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COVID-19: Scotland's colleges and universities

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This briefing provides a round-up of COVID-19 guidance and support for universities, colleges and their students and staff in the first months of 2021.



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Summary

This briefing provides a round-up of COVID-19 guidance and support for universities, colleges and their students and staff in the first months of 2021.

Staff and students have spent most of 2020 and the [first months of 2021 working remotely where possible](#). Universities and colleges are permitted to have no more than 5% of their total number of students on campus for face-to-face teaching in [subjects where this is essential](#).¹ The [2021 COVID-19 guidance](#) section of this briefing sets out guidance and arrangements for the return to college and university campuses and accommodation.

In addition to disrupted learning, many students have experienced financial hardship, accommodation and wellbeing issues. The [COVID-19 impact on students](#) section of the briefing looks at these issues and outlines support available for students.

Measures to take into account the impact of the pandemic on learning and arrangements for students unable to complete placements or practical work are outlined in the [student attainment and progression](#) section of the briefing.

The [COVID-19 financial impact on institutions section](#) of the briefing looks at the financial costs of the pandemic on colleges and universities and outlines the challenges ahead.

2021 COVID-19 guidance

Staff and students have spent the first months of 2021 working remotely where possible. Following the emergence of a new, more transmissible variant of COVID-19, [the First Minister announced on 19 December 2020](#)² that mainland Scotland would move to level 4 restrictions from 26 December. [A full lockdown across Scotland was announced on 4 January 2021](#)³ and the [introduction of further measures followed four days later](#)⁴.

Regulations which came into effect on 5 January 2021⁵ place a duty on individuals to stay at home and a duty on employers to support staff to work from home where possible.

[The First Minister stated on Friday 8 January that university and college teaching in Scotland would be online for the majority of students until at least mid-February](#)⁴.

Confirming that the staggered return to accommodation and studies was to be extended, the First Minister said:

“ ... if you are a student, you should stay at home, rather than travelling back to your campus or term-time accommodation. There will be exceptions to that – in the very small number of cases where remote study is not possible – for example, for a student nurse, or a doctor on a practical placement. And of course any students who have remained on campus will be fully supported. However, the vast majority of university students should stay at home – rather than travelling back to university - and should be learning online over the next period.⁴ ”

In a statement to Parliament on Tuesday 23 February, the First Minister outlined [Scotland's COVID-19 Strategic Framework update](#)⁶. On 24 February, the Minister for Further Education, Higher Education and Science, Richard Lochhead MSP, stated in a Written Answer:

“ ... we informed colleges and universities on the 23 February that they are able to bring back more students, up to a limit of 5% in person learning at any one time, whose learning is critical and time-sensitive to them progressing or graduating which cannot be delivered remotely or postponed. Importantly, those students on work placements, which are essential for our future workforce needs, in areas such as health and child care, are able to undertake these placements. We are continually reviewing the data to assess when we can consider easing these restrictions even further.⁷ ”

The Scottish Government's [Coronavirus \(COVID-19\): universities, colleges and student accommodation providers](#)⁸ sets out guidance for institutions, students and staff in relation to COVID-19. [Arrangements for the lockdown announced in January can be found in the 'Temporary lockdown guidance'](#)⁹ section.

Universities and colleges are advised to take independent advice if they are unsure of how any legal duties or restrictions apply to them. The guidance sets out that:

- In line with current regulations and travel restrictions, people must only leave home for essential purposes and therefore students and staff should generally not return to campus and term-time accommodation.
- Institutions should ensure students are aware of the new measures in place and have

the support they need to study remotely.

- Students should contact their institution if they need support, have concerns about studying remotely or being unable to travel to their term-time accommodation.
- For students expecting to attend essential placements, institutions are expected to check with the placement or training provider that these are going ahead as planned (for example, placements for nursing and medical students).
- [Institutions, accommodation providers and staff should ensure they are familiar with the working from home guidance](#) ¹⁰.
- Staff and students on the shielding list contacted by the Chief Medical Officer should work remotely.

