning, which means that colleges need to deal with people with more complex needs, who cannot get what they need from colleges. Colleges also have students who progress slowly, but those students will not be able to be supported for eight years as they were previously. When those students move into the community, they will need options for how they will continue their learning. That comes back to the concept of real lifelong learning, which I think is missing.

**Neil Findlay:** From a previous job working in schools, I know that those who know the pupils the best are often not the headmaster or teacher but the support staff who work with the pupils day in, day out. I assume that Unison members in that position in colleges, whether they work in support for learning or in information technology support, probably get to know those students best. What impact are the cuts having on groups such as disabled students, students with learning disabilities, women and adult learners?

**Chris Greenshields:** You are right that for most of our members, although we often hear about

cuts to what are termed back-office service delivery and admin—such terms are bandied around quite a lot—the reality, especially in the context of avoidable cuts in the college sector, is that that is not the case. Most of our staff on the ground have a degree of office work, but most of them are also front facing. Very few of our members have no interface or engagement with students, and that is how it should be, because students should inform everything that we do.

As I alluded to earlier, the cuts are having a huge impact on our services, particularly for those groups that you have mentioned. Our members try to find innovative ways to ensure that services are provided for those groups, but the reality is that those groups of people, whom we see more than any other groups because they need more help, are now being denied that help. We are beginning to find that services inevitably close earlier or are not offered in some campuses. People are referred to websites and so on, which does not suit every student. Every student is different, so although that might suit some, it will not suit many others. There is a huge impact on students.

**Neil Findlay:** Can you give us some practical examples of services that are being removed? What impact does that have on people?

**Chris Greenshields:** The access to guidance advisers that students need to help them with funding issues, which might previously have been available as a drop-in service, is now restricted to certain times that are not always suitable. For example, young parents often have to run off home, so their financial position may not be organised or put in place as early as possible. That can then have an impact because it is a major reason for students withdrawing from college. Not only is there a reduction in the times when students can access guidance advisers, but such services are being limited in a way that is inconsistent from college to college. As I mentioned earlier, the services that are available from college to college are inconsistent—some colleges do not supply services that are available at other colleges—and we are now finding that that is the case with the reduction in the services that are offered.

**Clare Adamson:** I want to ask the question that I put to the previous panel about the Griggs review's recommendation on college surpluses. Obviously, under the current structure, there have been quite a few issues with industrial relations over the years. One college principal said that one reason for the surpluses was the need for strategic training and staff development. Do you generally agree with the review's recommendation that surpluses should be limited to 10 per cent? Do you share that college principal's view that surpluses

will be used strategically to improve pedagogy and for staff development?

**Chris Greenshields:** Are you asking whether I agree that surpluses have been used for that purpose or whether I agree that they will be used for it?

**Clare Adamson:** Both.

**Chris Greenshields:** We would be interested in the figures on how much of college budgets and surpluses have been used for staff development. We would encourage more of that crucial activity and we are concerned about it.

The legislation identifies—rightly—that some of the surpluses or reserves that colleges have sat with should be put back into the pot, and we agree with that. We should discuss further the level of surplus that a college needs to have to ensure that staff training and so on take place. We can have a wider debate about how much surpluses should be and whether they should be standardised.

**Liam McArthur:** I appreciate that we are talking about the extent of surpluses rather than whether colleges should have them, but one argument—I think that Mandy Exley made it this morning—is that having such headroom in finances is critical to entering into longer-term contracts with staff and providing security. I presume that Unison would support colleges having a level of working capital that provided the assurance that would not only allow staff training and development work to take place but underpin college staff contracts with a degree of certainty and security.

**Chris Greenshields:** Absolutely—we would not disagree with that. We have found wide variation in colleges' surpluses and reserves, so what you describe has not been happening—colleges have kept reserves and surpluses for different reasons. However, we would not disagree with the point about working capital.

**The Convener:** The suggestion is that a surplus should be limited to about 10 per cent of a college's annual revenue. Is it sensible to suggest that the maximum that is kept in reserves should be 10 per cent and that anything beyond that should be used for the sector's betterment?

**Chris Greenshields:** We would like more transparency and more analysis of the financial figures, of exactly what 10 per cent would amount to and mean locally and of how the system would work. To come up with a percentage, we need to understand what is required locally.

**Clare Adamson:** Your submission raises a question about a lack of standard terms and conditions and pay scales in the sector—variations have built up in the current structure. Would you like movement towards standardising terms and

conditions and towards regional or national pay bargaining?

**Chris Greenshields:** Unison is consulting its members on national bargaining, given the changes that we are going through. Without prejudging that consultation, I think that we would be interested in pursuing national bargaining.

Without doubt, we must look at the services that are being offered nationally and ask why pay varies so much, given what we have talked about. Service delivery also varies—that depends on the college that students go to, where they live in Scotland and even their college's financial health. We would like that to be addressed and we are making moves to that end.

**The Convener:** Your submission says:

"Legal obligations such as TUPE need to be acknowledged in the legislation."

If the obligations are legal, why does the bill need to acknowledge them?

**Chris Greenshields:** We were advised that it was important to have in the bill a provision on consulting with a view to seeking arrangements. We would like that to be built on.

**The Convener:** I am trying to ascertain why that is necessary. If something is a legal obligation, the Government is legally obliged to apply it. What would be the advantage of acknowledging the legal obligation in the bill?

**Chris Greenshields:** We are concerned about how some TUPE issues have been dealt with to date. Unison is dealing with TUPE issues for staff in the sector who are outsourced. We are talking about addressing the issue and ensuring that TUPE is underpinned in the bill.

**The Convener:** What are the issues?

**Chris Greenshields:** I will not go into details, because some things are going down a particular legal route. However, recent issues relate to how the outsourcing of staffing was handled.

**The Convener:** I am slightly puzzled. I do not see the analogy between the issue that you raise and the bill. The bill is not about outsourcing staff.

**Chris Greenshields:** I know that.

**The Convener:** I remain puzzled.

**Neil Findlay:** I am aware that some people believe that there is no need to put the issue in the bill, but others see that as a double lock—that is the descriptor that I have heard.

**The Convener:** If it is the law, a double lock is not needed. However, we have explored the question enough.

I thank the witnesses for coming along and taking the time. I am particularly grateful to David Bass for stepping in at the last moment because of snow elsewhere.

*Meeting closed at 12:41.*

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