Education, Children and Young People Committee

College regionalisation inquiry
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Education, Children and Young People Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Education and Skills and matters relating to the Historical Abuse Inquiry within the responsibility of the Deputy First Minister.

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College regionalisation inquiry, 2nd Report, 2023 (Session 6)
Membership changes

1. There have been several changes to the membership of the Committee since the call for views for this inquiry was launched in early 2022—

   James Dornan MSP (SNP) - 17 June 2021 - 29 March 2022
   Fergus Ewing MSP (SNP) - 17 June 2021 - 29 March 2022
   Graeme Dey MSP (SNP) - 29 March 2022 - present
   Ruth Maguire MSP (SNP) - 29 March 2022 - present
   Stephen Kerr MSP (Conservative) - 17 June 2021 - 26 May 2022
   Sue Webber MSP (Conservative) - 26 May 2022 - present
   Oliver Mundell MSP (Conservative) - 17 June 2021 - 22 September 2022
   Stephen Kerr MSP (Conservative) - 22 September 2022 - present
Introduction

2. In February 2012, Scottish Ministers announced their intention to introduce structural change to the college sector as part of wider reforms to Post 16 education. This was designed to make their course choice more coherent and their operations more cost-efficient. As a result of these changes, colleges are now organised into regions, resulting in larger colleges which are fewer in number than the previous model.

3. Ten years on, the Committee was keen to examine how regionalisation has been working in practice. The Committee was also keen to understand what can be learned from the experience of regionalisation, and about the position of colleges today, with a view to considering any further changes that the sector may need.

4. The Committee therefore agreed to undertake an inquiry to look at this. As part of its work, the Committee took written and oral evidence from a variety of organisations and individuals including—

- Audit Scotland;
- Borders College;
- College Employers Scotland;
- Colleges Scotland;
- Construction Industry Training Board (CITB);
- Audrey Cumberford, Commissioner, Commission on the College of the Future;
- Senior representatives from Developing the Young Workforce (DYW);
- EIS (Educational Institute of Scotland)-FELA (Further Education Lecturers Association);
- Glasgow City College;
- Glasgow Clyde College;
- Glasgow Kelvin College;
- Kirsten Herbst-Gray;
- Lantra;
- National Down Syndrome Policy Group;
- National Federation of Roofing Contractors;
- NUS Scotland;
- The Open University in Scotland;
- Perth College UHI;
5. The Committee is grateful for all those who shared their experiences and insights as part of this inquiry.
Background information

6. In September 2011, the Scottish Government launched a consultation on the reform of Post-16 education. The *Putting Learners at the Centre: Delivering our ambitions for Post-16 Education paper* set out plans to make the college sector more learner centred, and more focused on jobs and economic growth.

7. The consultation suggested that a regional approach to planning and funding the range of courses and training available would make sense for most areas and that organising colleges in this way was the best way to secure coherent, relevant provision on a sustainable basis. It also signalled a move toward a more interconnected tertiary education sector; as collaboration between the further and higher education sectors continues to develop.

8. The Scottish Government asked the Scottish Funding Council (SFC) to fund colleges regionally from 2012-13 and introduced the Post-16 Education (Scotland) Act 2013, which underpinned college regionalisation. This Act led to the formation of 13 college regions: Aberdeen and Aberdeenshire; Ayrshire; Borders; Dumfries and Galloway; Edinburgh and Lothians; Fife; Forth Valley; Glasgow; Highlands and Islands; Lanarkshire; Tayside; West; and West Lothian.

9. Subsequently, college mergers reduced the number of colleges from 41 in 2011 to the current 26. Most of these colleges sit within the 13 regions established by the 2013 Act. There are three multi-college regions and ten single college regions. Chart 1 shows Scotland’s colleges and the regions they fall into following regionalisation. It also shows the three colleges which fall outwith regional arrangements.
10. The aims of the reforms around college regionalisation included—

- An ambition for all young people over the age of 16 to stay in learning and achieve qualifications, improving their job prospects and earnings in the long term.

- Remove course duplication and unnecessary competition for students between colleges and universities.

- Reform the college landscape to ensure it can meet current education, employment and skills challenges and respond rapidly to emerging scenarios.

- Deliver a more efficient system of colleges at a regional level, rather than individual institutions, each with overheads, serving overlapping areas. The consultation stated that regionalisation could still support local delivery, taking into account transport needs and economic, cultural and social factors.

- Carry out mergers to create “colleges of scale” to secure “coherent, relevant provision on a sustainable basis, including access-level and advanced and specialist provision”. In Putting Learners at the Centre, the Scottish Government made clear its preference, echoing the conclusion of the the Griggs Report, that most Scottish regions should have only one college.

- In the case of the colleges serving the land-based industries, merging these on
the basis of specialism rather than region.

11. The consultation also stated the importance of institutions listening and responding to their learners. Although there was already guidance in place regarding how students should be represented in consultative and decision-making bodies throughout colleges and universities, the consultation suggested strengthening these arrangements. This included proposals to strengthen the profile of student unions, to make student representation more effective. This, in turn would help to ensure that institutions met the needs of its learners.

12. Several witnesses and organisations including Audrey Cumberford -Principal of Edinburgh College and Commissioner, Commission on the College of the Future, the Royal Society of Edinburgh, Colleges Scotland, EIS-FELA and UNISON highlighted in their evidence that regionalisation and mergers took place at the same time as a number of other changes within the sector, including—

- the decision by the Office for National Statistics (ONS) to re-classify colleges as general government sector public bodies;
- the introduction of national bargaining;
- the policy shift to focus on full time places and 16-24 year olds;
- changing funding models; and
- decreases in funding.

13. The Committee recognises that all of these changes have occurred since regionalisation, many concurrently. As such, it acknowledges that there are challenges in attributing changes to the college sector to regionalisation and the mergers alone. It further acknowledges that the current position of colleges needs to be viewed in its wider context.

14. The Committee heard a range of positive outcomes from regionalisation, including—

- The creation of larger institutions, which now have a greater platform within their regions, particularly with regard to local economic development;
- The promotion and growth of college student associations, allowing students to have a greater platform within their institutions and enhancing the student voice;
- Greater coherence in the curriculum offered across each region, reducing unnecessary duplication, and providing improved support for students;
- More effective partnership working with schools, universities and local businesses.

15. However, the evidence also identified some challenges, both from regionalisation and the wider changes to the further education sector, including—

- A disconnect across multiple campuses;
• A loss of connection with smaller communities that the legacy colleges served;

• Being defined by geographical boundaries can be limiting, particularly when working to respond to a large sectoral demand for skills;

• Colleges are facing a difficult financial situation, and are dependent on the Scottish Government and Scottish Funding Council for the majority of their funding;

• A significant backlog of building maintenance across the college estate;

• Constraints on how colleges can generate, save and spend money is limiting the ability to grow and innovate.

16. These are explored in more detail later in this report.

**Recent reports**

17. Since 2012, there have been several reports with recommendations about how the performance of colleges should be improved.

**Commission on Widening Access**

18. The 2016 *Commission on Widening Access (COWA) report*, for example, focused on widening access to higher education for students from the most deprived communities in Scotland. While the majority of its recommendations focused on universities, COWA's final report recognised articulation from college to university as: “a distinctive and much-admired feature of Scottish post-16 education”.

19. It called for articulation links between colleges and universities to be further expanded to offer disadvantaged learners more routes into university. Subsequently, the National Articulation Forum was set up by Universities Scotland and Colleges Scotland to look at how more students could benefit from full credit articulation. Full credit articulation means that a student with a Higher National Certificate (HNC) will enter their degree course in second year, while a student with a Higher National Diploma (HND) will enter in third year.

20. The *National Articulation Forum’s report* on pathways from college to university was published in August 2020. Its recommendations set out ways to develop this important learning route, normalise its use and open up opportunities to thousands of learners. Following the report, there has been a focus on closer alignment and collaboration between colleges and universities.

**Economic Impact**

21. The *One Tertiary System: Agile, Collaborative, Inclusive report*, otherwise known as the Cumberford-Little report, was published in February 2020. Commissioned by the Scottish Government to examine the economic impact of colleges, its recommendations included calls for—

• Ministers to endorse a narrative for the college sector, noting the emphasis on lifelong learning and business engagement.
• Ministers and SFC to address the “current imbalance” between strategic and core funding for colleges and universities.

• The funding model for colleges to be reformed to incentivise colleges’ speed of response to employer demand.

• Ministers to make supporting business growth a top priority for colleges, asking the Scottish Government, SFC and the enterprise agencies to work with the college sector on a ‘Team Scotland’ basis on college/employer engagement. Joint teams could improve regional planning.

• A review of post-16 qualifications to ensure they are suitable for colleges now and in future. Enable colleges to design and develop their own qualifications. Accommodate employers’ wish for bitesize ‘micro credentials’ and short courses.

• Student articulation from college into Year 2 or 3 of university to incentivise collaboration, co-funding and co-investment and to address difficulties of articulation in rural and remote areas.

• Greater college participation in all levels of apprenticeship.

• SFC to work with the sector to ensure college outcome agreements contain effective impact measures for the sector.

• Ministers to reduce unnecessary bureaucracy for colleges to enable them to make the “fullest possible contribution to inclusive growth”.

• Ministers to consider asking the Office for National Statistics to look at the classification of colleges as public sector bodies.

• Collaboration to be explored, including through the creation of hubs, whilst also ensuring the diversity of the sector is preserved.

Looking to the Future

22. The UK wide Independent Commission on the College of the Future looked at what society wants and needs from colleges, across the UK, from 2030 onwards. It also considered the role of colleges as part of a joined-up education and skills system. As part of this work, there was a Scottish College of the Future report, published in December 2020, which looked at how recommendations for reform and renewal could be applied to the Scottish further education system.