Essential staff and student attendance

On attendance judged to be essential by an institution or accommodation provider, Scottish Government guidance states:

“ Where institutions or accommodation providers judge that it is essential for staff or students to attend work or college or university to support and deliver in-person provision and the safe operation of accommodation settings as set out in this guidance, they should do in consultation with staff, trade unions and student representatives as set out in their commitment to fair work which was set in the context of the current crisis in a [joint statement by the Scottish Government and the STUC \[Scottish Trades Union Congress\]](#). ⁹ ”

In a [submission to the Education Committee ahead of a 27 January 2021 evidence session](#) ¹¹ with Minister for Further Education, Higher Education and Science, Richard Lochhead MSP, University and College Union (UCU) Scotland highlighted concerns around institutions' interpretation of 'essential staff'. Citing a dispute with an institution on the issue, UCU Scotland stated:

“ The updated guidance does go some way to help define “essential” and “non-essential” [worker], however, there is still a reliance upon institutions and employers to adhere to the spirit as well as the letter of the guidance. UCU has been urging employers to adopt this safety first approach, and in these unprecedented times, when schools are closed, to ensure that the number of people on campus is kept to an absolute minimum skeleton staff complement. ¹¹ ”

In contrast, Universities Scotland's submission to the Committee ¹² made the case for universities to consider giving critical worker status to a:

“ ... skeleton staff who are essential to support for students still in residence, essential teaching, and research functions (as permitted within the guidance). ¹² ”

On 27 January, when asked whether guidance on essential attendance was adequate, [the Minister for Further Education, Higher Education and Science](#) said ¹³ :

“ The universities have assured us that they are making a huge effort to support those students who are staying on campus at the moment, as well as those who are in the very few situations in which face-to-face teaching is proceeding, to ensure that that is extremely safe. Of course, there is guidance on that. There is no evidence that face-to-face teaching is not safe, in terms of the pandemic. The overall approach to students returning to university and college relates to transmission of the virus. I think that the guidance that we have is satisfactory—I have not received significant feedback since we published it. We have regular discussions with the trade unions as well as with the institutions and student representative bodies. I understand that the situation is evolving all the time, and I hope that the guidance is working well and that the universities are abiding by it. We stay in close contact with them, and, if that is not the case, people are not shy in coming forward. ¹³ ”

Phased return of staff and students

Prior to the winter break, students were able to return home in line with plans announced by the Minister for Further Education, Higher Education and Science, Richard Lochhead MSP, in a [Ministerial Statement on 11 November 2020](#) ¹⁴. These plans included an early end to in-person teaching and assessment to allow for a “staggered and early departure” of students from late November and the roll out of voluntary lateral flow testing from December.

The [Health Protection \(Coronavirus\) \(Restrictions and Requirements\) \(Local Levels\) \(Scotland\) Amendment \(No. 5\) Regulations 2020 \(SSI 2020/400\)](#) amended the principal regulations to allow for the exemption of students travelling home for winter break from travel restrictions. This permitted students to leave their term-time accommodation to join one other household at the end of term. This new household is described in the regulations as an “end of term household”.

With the exception of the up to 5% of students engaged in critical learning that cannot be delivered remotely ⁷, the guidance states that students should not return to their term-time accommodation until their institution advises them to do so when face-to-face teaching is resuming. ⁹

Students making a necessary return to term-time accommodation in line with legal restrictions should plan this in advance with their accommodation provider. They are asked to reduce social mixing for 10 days prior to and 10 days following their return, going out only for essential reasons.

All other students are advised to stay in the “end of term households” they formed when they returned home for winter break in 2020. In addition, the guidance states that travel for the sole reason of taking up residence at term-time accommodation “is unlikely to provide a reasonable excuse” without another factor, such as the start of face-to-face teaching, essential placement or a serious wellbeing reason. However, UCU Scotland's January submission to the Education and Skills Committee stated that some students had returned by the time the guidance was published:

“ ...our understanding is that some student residences were at 30-40% occupancy rates in mid-January. The lack of clarity in the guidance during the first two weeks in January has no doubt increased the returns to campus at this point. ¹¹ ”

At its meeting on 27 January 2021, the Minister for Further Education, Higher Education and Science told the Education and Skills Committee:

“ From all the feedback from our universities and, especially, from our colleges, we know that there are very few students on campus at the moment. When it comes to students who stayed over for Christmas—who did not return home—I think that around 6,000 or 7,000 stayed in purpose-built accommodation, although, of course, many others will have stayed in private rented accommodation. ¹³ ”

Timetable for return of students

The Scottish Government's [Temporary Lockdown Guidance sets out a three phase approach for the return of students to campus](#) ⁹. Dates for each phase are dependent on available public health advice.