Financial Sustainability

23. The Scottish Funding Council’s 2021 Review of Coherent Provision and Sustainability looked at the financial sustainability of the college and university sectors and how they might adapt to improve delivery and quality of learning in the future.

24. Recommendations of the SFC’s Review endorsed some of the conclusions in the Cumberford-Little report, including calls for—

• The Scottish Government to set out its overall strategic intent for further and
higher education and research, along with a national vision and strategy for the college and university estate;

- The Scottish Government to move to multi-year funding assumptions, enabling SFC to give more certainty to institutions on continuation of project funding;

- The creation of a National Impact Framework linked to Scotland’s National Performance Framework. SFC will also work with the sector to revise its approach to Outcome Agreements.

- The development of a pilot framework for short ‘micro-credential’ courses to support skills needs across the economy and identifying ways to support lifelong learning.

- Improved engagement with employers to determine and respond to skills need.

- Increased collaboration between institutions across the Higher Education Institutions (HEI) and college sectors, including consideration of shared support services and with industry. This should be supported by the Scottish Government; and

- The Scottish Government to work with SFC to build on progress made to widen access to university.

25. The Independent Commission on the College of the Future published another report, Going Further and Higher, in February 2022. This again looked at all four nations of the UK, calling for greater collaboration between colleges and universities. Going Further and Higher noted the recommendations of the SFC’s 2021 Review of Coherent Provision and Sustainability and that it set out a path toward an integrated and collaborative tertiary system. It also noted that the Scottish Government had broadly accepted the SFC's recommendations.
Purpose of colleges

26. Before considering the impact of regionalisation, the Committee explored the role that colleges play in Scotland and how regionalisation was designed to strengthen that role.

27. Colleges fulfil multiple purposes, delivering education and training to people of different ages, abilities and ambitions. This includes the delivery of professional development through upskilling and re-training, to ensure that people can continue to learn, develop within an industry or pivot to another. It also includes the vital objective of providing more vulnerable people with opportunities to develop skills to learn, to live and to work.

28. In 2020-21, the college sector delivered a total of 128,559 FTE funded places\(^2\) to 213,135 learners.\(^3\)

Lifetime learning and driving social mobility

29. In his evidence to the Committee, Stuart Brown of EIS-FELA highlighted that it is a specific mission of colleges to deliver education to people in their communities who have perhaps been left behind by other parts of the education system or are retraining.\(^4\)

30. Colleges provide opportunities for people to develop life skills or to acquire experience and skills. Should they wish, learners may then choose to develop these skills further - for instance, through higher national qualifications, work-based learning or perhaps a degree, either at college or university.

31. In 2020-21, there were 277,620 enrolments on to college courses in Scotland. 81,075 (29.2 per cent) of these enrolments were to courses leading to non-accredited qualifications. These courses are typically short and part-time in nature, averaging fewer than 38 hours in duration, and often fewer than 10 hours. For example, employees undertaking first aid courses, vocational qualifications - for instance in construction or engineering, and STEM courses for primary and secondary school pupils.

32. Non-accredited courses are an important part of the learner journey for many students. For example, they will often be introductory and pre-access courses that can help ease students into a formal education environment.

33. One group of students who particularly benefit from non-accredited courses are students with Additional Support Needs (ASN). This can include those with disabilities or health concerns, those with difficult family circumstances, for example people who are care experienced, and those who are enrolled on English for Speakers of Other Languages (ESOL) modules.

34. The majority of the courses that colleges deliver lead to recognised qualifications. These include—

- National Qualifications that people could also work towards in senior phase of secondary school such as National 5s, Highers and Advanced Highers;
• Higher National Certificates (HNCs, which normally take one year to complete full-time) or Higher National Diplomas (HNDs, which normally take two years) - these are free-standing advanced vocational qualifications,

• Access courses, which are designed to lead to a degree course and

• Higher education courses - colleges deliver higher education to 27 per cent of Scottish higher education students.

35. In his evidence, the then Commissioner for Fair Access, Sir Peter Scott, noted that—

• the social base of college students is much wider than that of students at Higher Education institutions; and

• 25.3 per cent of Higher Education entrants to college in 2020-21 came from the 20 per cent most deprived communities in Scotland, compared to 16.7 per cent of entrants to full-time first degree courses at university.

36. Colleges are also a key provider of training and development, where people can work towards professional and vocational qualifications. Colleges award qualifications from awarding bodies including the Scottish Qualifications Authority (SQA), the Business and Technology Education Council (BTEC), Vocational Training Charitable Trust (VTCT) and City and Guilds.

37. With a directive to help alleviate inequalities, colleges provide vital, and more accessible, opportunities for lifelong learning, up-skilling and re-training. As such, they are key drivers of social mobility.

Delivering national economic strategy

38. Several witnesses, including Audit Scotland, noted the importance of colleges to the delivery of Scottish Government priorities, including the Scottish Government's National Strategy for Economic Transformation.

39. In his evidence on 5 October, Andy Witty - Director of Sector Policy at Colleges Scotland, argued that colleges were needed to deliver all five of the strategy's pillars—

• Entrepreneurial people and culture;

• New market opportunities;

• Productive businesses and regions;

• Skilled workforce; and

• A fairer and more equal society.

40. Karen Watt, Chief Executive of the SFC agreed that colleges were pivotal to delivering the national strategy, highlighting not only their considerable engagement with employers and small and medium enterprises (SMEs) through funds such as
the Flexible Workforce Development Fund, but also the work that they do to
develop entrepreneurial people and new market opportunities.

41. In written evidence, the Royal Society of Edinburgh, similarly noted the significance of colleges to producing a skilled workforce for new industries—

> Colleges will have a pivotal role to play in reskilling workers in support of a just transition... While this is often viewed through the context of workers exiting the oil and gas industry and to the need for higher level skills, it applies to any worker needing to upgrade and adapt their skills to keep up with changing industry expectations. The work of colleges in supporting reskilling of the more traditional trades associated with the built environment will be essential.

**Constraints on Success**

42. The Royal Society of Edinburgh also noted, in its evidence, that there can be tension between colleges' multiple priorities and suggested that, at times, this tension has limited the success of the regionalisation reforms.

> Colleges have often sought to fulfil multiple directives from alleviating inequalities to stimulating the economy by building a skilled and competent workforce and so their objectives have not always been clearly defined. Further, strategic aims and regional needs have sometimes diverged, with the former often taking precedence. This has meant that the intended goal of revitalising local economies and communities through college regionalisation has not always been met.

43. The Cumberford-Little report of February 2020, the Scottish College of the Future report of December 2020, and the SFC's Review of Coherent Provision and Sustainability of June 2021, all recommended that greater clarity was needed around the role of colleges, and the critical part they play in the economy.

44. The Committee notes that the Scottish Government has been developing a statement of intent for Scotland’s post-school education, research and skills ecosystem. In December 2022, the Scottish Government published its [interim purpose and principles](#) which will guide its decision making on reform.

45. The purpose of the ecosystem will be to develop new thinking, products and systems through research and to ensure that people, at every stage in life, have the opportunity and means to develop the skills, knowledge, values and attributes to fulfil their potential and to make a meaningful contribution to society.

46. It also set out five principles: high quality, supportive and equitable, globally respected, agile and responsive, and transparent, resilient and trusted.

47. The Committee notes that the final purpose and principles statement is expected in Spring 2023. Given the competing demands placed on colleges, it is essential that the Scottish Government uses this statement to provide clear strategic direction to colleges as to what it expects, and needs, colleges to deliver.
Delivering on the aims of regionalisation

This section of the report explores the progress made against the aims of regionalisation over the last decade.

Post-16 learning

A key aim of college regionalisation was an ambition for all young people over the age of 16 to stay in learning and achieve qualifications, improving their job prospects and earnings in the long term.

Colleges work with schools in their region, not only to support the curriculum options available in schools, but also to promote the opportunities that exist at colleges. Several Principals agreed that while colleges have always had good working relationships with schools, these have been strengthened by regionalisation as, in most regions, there is now only one college to work and co-ordinate activity with.

In the case of Edinburgh College, there has been a 300 per cent increase in its activity with school pupils, since regionalisation, with just under 5,000 pupils now studying at the college each year.

Eve Lewis, the director of Student Partnership in Quality Scotland (sparqs) stated that there has been growth and transformation in school-college partnership working since regionalisation, whereby school pupils go to the college for classes or, at times, college lecturers go into schools to teach.

In their evidence to the Committee, witnesses including Audrey Cumberford, Principal of Edinburgh College and Commissioner from the Commission on the College of the Future, and Eve Lewis from sparqs, noted that there was further scope for growth and more joint planning in this partnership working.

However, EIS-FELA flagged its concerns about some aspects of this activity, stating that the lecturers going into schools to deliver qualifications do not always have General Teaching Council for Scotland (GTCS) accreditation. The Committee notes that the roll out of GTCS registration for lecturers is ongoing. However, it further notes that lecturers who aren’t registered with GTCS would not be subject to its Professional Standards.

Colleges offer opportunities for people to study for National 5s, Highers and Advanced Highers. These are available not only for returners to education but also younger students who may prefer to study in a non-school environment.

In their evidence SFC, college Principals and senior figures from Developing the Young Workforce (DYW) also highlighted that, as a result of the strengthened relationship between colleges and their local schools, there is now more support available for young people transitioning from schools to colleges.

Sir Peter Scott stated that colleges working more closely with schools allowed pupils to combine academic and vocational courses. This could ease the transition from school to post-school further education study, and potentially offer students
from more socially disadvantaged backgrounds the opportunity to progress into higher education. 8

58. However, Stuart Brown from EIS-FELA argued that this benefit had not been seen across the country, given that—

The quality of transition work and engagement between schools and colleges is inconsistent across the sector. 9

59. It was EIS-FELA's view that there has been "a lack of practitioner voice in discussions on transitions". 10 EIS-FELA did welcome the establishment of a strategic partnership forum as, although still a relatively new body, this could be a vehicle for the sharing of good practice to ensure that while the "experiences of transition might not be the same...the quality should be similar." 11

60. In its written evidence, Lantra - a charity that aims to help land based and aquaculture businesses meet their skills needs, highlighted that other support for colleges students has also improved—

Since regionalisation, the level of support that students can access has in the main increased, and there is increased uniformity in that support. They have improved online support and information, and systems and processes have gradually become more streamlined and 'user friendly'. 12

61. Students themselves appear to be generally satisfied with the current structures. In its written evidence, Audit Scotland observed that student satisfaction rates since regionalisation had been generally positive and targets on student numbers were being achieved.

62. Colleges not only deliver high-quality advanced vocational training, in the form of HNCs and HNDs which are well understood and respected by employers, they also deliver a quarter of all higher education teaching in Scotland to approximately 29,000 FTE learners. Colleges also work with universities in their region to support students who wish to study at university.

63. Several of the reports highlighted earlier have called for greater collaboration between colleges and universities, to build further on the relationships that have been strengthened through college regionalisation.

64. The reports state that greater collaboration would allow a more strategic approach to the understanding and delivery of the education, skills and training needs across each region. By working and planning together, alongside local employers, it is intended that the needs of students, employers and broader economic and social drivers can be balanced and, in turn, met by a more co-ordinated tertiary sector.

65. The Committee heard about two Tertiary Provision Pathfinders, in the South of Scotland and the North East of Scotland, which are currently testing how a more integrated tertiary model might work in practice.

66. In their evidence Neil Cowie, Angela Cox and Joanna Campbell discussed the workstreams that NESCol, Borders College and Dumfries & Galloway College have been involved in as part of these pathfinders. The Committee noted that one
workstream involves creating a learner journey, from school to graduate level.  

67. The Committee welcomes the growth in school-college partnerships and the opportunities that they can offer to enhance the subjects and experiences that schools can offer pupils, and to ease school leavers' start on their post-school pathway.

68. Derek Smeall of Glasgow Kelvin College stated that regionalisation has "provided very clear pathways for students, from the lowest entry level right through to progressing to university."  

69. The Committee recognises the positive contribution that colleges have made in supporting learners and providing opportunities for training and progression.

70. The Committee notes the establishment of a strategic partnership forum on transitions. The Committee would welcome further information about the work the forum has undertaken to date, what plans it has for the next 12 months and how it will share best practice to improve effectiveness across Scotland.

**Skills**

71. Alongside creating an environment where all young people could stay in learning, to achieve qualifications so that they could improve their job prospects and earnings in the long term, there was a further aim of regionalisation, to ensure that the college landscape could meet current education, employment and skills challenges.

72. The Committee recognises the importance of developing skills to not only meet the demands of the local and national economy and to increase the employability of individuals; but also to improve life skills which can enhance individuals' wellbeing.

73. In its response to the Committee's call for views, the SFC highlighted its report on the 2012-13 mergers which concluded that the landscape, following mergers, was better suited to the delivery of skills, engagement with employers and universities, and better able to improve learner journeys.

74. A key element of improving job prospects for students, and meeting current skills challenges is good economic planning and understanding the areas of future growth and, also, decline. By recognising these trends, colleges can calibrate their curriculum to ensure that students are being equipped with the skills to thrive in the longer term.

75. The Cumberford-Little report and the SFC's Coherence and Sustainability: A Review of Tertiary Education and Research highlighted the importance of colleges, to the Scottish Government's National Economic Strategy, in creating a skilled workforce now and in the future. The Committee heard that the strong links that colleges already have with industry are critical to informing colleges about the skills that businesses require, and helping to create pathways from courses to workplace.

76. The Committee also heard that further practical steps can be taken to ensure that even more students can be equipped with the necessary skills and connections to
find swift employment, which also ensures a steady supply of trained people for local and wider industry.

77. The Committee notes the findings of the recent **Scottish Employer Perspective Survey**, commissioned by the Scottish Government, which stated that employers found the majority of education leavers that they recruited to be "well" or "very well" prepared for the workforce.

78. Seventy-eight per cent of employers that recruited a leaver from a college said they were well or very well prepared for work. This compared to 80 per cent for university leavers and 68 per cent for school leavers.

79. In a session with senior figures from Developing the Young Workforce (DYW), the Committee heard about the importance of key sectors being clear about the skills they need for the short and medium term, and communicating that to colleges and universities. This would allow universities and particularly colleges to develop courses to meet those needs and deliver the training required. Given their role in helping to deliver the **National Strategy for Economic Transformation**, colleges and universities need to be alive to national patterns in skills shortages and emerging industries as much as to local need.

80. It was noted that the financial services sector has done exactly this. In its **Skills action plan for financial & professional services**, it identified key skills that will be required over the next three years. DYW figures explained that—

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Armed with that information, colleges (and universities) have to work out how they are going to respond to a challenge of providing skills and education to meet those (in this case) 50,000 prospective jobs. It is a challenge but a positive one, a great opportunity for colleges to be dynamic and align around those needs.
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**Skills Alignment**

81. The Committee heard that while further collaboration with industry would be helpful in signposting upcoming needs, better co-ordination and joint working is required by the relevant public sector agencies, i.e. Skills Development Scotland (SDS) and the Scottish Funding Council (SFC), to maximise success.

82. SDS is the national skills body. It supports people and businesses to develop and apply their skills. The SFC is the tertiary education and research authority. It invests around £2 billion of public money each year to deliver, among other things, tertiary learning and teaching, and skills and apprenticeships.

83. In 2017, the Scottish Government, SDS and the SFC agreed to work towards skills alignment. However, in its January 2022 report **Planning for Skills**, Audit Scotland criticised the Scottish Government for a lack of leadership and oversight to ensure that SDS and SFC worked together.

84. The report criticised a lack of clarity from the Scottish Government regarding what was to be achieved by skills alignment and what would constitute success. It was also critical of SDS and SFC for being unable to reach agreement on how integrated approaches to skills planning should work.

85. In his evidence, Hugh Hall, then Principal of Fife College, advocated greater
alignment and convergence of funding. He suggested bringing aspects of SDS and the SFC together, to ensure that the funding landscape aligns with the country's economic development needs.\footnote{15}

86. The \textit{Scottish College of the Future report} similarly recommended creating a single agency, which would bring the functions of SDS and SFC together.

87. The Committee notes that in 2022, the Scottish Government published a \textit{Skills Shared Outcomes Framework}, which has a role in monitoring and reporting on collaborative projects between SDS and SFC.

88. The Committee further notes that since the publication of the Audit Scotland report, the Scottish Government has also commissioned the \textit{Withers Skills review}. This review is looking at the skills functions of Scotland's national public bodies in Scotland, including the design and delivery of apprenticeship programmes, employer engagement and regional and sectoral skills planning. The review is due to report in Spring 2023.

89. Whilst welcoming the current skills review, the Committee is disappointed by the slow progress on skills planning in recent years.

90. The Committee agrees with Audit Scotland that a more integrated approach to equipping people with the workforce skills Scotland needs is a key element of economic growth. It further agrees with Audit Scotland's conclusion that urgent action is needed on workforce skills planning.

91. The Committee agrees that it is essential that industry articulates its upcoming needs to colleges and universities. However, it recognises that there are specific challenges for SMEs who may have insufficient time, staff or resources to be able to engage with colleges in the same way.

92. The Committee recognises the importance for colleges, their students and employers to be able to respond effectively to the needs of the local economy. The Committee believes that it is the responsibility of business and key sectoral bodies to proactively engage with colleges / universities to articulate the skills that they require in the medium term, as this will allow colleges and universities to respond more effectively to help develop the workforce.

93. However, it acknowledges the challenges that SMEs can face if they do not have a sectoral body to help set out their skills needs. The Committee therefore recommends that colleges further develop their engagement with local SMEs to take account of their needs.

94. The Committee recognises the need for horizon scanning of trends across the economy, to identify expanding sectors and those that are declining. The Committee agrees with Audit Scotland that in order to improve the current
situation in relation to workforce skills planning, strong leadership from the Scottish Government is required, as is more effective joint working between Skills Development Scotland and the Scottish Funding Council.

Re-training

95. A further aim of regionalisation was to ensure that colleges could respond rapidly to emerging scenarios. The closure of a significant local employer could be such a scenario, where employees might need to quickly up-skill or retrain for work in a different sector.

96. The Committee heard evidence about two discrete funding pots that colleges can use to deliver responsive training, the National Training Transition Fund and the Flexible Workforce Development Fund. In one instance Edinburgh College used the National Training Transition Fund to deliver training to address a critical staffing need within NHS Lothian. With around 700 vacancies to fill and people with specific skills needed, the college and NHS designed a fast-track, six-week programme which, on successful completion, led to a job. Due to its success, the programme has now been repeated on a rolling basis.  

97. However, there have been calls - from colleges, the Cumberford-Little report, and the Scottish College of the Future report - to enable colleges to develop their own qualifications in order to be even more responsive.

98. While the SQA doesn’t have a specific timeline for the development of qualifications, there are ten stages to develop a new qualification which can be a time consuming process from capturing ideas initially to operationalising and promoting the qualification.

99. The SQA aims to offer credible qualifications which seek to meet Scotland’s economic, social, political and cultural needs. It also seeks to ensure that qualifications are accessible to learners at a level suitable to their educational needs, whether they are looking to develop core skills, work towards advanced qualifications or access training to support a career change. Each new qualification must have a business case to justify its creation and development, including a demonstration of why it is needed.  

100. In its 2021 review, the SFC also recommended the development of more short courses and micro credentials designed to be responsive to the needs of local business.

101. Representatives from DYW as well as the Open University in Scotland similarly highlighted the importance, and opportunity, of offering micro-credentials.

102. The role that Partnership Action for Continuing Employment (PACE) fulfils in providing redundancy support to businesses and employees was highlighted during the session with representatives of DYW.