The following arrangements for **undergraduate students** apply in all area protection levels:

- **From 5 January**, all learning that can be done online must be done online. Students can remain in student accommodation if they have been there over the winter break. Attending essential placements and assessments that cannot be postponed are among reasons listed as exceptions permitting return.
- **Phase 2** from 23 February, sees "**essential returners**" who cannot complete course assessment or learning remotely, come back to campus and accommodation. Universities and colleges should have no more than 5% of students on campus for in person learning at any one time. ⁷
- **The Phase 3 date is still to be agreed**. This will see a larger-scale phased return to campus and accommodation take place over a number of weeks to avoid large numbers of people arriving at the same time.

For **postgraduate students**, the guidance states that learning, research and teaching should take place in line with area protection levels. In level 4, postgraduate students should only be on campus where they cannot study from home.

Similarly, for **college students** the majority of students will be taught online and numbers attending campus should be kept to an "absolute minimum". Under level 4 restrictions, a minimum of students can attend for assessment, where this is critical to concluding studies.

Asymptomatic testing will again be available for students on their return to college or university, as the Scottish Government guidance states:

“ For Term 2, two rapid-result tests will again be offered to students changing household – the first on arrival, the second three days later. ⁹ ”

Students are advised to contact their university or college for further information on testing arrangements at their institution.

International and overseas students

Students currently overseas are asked not to travel to Scotland until face-to-face teaching begins for them – for further information, students should contact their institution. All students returning to Scotland from overseas or international students travelling to Scotland to study must follow the guidance for international arrivals into the UK.

A recent [SPICe FAQ on COVID-19 international travel and quarantine sets out the managed isolation arrangements currently in place](#)¹⁵. This states that anyone arriving in one of Scotland's international airports from outside the [Common Travel Area](#) (the CTA, comprising United Kingdom, Ireland, the Isle of Man, and the Channel Islands) must:

- provide proof of a negative COVID-19 test taken during the 3 days before travel
- [book and pay for managed isolation in a quarantine hotel](#) for at least 10 days from arrival. This applies to arrivals from all countries outside the CTA and includes British citizens.
- complete an [online passenger locator form](#) before travelling, providing contact details, travel details, the address of the final destination, and the booking reference for their [managed isolation package](#) (comprising of accommodation booking in a quarantine hotel, transport and testing)
- [be tested on day of 2 and 8 after arrival](#).

Students arriving from overseas will also be expected to pay the £1,750¹⁵ accommodation charge for managed isolation. [NUS Scotland has called for students to be exempt from the charge](#)¹⁶, and while this exemption has not been granted the Scottish Government has [extended hardship funding eligibility to international students](#).

COVID-19 impact on students

A National Union of Students (NUS) Scotland survey of 653 Scottish students published on 14 January 2021 found: ¹⁷

- 73% of students are concerned about managing financially during the pandemic
- 64% of students say that Coronavirus has had some impact on their income
- 14% of students have used food banks.

In its January 2021 submission to the Education and Skills Committee, NUS Scotland stated: ¹⁸

“ ... over two-thirds of student renters (71 per cent) are concerned about their ability to pay rent, 25 per cent of students have been unable to pay their rent in full in the last four months and around a third of students (33 per cent) have been unable to pay their bills in full. ¹⁸ ”

Colleges Scotland has also highlighted the need for more support in this area in order to meet demand.

On 26 January 2021, [£30 million additional funding was announced](#) ¹⁹ - £20 million of this for students experiencing hardship and £10 million for universities and colleges for lost income as a result of providing rent rebates. [The Minister for Further Education, Higher Education and Science confirmed to the Education and Skills Committee](#) ¹³ that this funding is from the current financial year 2020-21.

On 17 February 2021, following [reports of international students facing food poverty and financial hardship](#), it was announced that rules would be relaxed ²⁰ to ensure international students can access hardship funding.

Housing

At the start of the pandemic, NUS Scotland called for students leaving their accommodation to be able to give notice to bring their student tenancy agreements to an end ²¹. As a result, [the Coronavirus \(Scotland\) \(No. 2\) Act 2020](#) ²² contains provisions introducing notice to leave periods for students residing in halls of residence and Purpose-Built Student Accommodation (PBSA). These provisions are only in place while the Act is in force. The initial expiry date of the Act was intended to be 30 September 2020, however this has since been extended to 31 March 2021 and regulations to further extend provisions until 30 September 2021 are now likely to be brought forward for agreement from the Scottish Parliament ²³.

Students must give 28 days' notice and can only terminate tenancies for reasons relating to COVID-19. The [Student Awards Agency Scotland \(SAAS\) Student Information Scotland website](#) ²⁴ states:

“ The Act does not define, or give examples of, reasons relating to coronavirus but these could include financial hardship caused by the epidemic, the cancellation of in person teaching, or because students have returned to their family home in accordance with government guidance on physical distancing. ²⁴ ”

A Scottish Government survey carried out in October and November 2020 ²⁵ found that over 6,500 notices to leave had been lodged with providers responding to the survey since the Act came into force, and 70% of respondents stated this figure was far higher than the previous year.

However, while the above regulations give students the ability to terminate a lease when permanently moving out of term-time accommodation, there is no provision in the regulations for students unable to live in their term-time accommodation. This issue has been highlighted by NUS Scotland and £10 million of the [£30 million additional funding for students and institutions announced in January 2021](#) ¹⁹ is to provide institutions with income lost due to rent rebates. When asked about this at the Education and Skills Committee meeting on 27 January 2021, the Minister for Further Education, Higher Education and Science said that, while each institution is autonomous, many had refunded or cancelled rents. He also said the Scottish Government had:

“ ...written again to other providers of student accommodation in Scotland, asking them to ensure that they are being sympathetic and helpful, and pointing out the guidance to them. ¹³ ”

On the issue of seeking rebates from private landlords, the Minister said:

“ It is difficult, even for the universities and institutions, to have a picture of who is still living in a private rented flat and who is not. My advice to families is to download the guidance about students not returning to campus and to send it to their private landlords. I know constituents who have done that and secured a significant discount on their rent for a few months. I can only urge students to speak to their institutions and to take advice from them—they should be very sympathetic—and those in private rented flats to ensure that they show the guidance to their landlords to try to get a discount or rebate. Those who are experiencing financial difficulties should apply for the hardship funds. ¹³ ”

Students returning home

The Scottish Government advises ⁹ that students who have remained in their term-time accommodation over the winter break should remain there if possible. Students wishing to return home due to personal circumstances are advised to first contact their college, university or accommodation provider. Those wishing to return home on a permanent basis can do this if it can be done safely in line with the [guidance on moving home](#) ²⁶ , using private transport where possible.

Students who have tested positive for COVID-19, or are self-isolating due to symptoms or being a close contact of someone with COVID-19, should follow [guidance on self-isolating](#) ²⁷ and should not move to other accommodation. Those requiring help and support should contact their institution.

The Scottish Government does provide an exception for students who are self-isolating

and require support⁹ from a family member or friend for reasons including - but not limited to - mental health, physical or financial support. In such circumstances, students are permitted to return home following guidance on self-isolating. They are advised to contact their institution or accommodation provider for further guidance.

The guidance sets out that a household a self-isolating student is joining should all isolate on the student's arrival in the event of the student having symptoms of, or testing positive for, COVID-19. However, where the student has been identified as a close contact of someone with COVID-19 but does not have symptoms, the rest of the household does not need to isolate.

Student attainment and progression

Concerns around the ongoing impact of the pandemic on attainment have been raised by organisations representing students, staff and institutions. [In January 2021, the Scottish Government announced the creation of a new task force](#)²⁸ focusing on these issues. The first meeting of the task force took place on 4 February 2021, with representatives from further and higher education, government, unions and funding and qualifications agencies. Assessment, course completion, placements and arrangements for practical learning are among the issues that will be considered by the task force.