103. When facing redundancy, PACE advisers help people recognise their skills, explore
their options and prepare for their next move.

104. When discussing the support that PACE provides, a senior representative from DYW described the current model as really reactive.  

105. The Committee considered whether support could be available, perhaps even ahead of actual redundancy notices being served, to help those employees at risk to identify industries that are expanding, and signpost how they can proactively access training, to be able to move to a more secure position.

106. The Committee asks the Scottish Government to consider what barriers might exist to allowing colleges to develop their own qualifications, including micro-credentials, to be able to effectively respond to emerging scenarios and how these might be removed.

107. The Committee asks the Scottish Government whether relevant agencies have a good understanding of the state of businesses so that they can identify support that may be required by employees at risk of redundancy, to allow rapid retraining and redeployment of staff from declining sectors to expanding sectors.

Careers Advice

108. Throughout this inquiry, the Committee has been impressed by the impact of colleges and their ability to deliver on multiple fronts including the delivery of skills; supporting local SMEs with access to innovative techniques and processes; providing vital opportunities for community learning; widening access to higher education and advanced vocational qualifications.

109. The Committee heard repeatedly about the importance of good quality information and careers guidance to ensure that people can be made aware of existing opportunities alongside potential opportunities in new or emerging industries.

110. While noting the growth and strengthening of relationships between schools and colleges, and the work to develop pathways from school to graduate level, the Committee noted that some were still unaware of the opportunities available at colleges.

111. In her evidence, Eve Lewis from sparqs noted—

   Plenty of young people who are studying in schools still do not know the options that are available to them at college or university. There are still massive issues around parity of esteem. Some college routes would be amazing for young people, but parents or other people involved in decision making might be negative about those routes compared with others.  

112. It was noted in the session with representatives from DYW that good careers guidance is as important for those already in work as it is for young people at school, to ensure that people in sectors that are declining have options and support
to re-train or up-skill, to be able to pivot into sectors that are expanding. One contributor stated that "we need to do more to line up people with emerging opportunities."

113. It is essential that the opportunities offered by colleges are fully understood and promoted to schools, students and employers. The Committee therefore welcomes the recent Career Review and its recommendations which seek to ensure that career services are fit for purpose and future proofed to meet the demands of a changing world of work.

Creating colleges of scale

114. Another key goal of regionalisation was to create “colleges of scale” to secure “coherent, relevant provision on a sustainable basis, including access-level and advanced and specialist provision”.

115. The Committee repeatedly heard that regionalisation and mergers have increased the strategic platform that colleges have within their regions. Several witnesses stated that the creation of institutions of scale have allowed a single voice on further education to develop for each region - whether through its single college or, in the case of the three multi college regions, a co-ordinated approach between colleges in the region.

116. Several witnesses, including Principals from Ayrshire College, Fife College, Glasgow Kelvin College and North East Scotland College (Nescol) agreed that as a result of the changes their colleges now enjoy a platform and a "seat at the table" where regional economic strategy discussions are taking place.

117. Senior representatives from colleges, DYW and Colleges Scotland explained that, as larger institutions, with a wider geographical reach than the legacy colleges they replaced, colleges now have greater influence on regional strategic bodies and more effective working relationships with organisations across their region, for example health boards, schools and universities, the local DYW board and employers.

118. The Committee heard that their increased size and platform has led to an increase in influence and input when regional priorities are discussed. Drawing on her experience at Borders College, Angela Cox noted that the Borders had a really clear regional focus. She stated that—

> Being recognised as an anchor institution and being around the table with our local authority and other partners, in order to deliver on the priorities for the region, was a real benefit to the socioeconomic prosperity of the region. 20

119. In their evidence, senior figures from Developing the Young Workforce (DYW) highlighted the "greater financial and community leverage" 21 that colleges now have. Ayrshire College, for example, worked with local partners to develop a skills centre at Irvine Royal Academy, within 10 months. One contributor explained that, in their view, such a project would not have been possible, at least not in the same
time-frame, when the campus was part of a smaller college, serving a smaller area.

120. The Committee also heard that regionalisation and mergers have led to increased credibility when working with local universities. Neil Cowie highlighted the constructive relationship his college, NESCol, has developed with its local universities, particularly Robert Gordon University. In their joint written evidence, the Principals of City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College stated that regionalisation has given "new college regions greater influence in engaging other learning partners, including stimulating new collaborations with universities in Glasgow, and beyond." 22

121. The Committee heard that the greater scale of colleges has also led to the increased sustainability of some courses. Audrey Cumberford, Principal of Edinburgh College, explained that before regionalisation and college mergers, a college may have had to stop running a course because there weren't enough students to keep it viable. However, the efficiencies of scale that, in her case Edinburgh College, have been able to realise has allowed colleges to keep more courses running for longer.

122. The Construction Industry Training Board (CITB) also noted that the sustainability of the delivery of construction courses has improved, explaining that as the number of courses became concentrated in fewer colleges, overhead costs of delivery were reduced. 23

123. However, the limitations of regional boundaries have been raised repeatedly during the inquiry. For some colleges, particularly larger institutions in the central belt, the reach of a college can go beyond the boundaries of the local authorities it operates in. City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College provide almost a quarter of all college education in Scotland. 24 Edinburgh College accounts for another ten per cent. 25

124. These are sizeable institutions within relatively tight geographic boundaries and their student bodies will not be drawn exclusively from their immediate area. Similarly, employers and businesses that they could potentially work with will often operate outwith their regional boundaries.

125. Likewise, sectors of significant size will also draw employees from beyond their own regions. For instance, approximately 40 per cent of the Edinburgh economy is connected to financial services. However, those employed in this sector could live in Fife, the Scottish Borders, West Lothian or Falkirk rather than Edinburgh. Senior officials from DYW argued that colleges need to be better at coming together to respond to the scale of challenges which cut across sectors and areas. This would ensure that the challenge of providing the skills required by this industry could be answered by colleges in numerous regions along with Edinburgh.

126. In its evidence to the Committee, the Lanarkshire Strategic Regional Board called for the structure of regional colleges to be aligned as much as possible with other major stakeholders' boundaries. It stated that this would help to ensure that "public sector expenditure is focused and coordinated more effectively to address the major issues in our communities relating to inequality, economic activity, poverty and social justice." 26
127. The Committee heard that the regional model, in creating institutions focused on the priorities of the whole region has also given some colleges opportunities to capitalise on the uniqueness of their region, to serve that local area but also to appeal to potential students from further afield.

128. This approach was highlighted by Dumfries & Galloway College and Scottish Borders College, with the latter citing specific programmes that it had developed such as its HNDs in Down Hill Mountain Biking (Performance) and Gamekeeping/ Land Conservation as well as its Borders Academy Sporting Excellence (Rugby, Hockey) and Scottish Racing Academy.

129. However, Perth College UHI suggested that not all colleges have an increased strategic platform. In its written evidence it acknowledged that, in some colleges, regionalisation and mergers had led to—

- a structural coherence;
- a shared vision and evidence of collective thinking;
- more effective delivery of regional college provision; and
- more manageable and responsive institutions.

130. However, it also stated that—

> In at least one multi-college regional body there are clear geographic, demographic, and economic differences within the administrative region and this has created tensions, has not always resulted in optimal outcomes for all colleges within the region, and has inhibited interactions and partnerships with stakeholders within the immediate local economic region.  

131. On balance, the evidence received indicated that colleges generally have a stronger presence within their regions than legacy colleges as the voice of further education and the key role that it plays in delivering skills for the local and wider economy is concentrated in one institution, or fewer in the case of the three multi-college regions.

132. Reflecting on her recent work as a Commissioner on the UK-wide Independent Commission on the College of the Future, Audrey Cumberford explained that when looking at how colleges work with universities, the Commission had recognised the—

> importance of colleges as a national asset and an essential part of the public infrastructure. In this regard, regionalisation of colleges in Scotland was considered to be a particular strength by stakeholders across the other 3 Nations, providing a coherent closer working with employers, and the foundations for much closer integration with universities, schools and other public bodies at local and regional level.  

133. Furthermore, the Commission concluded in its Going further and higher - the College of the Future report that the coherence established by regionalisation has resulted in colleges playing a much stronger role in the delivery of national social and economic policies and an enhanced role in local/ regional economic
However, the Committee has taken evidence which indicated that, for some institutions, the mergers and regional focus has been at the expense of previously closer ties to local communities.

Perth College UHI, in its written evidence, suggested that "in some cases, [mergers had caused] a fracturing of relationship between communities and colleges."  

In his evidence, Neil Cowie of NESCol acknowledged that forging a united identity across the legacy colleges had taken longer than expected. He also described the amount of effort that NESCol's leadership team has put in to promote a one-college ethos, and to overcome the challenge of establishing as strong a relationship across the whole region as had been in place between the legacy colleges and their local communities.

Regional Strategic Boards

Regionalisation created thirteen regions. For the ten single college regions, each college has a board. In the three multi-college regions, each college within the region has its own board, but there is also a Regional Strategic Board to—

- strategically plan college education across the region
- allocate funding to assigned colleges
- monitor how their assigned colleges perform
- oversee the delivery of the regional outcome agreement, which sets out what colleges in a region will deliver in exchange for funding.

Each multi-college region has different approach in how it works to deliver its core functions.

In October 2020, SFC published a report on regional strategic bodies as part of its wider review of the further and higher education sectors. This review recommended that—

- the Lanarkshire Board should be dissolved, with New College Lanarkshire and South Lanarkshire managing themselves as separate regional entities;
- further reform of the Glasgow Colleges’ Regional Board is needed; and
- further integration of the University of the Highlands and Islands is needed, with the possibility of mergers of partner colleges.

The Scottish Government accepted all of the SFC’s recommendations, however, the Committee notes that neither the Glasgow Colleges’ Regional Board (GCRB) has been reformed, nor the Lanarkshire Regional Strategic Board dissolved.

It is also not clear to the Committee whether work is underway to ensure further integration across the University of the Highlands and Islands, although it is aware that college mergers within the Highlands and Islands are currently in train. In
November 2022, the boards of management at UHI North Highland, UHI Outer Hebrides and UHI West Highland formally approved the proposal to merge the three colleges. The new, single UHI college is due to be up and running from August 2023.

Potential for Further Improvements

142. In written evidence, the Royal Society of Edinburgh suggested—

- The governance structure that was introduced to support regionalisation was seen by some observers as being overly complex. There could be scope to further rationalise the current governance structure in ways that streamline delivery and enhance self-determination. 33

143. In their written evidence, the Principals of the three Glasgow Colleges were emphatic in their belief that the Glasgow Colleges' Regional Board is no longer required, stating that it is duplicating work already being done by other bodies.

144. Principal of Glasgow Kelvin College Derek Smeall reiterated this point when giving evidence to the Committee on 21 September—

- The Glasgow colleges group is run solely by the Glasgow colleges. It is led by the three Glasgow principals, and we have a structure that is high-level operational but also strategic in delivering policy and strategy in the region.

  The GCRB is very much a governing body and clearly has specific responsibilities, but one of the issues is that its governance is highly transactional, and the opinion of the three principals is that it massively duplicates the strategic operations of the colleges. 34

145. Similarly, in its written evidence Borders College stated that multi-college regions “seem to be a very expensive model and use of public money”, suggesting that the focus should instead be on collaborative work within regions. 35

146. In his evidence to the Committee on 2 November, the Minister for Higher Education and Further Education, Youth Employment and Training highlighted that work was currently ongoing to consider whether the GCRB and the Lanarkshire Strategic Regional Board are still required, at least in their present form. 36 The Committee would therefore welcome an update on the situation with both GCRB and the Lanarkshire Strategic Regional Board.

147. In its evidence, EIS-FELA raised concerns that college boards are not able to provide effective governance and challenge to Principals, stating that it was the perception of EIS-FELA that—

- college Principals and management teams have significant levels of power over decision making without, as far as we can see, an awful lot of proper accountability to their college boards. Some colleges are more collegiate in their approach to the unions, but I do not believe that that is the culture across the sector. 37

148. The Committee notes that the Scottish Government has recently consulted on its commitment to introduce two trade union nominees to college boards as part of a
wider set of governance reforms that were put forward by the Good College Governance Task Group, following the review of college governance in 2016.

149. The Committee seeks an update from the Scottish Government and the Scottish Funding Council on the progress, including timescales, to—

• reform or dissolve the Glasgow Colleges' Regional Board;
• dissolve the Lanarkshire Strategic Regional Board; and
• ensure further integration across the University of the Highlands and Islands.

Removing duplication

150. A key aim of regionalisation was to remove course duplication and unnecessary competition for students between colleges and universities; and to deliver a more efficient system of colleges at a regional level, rather than individual institutions with individual overheads serving overlapping areas. The Scottish Government consultation stated that regionalisation could still support local delivery, taking into account transport needs and economic, cultural and social factors.

151. The Committee heard that the presence of larger institutions had generally led to a reduction in duplication of courses across regions, although college Principals were keen to stress that this is only a reduction in unnecessary and inappropriate duplication as rationalisation has been balanced against the responsibility to create a curriculum for their whole region, which seeks to address the needs of local employers and industry, as well as students.

152. Written evidence received from the three Glasgow College Principals stated that, in Glasgow, there has been “greater collaboration around curriculum mapping and greater communication in general between the colleges” to deliver a single Glasgow curriculum with intra-college progression pathways.

153. In its written evidence, the Open University in Scotland commented—

New regional structures have been embedded and the new institutions which have emerged seem to have moved beyond the legacy of the pre-merger institutions and made progress towards the goal of more coherent regional curriculum and outcomes for their learners.

154. The Committee heard that regionalisation and mergers have not only reduced unnecessary duplication between colleges but also some of the duplication between colleges and universities.

155. In its response to the call for views, Borders College explained some of the benefits that regionalisation has brought, in terms of the coherence of the types of courses and training that the college is able to provide in the Scottish Borders—
We do not spend money via marketing in competition with other colleges in the region and have a number of college/university partnerships in place to support provision that we don't deliver. 40

156. The Committee heard that HNCs and HNDs are highly regarded by employers in their own right and can also be used by students for entry into university.

157. When a student is able to move to a degree course with advanced standing, it is as a result of an agreement and indeed an alignment between college and university curricula. This means that there is less duplication for the students involved.

158. During the Committee meeting on 21 September, the Principal of Glasgow Kelvin College, Derek Smeall, highlighted that smoother articulation between some institutions has been a practical consequence of the increased credibility that colleges now have within their regions.

159. In an example of the progress which has been made, he highlighted that students studying engineering or science at Glasgow Kelvin College are now granted full credit when progressing their studies at the University of Glasgow. In his view, this is not something that would have been possible before regionalisation and the mergers of colleges. This report will examine articulation in more detail later in the report.

160. In its written evidence, Edinburgh College noted that since regionalisation and college mergers, the number of its students who progressed to universities within the region, with advanced standing (e.g. an HND student progressing to year three of University degree), had increased by 22 per cent. 41

161. However, there is still duplication. Clearly if 58 per cent of students are given full credit for their qualifications, 42 per cent are not. While the Committee appreciates that it may not possible for all HNC / HND students to receive full credit, those that don't have to study for longer, incurring more personal costs as well as the additional time. This also requires additional government funding.

162. The Scottish College of the Future report, published in June 2021, recommended that SFC to set out the roles and remits of universities and colleges, with a “distinctive and inclusive” role for colleges in delivery of SCQF Level 7 and 8 and/or HND and HNC qualifications to avoid unnecessary duplication and enable more students to go on to degree programmes.

**Serving the local community**

163. A key aim was for each college region to be able to offer courses and training that are responsive to the demographic, social and economic needs of the area they serve.

164. The Committee heard concerns that the shift from 41 colleges to 26 colleges and for courses to often be focused at one campus, has resulted in more remote access for some communities. Despite senior college representatives regularly and repeatedly highlighting what they see as the important role of colleges as anchor
institutions within their communities, EIS-FELA and UNISON both raised concerns about the impact these shifts had on equity of access as not all students will have the course that they are looking for within an easy distance.

**165.** Witnesses including Amy Monks, President of Dundee and Angus Students’ Association, acknowledged these challenges and stated that students who travel significant distances for their courses need to be supported by the college.  

**166.** The National Federation of Roofing Contractors (NFRC) suggested that, to combat this issue, travel links to colleges, particularly those delivering more niche courses for industries with skills shortages - such as roofing, be investigated and developed to ensure that students from a wide area could take up these courses.

**167.** Senior representatives from colleges talked about being able to work more effectively with businesses and other institutions, including universities and schools, across their regions as a result of regionalisation.

**168.** The Committee heard from senior figures in Developing the Young Workforce (DYW) who said that regionalisation has made engagement with colleges easier. With regard to the DYW specifically, it was stated that the relationships between its regional boards and their local colleges were strong and have been effective. These witnesses indicated that relationships with local businesses have also been strengthened by regionalisation.

**169.** The SFC noted that legacy colleges had strong links with local employers, developed over many years, however, in creating colleges of scale, regionalisation and the merger of colleges had "simplified the landscape for employers."

**170.** In its written evidence, the Construction Industry Training Board (CITB) agreed, noting—

> In many cases, where employers were located geographically close to Scotland’s colleges following regionalisation, engagement between colleges and construction employers improved, including employers’ support of learners undertaking pre-apprenticeship courses.

**171.** Andy Witty of Colleges Scotland similarly highlighted how closely colleges work with business, noting that 44 per cent of college learners have an industry link as part of their course. In its written evidence, Edinburgh College states that it is supporting and partnering over 2000 local and regional businesses.

**172.** The Committee heard several other examples of successful partnership working, including—

- Local NHS boards and Edinburgh College, Forth Valley College and New College Lanarkshire - on specific work force needs, including social care;
- Fife College and BAE Systems, who worked together to increase the number of apprentice applicants that BAE received.
- West Highland College UHI, Inverness College UHI, North Highland College UHI and Highland Council, Balfour Beatie and Sightkit Solutions established a Virtual School (VS) to deliver 21 qualifications to pupils based anywhere in the
Highlands in a range of SCQF levels 5-7 subjects. This included apprenticeships involving remote work placements and allowing senior phase learners access to a wider curriculum than was on offer locally before.

173. Several witnesses highlighted the challenge for colleges working in partnership with local SMEs, as they often lack the staff, time or resources to engage. Ann Baxter of New College Lanarkshire and Sue MacFarlane of UHI Outer Hebrides both gave examples of support that their respective colleges provided to local SMEs, including access to innovation hubs so that the SMEs can learn, test and explore new equipment and processes.

174. Joanna Campbell, Principal of Dumfries & Galloway College, highlighted that particular challenges exist for rural colleges, especially those without a large local employer which may require the same course or qualification for multiple employees. In the case of that college, it has hundreds of SMEs, the requirements of which vary considerably. Responding to those myriad requirements can be very challenging.

175. Witnesses stated that the extension of the Flexible Workforce Development Fund (FWDF) to SMEs in 2020-21 has helped to improve their engagement with colleges. During the Committee meeting on 21 September, almost every college Principal mentioned the FWDF, with Joanna Campbell noting that it had supported an increase of approximately 25 per cent in the number of modern apprenticeship places that Dumfries & Galloway College has been able to provide to employers. Colleges Scotland has called for more Flexible Workforce Development Fund investment for the college sector.

176. The Minister for Higher Education and Further Education, Youth Employment and Training welcomed the flexibility that this fund, as well as the National Transition Fund, has given colleges to deliver training for employers such as the Scottish Ambulance Service.