Prior to the announcement of the task force, Universities Scotland stated plans and mitigations were in place for 2020/21 to help students meet learning outcomes and complete coursework and assessments on time. The organisation also noted, however:

“ ... there some courses where external factors, such as restrictions to clinical and other placements, could result in a delay to graduation for these groups of students. We are in regular discussion with Scottish Government and NUS Scotland to manage this risk.¹² ”

UCU Scotland has called for creative thinking on accreditation and progression, and for non-essential burdens on staff to be reduced:

“ We have asked government and employers to recognise these significant challenges and work together with us to reduced non-essential burdens on all workers, for example by postponing the Research Excellence Framework and removing the administration and bureaucracy around similar processes at this time.¹¹ ”

UCU Scotland has also said that some essential placements have been cancelled, citing the postponement of nursing placements by one health board due to pressure on NHS staff.

For the college sector, there are concerns around the number of students who have been unable to complete qualifications from 2019/20. On this, Colleges Scotland has said:

“ ... we know that 7,500 students from last year’s cohort (2019/20), have yet to fully complete their qualifications due to the fact that college facilities have been restricted because of COVID-19 regulations. This has disproportionately impacted upon those students studying practical subjects such as STEM, hair & beauty etc. We are seeking assurances from the Scottish Government that a range of measures for students are put in place, including discussions around whether SAAS funding will be available to those students who will be required to defer due to COVID-19 restrictions. ²⁹ ”

As colleges also have a role in delivering Scottish Qualifications Authority (SQA) qualifications, Colleges Scotland is a member of the [Higher National and Vocational Qualifications Group](#) looking at changes to assessment and quality assurance procedures for 2020/21. Colleges Scotland has said discussions around assessment and guidance are "ongoing at pace" with SQA.

Mitigation measures

Some students who have been unable to complete course work, placements or practical work during the pandemic may choose or be required to repeat a year of learning. In a [Written Answer published on 4 February 2021](#) ³⁰, the Minister for Further Education, Higher Education and Science stated that students in higher education could use their additional year of funding - known as a +1 year - for this purpose, while care experienced students are eligible to access two additional years. It should be noted that all Scottish domiciled students are eligible for a total of five years of funded tuition, while care experienced students are eligible for six years, so this is not a new policy.

Students who have used their full funding allocation are advised to apply to the Student Awards Agency Scotland (SAAS) to have their request for funding to repeat a year considered on compassionate grounds. NUS Scotland has called for all students to have the opportunity to repeat a year, with tuition fee reimbursement offered to fee paying students who do not take this up. ¹⁸

In order to take into account the many and varied impacts the pandemic has had on learners, NUS Scotland has also called for all institutions to adopt a 'no detriment' policy. The organisation states this would ensure no student is academically disadvantaged because of lockdown:

“ We welcome the Minister for Further and Higher Education and Science’s commitment to fair assessment last year following the March lockdown, and we want to see all institutions ensuring students are treated fairly this year again. Even if there is a vast improvement to public health in the coming months, students have already experienced enough disruption and inequality in their access to education to make some planned assessments fair. In light of this, we believe all institutions should adopt a no-detriment approach to assessment, so no student is academically disadvantaged as a result of this pandemic. ¹⁸ ”

The Quality Assurance Agency for Higher Education (QAA) defines 'no detriment' as:

“ A 'no detriment' policy seeks to mitigate against the impact of a set of circumstances, by ensuring that an individual is not unfairly disadvantaged by a requirement to change rules or regulations, in session. Most commonly this translates into calculating and evaluating two outcomes:

- the outcome as it would have been if the changes had not been implemented”
- the outcome after implementation of the changes.”

Under a 'no detriment' approach, the outcome that is more favourable to the individual is retained. These approaches are usually applied in a blanket fashion, for a set period of time in response to the widespread impact of a specific event where it would be impractical to undertake individual case-by-case mitigations. ³¹ ”

While 'no detriment' policies have not been adopted by all universities, Universities Scotland has described mitigations as being “'baked in' to learning, teaching and assessment plans this year”. However, the need to balance mitigation with validity is also a concern for universities:

“ As well as fairness, universities have a responsibility to ensure the validity and reliability of their degrees. A vast number of university degrees are accredited by professional, statutory, and regulatory bodies (PSRBs) which have essential requirements to meet professional standards. ¹² ”

Speaking at the Education and Skills Committee on 27 January 2021, the Minister for Further Education, Higher Education and Science said institutions would work to ensure students did not face academic disadvantage as a result of the pandemic. However, he explained that further consideration was needed for courses with practical elements and face-to-face teaching requirements:

“ We cannot have students graduating from college to fit gas boilers unless they have actually dismantled and put back together a gas boiler—they cannot do that online. The same is true for some of the university courses that we have spoken about. Those are the difficult issues that we face, particularly in colleges, where there is a lot more practical work required for qualifications, but also in universities, for some of those courses for which there are face-to-face requirements. ¹³ ”

Online learning

The move to online learning has meant students require access to laptops and broadband in order to complete college and university coursework. This has led NUS Scotland to raise concerns:

“ ... that the digital poverty gap is widening existing inequalities. The demand for digital support exceeds what colleges and universities can offer. ¹⁸ ”

In August 2020, a [£5 million fund to "tackle digital exclusion among disadvantaged students"](#) ³² was announced by the Scottish Funding Council (SFC) and Scottish Government.

In a letter to the Education and Skills Committee on 25 February 2021, the Minister for Further Education, Higher Education and Skills set out that by the end of 2020:

“ Universities had spent £1,738,044 of the £2,370,000 allocated, with £618,420 remaining. This has been used to buy 5,505 laptops (and some connectivity equipment), supporting 2,113 students. Colleges had spent £2,011,746 of the £2,323,504 allocated, with £241,523 remaining. This has been used to buy 6,829 laptops (and some connectivity equipment), supporting 6,762 students. ³³ ”

The letter also notes that international demand for laptops means "there is a difference between the number of laptops purchased and the number of students benefiting", ³³ and states work to establish how many students still require digital devices is ongoing with SFC. NUS Scotland has called for a further £5 million funding to make further progress on tackling digital exclusion in 2021/22 ¹⁸ .

Dental students

Due to COVID-19 restrictions, final year dental students have been unable to complete the practical elements of their course. The Scottish Government [announced a bursary of up to £6,750 will be available for dental students repeating a year](#) ³⁴ . Graduations at Dundee and Glasgow Dental Schools will be deferred until summer 2022 and all year groups will repeat academic year 2020/21. Final year students in Aberdeen will graduate at Christmas 2021 and all other students will repeat a year of study.

The decision was reached by the government following a recommendation from the Deans of the Dental Schools at the universities of Aberdeen, Edinburgh and Glasgow. Students were unable to access the necessary clinical experience required for General Dental Council registration and safe practice.

Mental health and wellbeing

Student mental health and wellbeing has also been a concern throughout the pandemic, as NUS Scotland has stated:

“ Through our research, we know that students’ mental health is declining, and many have struggled with learning online. ¹⁸ ”

[NUS Scotland research published in October 2020](#) ³⁵ found there were waiting times for college and university mental health support services prior to the COVID-19 pandemic. The report states:

- 53.86% of students seeking support waited more than one month;
- 20.84% of students waited more than three months.

Data on the impact of the pandemic on these figures is not available, however the Scottish Government has announced additional funding for student mental health and wellbeing services:

- [An additional £1.32 million of funding](#) for student mental health support was announced in November 2020.

- In December 2020, [funding of £750,000 was announced](#) for students associations to provide wellbeing support.
- In February 2021, a further £4.4 million was announced for college students and staff mental health and wellbeing.⁷

In September 2020, Universities Scotland also launched the [Consistent Code of Care for Students during the Pandemic](#)³⁶, and this committed institutions to regular check-ins with students self isolating in university-owned accommodation.

Summary of COVID-19 student support funding

The Scottish Government has allocated the following additional funding for student support at colleges and universities due to COVID-19:

- In April 2020, [£5 million emergency financial support for students facing hardship as a result of the COVID-19 pandemic](#) was announced. £2.2 million of this was allocated to the Higher Education Discretionary Fund and made available to colleges and universities.
- [Early access to £11.4 million of Higher Education Discretionary Funds](#) was given to universities in 2020.
- [£5 million additional discretionary support funding](#) was announced in December 2020.
- A [£5 million Digital Fund](#) to help institutions provide digital devices such as laptops for students who need them was announced in August 2020.
- In December 2020, [funding of £750,000 was announced](#) for students associations to provide wellbeing support.
- [An additional £1.32 million of funding](#) for student mental health support was announced in November 2020.
- In January 2021, an [additional £20 million](#) was allocated to students experiencing hardship.
- In February 2021, a further £4.4 million was announced for college students and staff mental health and wellbeing.⁷

COVID-19 financial impact on institutions

The COVID-19 pandemic has had a financial impact on university and college finances, with losses due to falls in accommodation income and tuition fees being among the top factors impacting universities, and staff costs impacting colleges.