177. The Committee welcomes the Flexible Workforce Development Fund, and notes the positive impact that extending the Fund to SMEs has had on their engagement with colleges.

178. The Committee notes that the Scottish Government commissioned an independent evaluation of the fund, which was carried out in academic year 2021-22. That evaluation concluded that the fund is largely working well and delivering against its purpose to provide employers with flexible workforce development training opportunities.

179. The report did, however, suggest some possible improvements to the Fund, including—

- creating a single funding pot, rather than separate pots for levy-paying employers and for non-levy paying SMEs, which could provide a standardised offer for all employers, and greater flexibility, including the potential for increased investment for SMEs;

- reducing the administrative burden to help participants with less capacity to administer, promote and deliver the fund;
Putting the learner at the centre

180. The Committee recognises the Flexible Workforce Development Fund’s role in allowing colleges to work meaningfully with local employers and SMEs to deliver courses which meet their and their employees’ needs. The Committee encourages the Scottish Government to explore what more can be done to reduce the administrative burden on SMEs to allow more to engage with their local college and access flexible workforce development training opportunities.

181. A key ambition of the college reforms has been to enhance the student voice, to help to make the college sector more learner centred.

182. NUS Scotland stated that the role of college student associations was "greatly enhanced" by the Post-16 Education (Scotland) Act 2013 as the legislation embedded a requirement on colleges to ensure students are represented through student associations. 50

183. The development of college student associations has been repeatedly recognised as positive by witnesses throughout this inquiry and, at its meeting of 15 June, the Committee heard directly from Student Association officers, a class representative and student association staff about their experiences.

184. These witnesses explained the processes that we were in place at their respective colleges to—

• support students,

• help build effective relationships with student representatives, and

• ensure that the needs of learners are at the forefront of college decision making.

185. Witnesses highlighted the type of projects that student associations had put in place to support students including—

• A project at Edinburgh College Students Association to help students take active travel or public transport options to college;

• Ensuring that the redevelopment of communal space at West Lothian College more fully met what students wanted; and

• Providing social opportunities, when allowed, during the pandemic to ensure that students still felt connected to their college, and fellow learners.
186. Many of the office holders explained how they had been supported to be part of discussions about the strategic direction of the college, influence key decisions by the board and what support is available for students.

187. Amy Monks, Student Association President at Dundee & Angus College, highlighted her experience of working alongside the board of management and lead representatives to inform and influence the college’s strategic plan for 2025. 51

188. Along with staff, all of the student representatives highlighted the importance of further developing the capacity of office holders as well as providing ongoing support to ensure that representatives can be as effective as possible. This means training and development for the student officers, but also dedicated time to be able to perform their roles.

189. Currently, there is considerable variation across the country in respect of—

- the time that student officers have to fulfil their roles, for instance, some colleges have a full time officer for each campus, others have part-time officers who cover multiple campuses, which may have different characters and cultures etc;

- whether the Student Association President is supported to carry out their role with a sabbatical, and if so, for how long? Some colleges offer a year long sabbatical, at least one college offers a two year sabbatical;

- staffing of student associations; some have permanent staff, others have staff who have other roles within the college.

190. Eve Lewis, the director of Student Partnership in Quality Scotland (sparqs) noted that regionalisation had improved student input at board level, however, she felt there was scope to go further, advocating that more should be done to ensure that student association officers have capacity to input into more strategic decision making.

191. She further noted that many student associations are "funded at the will of the college, so there is a real issue about how that funding works and the autonomy of the student association." 52

192. At Edinburgh College, the student association is an independent organisation; at Forth Valley College, the student association is an arms length organisation; whereas at some other colleges, the student association is effectively a department of the college.

193. Even student officers who felt that they were well supported to be involved in key decision making on boards, acknowledged that the lack of financial independence could temper the robustness of the challenge that could be offered to the board and Principal.

194. During the 15 June meeting, Kirsten Koss, the then Depute President Aberdeen/Altenst, North East Scotland College Students' Association said—
There has to be a degree of independence, because it is difficult to be part of the college and say, “We do not agree with you” when you know that your funding and your relationships with staff depend on it.  

Al Wilson, Director of Edinburgh College Student Association added—

Edinburgh College is unique in having a student association that is a separate charity and staff who run it in an autonomous way. We are still funded by the college but in a slightly more separated fashion, which gives us an opportunity to be more autonomous, to challenge some decisions and to have our own strategic plan, which can either complement or diverge from what the college is doing. Not all colleges have that. I would not want to speak on their behalf, but I know from experience that some college student associations would struggle in that situation, given that...they are essentially a department of the college.

The Committee recognises that many college student associations are working well and delivering on the aim of enhancing student voice and making the college experience more learner-centred.

However, others may require strengthening. For some student associations, this may mean greater financial support or independence. For others, it may include more staff resource as well as more time and training support for student officers, to enable class and student representatives to be more independent, so that they can have real agency to offer robust challenge to their college boards and Principals.

While recognising that college student associations should have flexibility as to how they are constituted, given the potential for disparity in their ability to challenge their boards and Principals, the Committee asks the Scottish Government to consider whether minimum standards should be set, to ensure that college student associations have appropriate levels of funding and independence to protect their ability to challenge their boards.

Student poverty

The Committee understands ensuring the wellbeing of students is critical to their success and notes that it is a key element of the 'Putting the Learner at the Centre' reforms.

In its written evidence, NUS Scotland highlighted research it had conducted regarding the cost of living, costs of housing and the impact that this is having on students.

This research, Broke: How Scotland is failing its students, found—

- 12 per cent of all students have experienced homelessness since starting their studies, rising to an incidence of one in three amongst estranged and care
experienced students

• A third of students (35 per cent) have considered dropping out of their course due to financial difficulties and a quarter of students (25 per cent) had been unable to pay their rent in full on one or more occasion

• Around two thirds (64 per cent) have experienced mental ill-health as a result of financial pressures and 60 per cent of students worry or stress about their finances “frequently” or “all the time”

• More than half (56 per cent) of respondents said it was hard to cope financially over the summer

• Nearly one in three (31 per cent) students have relied on commercial debt such as credit cards, Klarna or payday loans, with a quarter reliant on bank overdrafts and 8 per cent of respondents depend on foodbanks

• 65 per cent of respondents who applied for discretionary funding either received no support or not enough support

202. The Committee acknowledges that the Scottish Government has committed to improving financial support for students. It committed to invest more and in its 2021-22 Programme for Government stated that it would "introduce a range of substantial reforms to student support, including a commitment that the total student support package reaches the equivalent of the Living Wage over the next three years, including for estranged students."

203. There is disparity in the support that college students currently receive. Depending on their age, circumstances and the type of course that they are taking, they can be eligible for Education Maintenance Allowance, an older students maintenance allowance or SAAS support. It is not clear how the Scottish Government's reform will change this complicated landscape.

204. It has been also noted that, at present, some students attending college are entitled to less support than they would be if they were claiming universal credit.

205. The issue of summer payments was raised by student officers during their evidence session on 15 June. It was stated that the struggle to get a full-time job, or to hold down multiple part-time jobs means that "summer is quite a scary time to be a student."

206. It is unclear whether the Department of Work and Pensions [DWP] has given consideration to whether students should be eligible to receive Universal Credit during summer months.

207. In the same 2021-22 Programme for Government, the Scottish Government committed to introducing a special support payment during the current Parliamentary session so that students on benefits do not lose out because they are in receipt of, or entitled to, student support. This has not yet been introduced.

208. The Scottish Government should publish a clear timetable for when it plans to
introduce the special support payment, along with the detail of who will be eligible and how this payment will interact with other Scottish benefits. The Scottish Government should also provide further information about its commitment to increase student support in line with the living wage by 2024-25.

209. The Committee seeks an update from the Student Awards Agency for Scotland and Department of Work and Pensions regarding their position on summer support for students and whether, in the case of the Department of Work and Pensions, students should be eligible for Universal Credit during this period.

210. The Committee heard that colleges responded well in shifting to an online delivery model during the pandemic, although it did mean that some courses, or at least aspects of courses, could not be delivered given their vocational and practical nature.

211. The Committee also heard that this shift presented challenges for some students and brought the reality of digital poverty to the fore. As Audit Scotland has explained "digital poverty isn't only a lack of technical equipment but also not having a quiet space at home to study in peace, or not having great connectivity." As a result some students' access to elements of their course or support from the college was limited.

212. The Committee acknowledges that the Scottish Government has provided dedicated funding to help colleges, universities and community learning and development sectors support students who are experiencing digital poverty. The Committee notes that in its budget for 2023-24, the Scottish Government has allocated £82.4m for Net College Capital. This includes £7.7m more than expected which has been provided to support college estates maintenance and continue student digital support.

213. Although the acute phase of the pandemic has ended, new habits and ways of working formed during this time. The Committee heard that these, coupled with the financial challenges presented by the cost of living crisis, have meant that many students are keen to have a more flexible model for their studies.

214. Student representatives and student association staff highlighted in their evidence that there were mixed views as to how students now wish to study. For some, getting back to campus has been very important, for their learning but also the more social aspects of college life. For others, including some with care responsibilities or living far from the college, a more hybrid or remote learning structure offers a level of flexibility that could help them to better manage the competing demands on their time.

215. Responding to the varied demands and preferences of the student body is likely to present challenges for Scotland's colleges. However, it could also allow more access to people who may otherwise not have been able to attend classes and gain more skills.

216. The Committee recognises the opportunities that can be offered through online learning, particularly to those who may struggle to take up a course which was
Mental health support

217. While acknowledging that some colleges will be doing this already, given the mix of student views and needs regarding in person, hybrid and remote learning, the Committee highlights the importance of colleges carrying out analysis of—

- students who are likely to benefit from digital/distance learning courses and training longer term (e.g. those with caring responsibilities, those with disabilities who cannot easily travel to campus, those who need reduced travel costs);
- which students will struggle with this type of learning longer term; and
- the likely impact on current college resources if this provision continues or is withdrawn in future.

218. The Committee recognises that, for some courses, hybrid and remote learning will have positive or no discernible impact on outcomes. For others, for instance courses with a significant practical element, hybrid and remote learning may have a negative impact on outcomes. The Committee recommends that colleges share this information with students, ahead of enrolment, to ensure that they understand not only how and where their course is taught, but also the possible impacts of hybrid and remote learning.

219. The Committee heard that mental health support has been critical for students and has been supported by targeted counsellor funding for colleges. The SFC highlighted additional funding that it had provided in 2019-20 and 2020-21 of £1.9m for counsellors to support learners through the pandemic.

220. However, it remains unclear whether this mental health support will be provided in the future, with the Scottish Government indicating that the college sector will be expected to fund counsellors as part of its core offer to students. The Committee heard concerns about future support from student officers, at its meeting on 15 June—

At the moment, we have three members of staff who work solely on mental health and wellbeing in the college. They are funded by a Scottish Funding Council grant. Once that goes, they will not stay. Let us be honest, we are in a mental health crisis and we need those members of staff, so that is really worrying.

221. Despite this backdrop, the Committee heard from student association elected officers and staff about the mental health services and support that they are trying
to have in place for their students. It was clear from their evidence how challenging that will be in the current financial climate.

222. The Committee notes that the Scottish Government is currently developing a Student Mental Health Plan which is due to be published in Spring 2023. It further notes that this plan is intended to provide a framework for action by universities and colleges.

223. The Committee asks the Scottish Government to confirm whether demand for mental health counselling has increased over the four year period during which dedicated funding for counsellors has been provided, and how future demand will be met if this financial support is not available beyond the end of the academic year 2023/24.

224. The Committee would welcome information on the framework for action being provided as part of the Student Mental Health Plan and whether it will be supported by dedicated resources.

Widening Access

Fair Access

225. Colleges are expected to provide a wide availability of access courses which allow people the opportunity to start on a course, without qualifications, with the ultimate goal of undertaking a degree.

226. In his evidence to the Committee, Sir Peter Scott, the then Commissioner for Fair Access, highlighted that colleges were "absolutely crucial" to the aim of fair access. He stated that colleges not only deliver a considerable amount of higher education, but were also a key path into degree courses. He noted that, of the entrants to degree courses in higher education who have come from more deprived backgrounds, 40 per cent went through a college route.

227. The Commissioner's role was created, following the report of the Commission on Widening Access, which was tasked with meeting the Scottish Government's ambition that every child, irrespective of socioeconomic background, should have an equal chance of accessing higher education.

228. In his written evidence, Sir Peter Scott stated that regionalisation had produced larger institutions that were more comprehensive, more resilient and more self-confident. It was his view that this strengthening of colleges has allowed them to continue playing this key role in fair access and, had they not been strengthened their role in higher education could have been reduced. He concluded that—

Scotland's record on fair access would be much diminished if it were not for colleges.
The Scottish Government met its first widening access target, that 16 per cent of entrants to first degree courses in higher education should come from the 20 per cent most deprived areas by 2021, ahead of schedule. Sir Peter Scott described this as good progress but warned that meeting future targets was not guaranteed.

He noted that the next target is for 18 per cent of entrants to first degree courses in higher education to come from the 20 per cent most deprived areas by 2026, and that the progress so far suggested that the target should be comfortably met.

However, Sir Peter highlighted that the full impact of Covid on school attainment levels and aspiration levels was not yet fully understood. The pandemic has been challenging for all young people, with the impact being greatest on those who come from the most deprived communities. Given that, he explained that the 18 per cent target may be more challenging than it appears and, looking beyond that, the target of having a level playing field by the end of the decade "looks challenging; no country in the world has yet achieved that." 63

The Committee noted that the current measure for widening access is socio-economic background via SIMD, the index which charts relative deprivation across Scotland, by postcode.

In his evidence, Sir Peter Scott highlighted that there had been ongoing debate as to whether an area-based metric such as SIMD should be used, or whether another measure that focuses more on individual disadvantage, such as free school meals, would be more appropriate.

However, it was Sir Peter Scott's view that any measure which focuses on deprivation could potentially ignore some disadvantaged groups. He therefore advocated that there should be a more comprehensive definition of disadvantage, which brings in as many dimensions as possible, and that this should be used to measure progress on fair access. He stated that ethnicity and disability were particularly important but also highlighted older students who may be overlooked due to a focus on younger learners. 64

Although widening access is generally seen in the context of allowing more students to access higher education, colleges also have a wider role providing opportunities for people who may have additional needs, who may be returning to education or who have been left behind by other parts of the education system.

As explored earlier, colleges provide opportunities for learners to complete part-time and non-accredited qualifications. In 2020-21, 29.2 per cent of enrolments across Scotland (81,075) were to courses leading to non-accredited qualifications. 65

In 2020-21, there was over £22m of credit funding for non-accredited qualifications aimed at a variety of different learners including—

- School pupils,
- People whose qualifications are required or offered by their employer, and
- People with additional support needs.

Colleges also facilitate and encourage lifelong learning, allowing people to re-train,
up-skill and develop. The goal for learners may never be higher education but rather realising opportunities to develop new skills to be able to advance at work or to live more independently.

239. In its written evidence, the SFC stated that regionalisation has “supported learners with a more coherent and sustainable curriculum offer and support”, highlighting that between 2013-14 and 2019-20, there has been—

- increases in the proportions of adult returners (those aged 30 or over), disabled students, and black and minority ethnic learners; and

- increases in students from the most deprived communities into higher education and in the intake of care experienced students. 66

240. The Committee notes, from further information provided by the SFC, that the numbers of adult returners, disabled students, and black and minority ethnic learners enrolling in full time higher education and further education courses has increased significantly since 2008-09. 67

241. It notes, however, that these increases are somewhat tempered by the significant drop in the number of enrolments, including by adult returners, disabled students, and black and minority ethnic learners, in part-time courses. 68

242. In its 2015 report on colleges, Audit Scotland noted that the Scottish Government reduced funding for short courses of under 10 hours and courses not leading to a recognised qualification, prioritising younger students and full-time courses. It reported that, between 2008-09 and 2013-14, there was a 48 per cent reduction in the number of part-time students and a 41 per cent reduction in the number of students aged 25 or older.

243. Audit Scotland’s 2016 report on colleges indicated that the number of under-25s in full-time education at college had increased by 14 per cent in eight years while student numbers overall had decreased by 41 per cent.

244. Whilst it is clear that the ambition of widening access in relation to accessing higher education to some groups is being achieved, this appears to be due to other factors alongside regionalisation such as the focus on full-time education and the prioritisation of younger students.

245. The Committee heard that student attainment is not where it was, pre-merger. During the meeting on 21 September, the Principal of NESCol noted—

   On the drawbacks [of regionalisation], I think that student attainment has taken a hit, particularly with the larger colleges...In general, attainment has not tended to improve, and there is a complex set of discussions to be had around why that is still the case. Pre-merger, the figures were certainly better in relation to some of the activities that my legacy colleges were involved in. 69

246. In its evidence, Audit Scotland highlighted that the average attainment rate for full time further education learners remaining relatively static at around 66 per cent between 2015-16 and 2019-20, noting that this was some distance from the SFC target of 75 per cent by 2020-21. 70
247. Although the SFC argues that learners are being better supported to succeed with the increased coherence of the curriculum, their statistics show that attainment rates for care experienced students and students with disabilities are lower than other student groups.  

248. College Principals highlighted the importance of the work their colleges undertake delivering community education. The Committee heard that, in so doing, colleges provide a space and skills for those who are furthest away from education, to encourage them into a learning environment. Sue Macfarlane, of UHI Outer Hebrides, highlighted the absolute "imperative in reaching our communities and into the fragile areas that we serve."  

249. SFC stated that regionalisation had ensured that colleges were now more resilient and better able to support learners to succeed. It was noted, however, that some colleges have not been able to re-start programmes in the community that had been suspended during the pandemic.  

250. The Committee frequently heard about the impact that the pandemic had on learners. From the most immediate, when schools, colleges and universities were closed at the height of the disruption to the longer term impacts which Sir Peter Scott suggested would continue for another two to three years.  

251. The Committee has regularly highlighted the issue of learning lost during the pandemic, what impact that has had on learners and where, if ever, they will pick up the knowledge and skills that couldn't be taught or assessed during the most acute phases of the pandemic.  

252. During an evidence session with officials from the Scottish Qualifications Authority, when asked should college or university make up for the lost learning of someone who has left school during the pandemic, Robert Quinn, Head of English, Languages and Business at the Scottish Qualifications Authority, stated—

> I think that colleges are well placed to work with learners. We see lots of examples of colleges supporting learners who are on different life journeys. That situation is not unique to the pandemic. That sector is critically important, and we work very closely with it. I feel strongly that it should be well placed to provide support.  

253. Acknowledging this longer-term impact and the additional educational and social support that will be required by some students as a consequence, the Royal Society of Edinburgh agreed that colleges have an important role to play. However, they continued, additional, demands will put pressure on college resources—

> Partnership with schools and universities to support students who missed vital educational opportunities would be a plus for the whole sector...Colleges have a vital role to play in ensuring that students have the knowledge and skills necessary to be successful as they progress through school, college and into university. Recent statistics indicate that rates of de-enrolment have risen during the pandemic, illustrating the need for academic interventions as well as support for mental health, digital poverty and other challenges.  

254. Colleges observed that while they have been, correctly, identified as being able to support learners impacted by the pandemic, there are the additional costs involved
in providing that support. Several Principals welcomed the significant additional funding that had been provided during the most acute period of the pandemic, however, they explained that while there were still issues to address, there was no longer additional funding dedicated to this.

255. The Committee recognises and welcomes the significant and important work that colleges have carried out to support learners of all ages and abilities to realise opportunities for lifelong learning.