Funding implications for [colleges](#) and [universities](#) are explored in this briefing. Overall, the 2021/22 draft Scottish Budget delivers an increase of £30.9 million to the Scottish Funding Council budget ³⁷. This is the main budget line for further and higher education.

Table 1: Further and higher education budget Scottish Government, 2021

Budget Year	2019/20	2020/21	2021/22
Funding (£b)	1,839.3	1,880.1	1,911.0

[Additional funding of £60 million for further and higher education](#) ³⁸ was announced in the Budget Update Statement on 16 February this year. This money was part of a package of one-off additional UK Government funding (often referred to as '[Barnett consequentials](#)'):

“ £60 million for Further and Higher Education”

- £40m resource funding to help colleges and universities maintain research activity, protect jobs and help students.”
- £20m additional capital to boost research and knowledge exchange. ³⁸ ”

Additional funding has also been made available to colleges and universities to support their students, [as detailed earlier in this briefing](#).

Colleges

The Scottish Funding Council (SFC) published an [updated report on college and university finances in October 2020](#) ³⁹ and this forecasts an operating deficit of £9.2 million for college sector finances in 2019/20. This is an improvement on the [forecast deficit of £25 million reported in April 2020](#) ⁴⁰; SFC notes this is:

“ ... largely due to inclusion of £6.2m income from the Coronavirus Job Retention Scheme and generation of staff and other operating cost efficiencies. ³⁹ ”

The sector is forecasting an [adjusted operating deficit of £15.3 million in 2020/21](#) (increasing to “[£20.7 million if there is no SFC funding for transformational costs](#)”) ⁴¹, with a return to a marginal adjusted operating surplus of £1.8 million in 2021/2.

Liquidity has been highlighted by SFC as the biggest challenge ahead for colleges:

“ A number of colleges are facing a liquidity crisis. By the end of 2020/21, it is estimated that 33% of colleges will be operating with less than five days cash. ⁴¹ ”

Colleges Scotland stated in January that additional funding will be required for the sector, including for online learning. ²⁹

The 2021/22 draft Scottish Budget announced on 28 January 2021 saw a £35.7 million increase in the proposed resource budget and a £2 million decrease in the capital budget. Colleges will also share the [£60 million funding announced in the budget update statement](#) with universities. However, the total 2021/22 budget falls short of the £71.2 million revenue and £84.5 million capital real-terms increase the sector had called for.⁴¹

Universities

In the early months of the COVID-19 pandemic, there was a great deal of concern around the financial impact it would have on university finances, and much of this was driven by uncertainty around international student numbers. Initially, a forecast operating deficit of between £384 million and £651 million was predicted for academic year 2020/21. This is examined in more detail in the SPICe briefing [The impact of coronavirus \(COVID-19\) on university funding in Scotland](#)⁴²

A [Written Answer from the Minister for Further Education, Higher Education and Science](#)⁴³ on 17 February 2021 stated the latest forecast operating deficit for the current academic year has improved and is now estimated to be around £50 million. The sector still faces considerable uncertainty, but the revised figure shows the situation may not be as bad as originally feared.

While the draft Scottish Budget announced on 28 January 2021 did not deliver the £200 million funding increase called for by the sector⁴⁴, the capital budget increased by £4.5 million while the resource budget increased by £25 million.³⁷ Universities will also share the [£60 million funding announced in the budget update statement](#) with colleges.

To help universities mitigate the impact of COVID-19 on research, in May 2020 [the Scottish Government announced](#) a one-off £75 million increase in research funding while the UK Government invited universities to bid for funding from the [UK Government's Sustaining University Research Expertise Fund \(SURE\)](#). This fund offers low interest loans supplemented by government grants, covering up to 80% of income losses from international student fees for 2020/21. Payments will be made by 31 March 2021.

In September 2020, universities could also bid for [£60 million of low interest loans](#) from SFC. Proposals for projects to help universities adapt to the post COVID-19 environment and proposals on tackling climate change were sought.

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