256. Colleges play a critical role in ensuring higher education is truly accessible to all and were pivotal to achieving the target that 16 per cent of entrants to first degree courses in higher education should come from the 20 per cent most deprived areas, early. However, the Committee is concerned about the stress on the college system, post-pandemic. It is concerned about the capacity of colleges to continue delivering the level of support required by learners despite significant financial challenges.

257. The Committee acknowledges the limitations of the SIMD20 metric as a tool for identifying disadvantage, given it is based purely on geographic area rather than on individual circumstances. The Committee recognises that pockets of deprivation exist across Scotland, even within the most affluent of areas, and that those students should also be able to benefit from widening access support. It further notes Sir Peter Scott's view that other factors should be considered alongside SIMD20 to ensure that students with the greatest need are identified. The Committee therefore recommends that the Scottish Government revisits the current widening access framework, with a view to ensuring these additional factors are included, and that support measures are targeted appropriately across Scotland.

Articulation

258. Articulation is an important tool for widening access.

259. Many hoped that regionalisation would bring a consistent approach towards articulation across Scotland. This would mean that students on HNC/HND courses would have clarity as to which year they could enter, should they choose to continue their studies at university.

260. The then Commissioner for Fair Access, Sir Peter Scott, stated that regionalisation had helped to simplify partnerships between Colleges and Universities. He also stated that as good relationships, and trust, are key to promoting smoother ‘articulation’, this has contributed to fair access.  

261. Dumfries & Galloway College, Edinburgh College, Glasgow Kelvin College and North East Scotland College provided examples of this smoother articulation, explaining that their increased size and stature has brought increased credibility and a greater platform to engage with local universities.
262. However, the Committee heard that not all students are receiving full credit for their achievements and there is inconsistency across the country. Currently 58 per cent of articulating students are granted ‘advanced standing’. In 2014-15 the figure stood at 55.7 per cent. The SFC target is 75 per cent and Sir Peter Scott has described the progress towards it as “glacial”. 

263. When asked what was required to encourage progress, Sir Peter highlighted that HNCs and HNDs need to be better understood by decision makers at universities, particularly at the more traditional universities who are possibly less familiar with them. He stressed, however, that HN qualifications are high-quality, stand alone qualifications which are well-respected and well-understood by industry.

264. For colleges which have high levels of HN students going on to degrees, he suggested that more co-ordination of the curriculum would be sensible. However, given that these are highly-valued qualifications in their own right, he argued that it cannot be solely the responsibility of the college to align their course to the university, but rather that both institutions need to work together to achieve greater alignment.

265. The Tertiary Provision Pathfinders that are currently taking place in North East Scotland and South Scotland could provide a useful guide to how alignment could be improved. These are projects bringing together colleges and universities, building on their previous collaborations, to look at joint planning and provision of programmes, development of pathways and possible shared services on a variety of different strands. In North East Scotland, strands include one on a health and care partnership and another focussed on energy transition. In South Scotland, there is a strand focused on digital skills and another on sustainability.

266. Sir Peter Scott also suggested that it should be the default position that a student is given full credit for the HN qualification, rather than the onus being on learners to justify why they should be granted advanced standing.

267. The Committee recognises that smoother articulation has been a recommendation of many of the reports highlighted, including the Cumberford-Little report and the SFC’s Review of Coherent Provision and Sustainability.

268. The Committee agrees that further collaboration between colleges and universities which values what students have already achieved, improves coherence in the process and reduces duplication for students, can contribute to an even more effective articulation process.

269. The Committee notes that the Scottish Government is currently pursuing significant education reform which is likely to impact upon the ability of students to articulate between colleges and Higher Education institutions.

270. In June 2022, the Cabinet Secretary for Education and Skills announced that the Scottish Qualifications Authority is going to be replaced by a new qualifications body in 2024.

271. The Scottish Government has also commissioned the Independent Review of Qualifications and Assessment, which is being chaired by Professor Louise Hayward.
272. The final report from this review is due in May 2023 and will make recommendations advising on the purpose and principles which should underpin any reform of national qualifications and assessment in the ‘senior phase’. The focus of the review is school and college qualifications accessible in the senior phase. It will therefore predominately cover S4-S6 in school and ages 15-18 outwith school, however it is also recognised that there may be implications for some adult learners who study courses which fall within the remit.

273. The Committee is conscious of the opportunity that current education reforms may offer to improve consistency across FE/HE providers, ensure smoother articulation and more progress towards the SFC's 75 per cent target.

274. The Committee believes that if the goal of widening access is to be achieved, further consistency is required in terms of FE/HE providers’ approach towards articulation. In the meantime, the Committee believes that all students need to have clarity, at the outset of their studies, not only in respect about how articulation works in general, but the options that they will have at the end of their specific course. Students should know, ahead of enrolling on a course, whether successful completion ensures that they can articulate, with advanced standing, on their chosen university course, or whether there is a risk that they have to start from first year. This will allow students to make a fully informed choice about the college course that they embark on.

275. The Committee recommends that the Scottish Funding Council consider whether there are practical steps that it could take to—

   • encourage quicker progress towards the target that 75 per cent of students are granted 'advanced standing', and

   • achieve greater consistency in the approach from HE institutions.

276. The Committee recognises that institutions will not be able to reach the 75 per cent target immediately. The Committee therefore recommends that schools, colleges, universities and careers guidance services provide clear information to learners about whether articulation is likely to be an available pathway for their chosen course.

Data

277. In considering whether regionalisation had truly widened access, the Committee heard that the way in which data was currently recorded and analysed could mask the true impact of colleges’ work. For example, the Committee heard that students dropping out of a course to move into employment would be counted as failing the course, rather than a student leaving for a positive destination.

278. The Committee understands that colleges collect a lot of data about the students that they are teaching. They will record all their academic data, information about any protected characteristics, as well as additional support that they may require.
As a result, colleges, the SFC and the general public can draw on much of this data to identify patterns and trends, for instance, the outcomes achieved for each course or each cohort of students. It can also help identify the success rates on each type of course and whether this varies between courses that are part-time or full-time.

However, the data currently collected, or at least reported, does not accurately capture why students are leaving courses. It does not show whether someone has withdrawn from a course to take up employment, a place on another - more suitable - course, or whether they have been unable to cope with the coursework.

The data also shows that, other than during the Covid pandemic when it fell to nearer one in five, the number of students who do not complete their college course has remained consistently at around one in four since 2010-11.

Over this period, 2010-11 to 2020-21, there was a 19.6 per cent fall in the number of students studying full-time in further education, from 52,212 students to 41,989.

Yet, when taking evidence from college Principals, Derek Smeall of Glasgow Kelvin College, explained that the data on completion rates did not always give an accurate picture of college successes. He cited two examples of student choices which, though potentially positive, would be recorded within SFC statistics as being withdrawals, and therefore unsuccessful. These included—

- "a student who enrols and attends for one hour in the whole year"; and
- "students who are in programmes but then gain employment." 78

Similarly, when giving evidence to the Scottish Parliament’s Public Audit Committee in September 2022 on its latest Scotland's Colleges briefing, Audit Scotland stated—

The challenge with gathering specific data about students who are not successfully completing their courses, and understanding the reasons for their failure to complete, is that where students go after they withdraw is not tracked. Therefore, there is not a lot of evidence on which to base our understanding of their reasons for leaving. 79

In 2019-20, 84.4 per cent of full-time college leavers went on to positive destinations on completion of their course. For Further Education students, 74.5 per cent moved into a positive destination, compared to 90.3 per cent of college leavers who were undertaking Higher Education courses. Fewer college leavers went into work but more went to university, with 15.6 per cent of all college leavers unemployed or unavailable for work, up 3 per cent from 2018-19 when 87.8 per cent of leavers found a positive destination. 80

In a previous inquiry, on the Scottish Attainment Challenge, the Committee agreed that ensuring young people move into positive destinations after leaving school is of vital importance. However, there were mixed views in the Committee regarding the value of positive destinations as they are currently defined, recognising that what constitutes a positive destination may vary between an individual student and an institution.

In the context of this inquiry, the Committee found that there can be a similar
tension between what is officially deemed as a positive destination and what some learners regard as a positive destination for them. Although the Committee did not examine the details of the types of destinations being counted under this measurement as part of this inquiry, it is firmly of the view that any destination needs to be positive for the individual involved, rather than an external view of what a positive destination should be.

288. Commenting on the college leaver figures, the Auditor General said—

Clearly, however, when it comes to public investment and the outcomes for individual students, we can assume that not all of that 15 per cent embarked on a college course with the expectation that they would be unemployed after it, given that we have talked about the vital role of colleges in supporting students in their acquisition of new skills, employability, aspiration or further learning. The number who have embarked on a college course and not completed it feels too high. To go back to our earlier discussion, the colleges need to get better data behind why that is happening. You rightly talked about public investment, but it is also about supporting the individual experience and subsequent life chances of people who have embarked on a college course. 81

289. In her evidence to the Committee, the Chief Executive of the SFC, Karen Watt, stated that the SFC was currently examining whether it was collecting the right data in the right way, or whether other data could provide a more nuanced understanding of how—

• college students are performing;

• individual colleges are supporting their learners;

• the culture of college affects student success, for instance whether it is a larger or smaller institution.

290. She also highlighted that, as part of this work, the SFC will consider how to benchmark data within peer groups, nationally and against other indicators across the rest of the UK. 82

291. The Committee agrees that there needs to be more context around the data, to ensure that there is a better understanding of the—

• reasons why students leave courses;

• role that colleges are playing in helping students navigate their way around different opportunities, for instance modern apprenticeships, and how this is evaluated;

• non-linear way that some students progress through FE into HE or work and ensuring that colleges are well placed to respond to their different needs;

• what constitutes a positive destination for each student; and

• success rates at Scotland's colleges.

292. In its Scottish Attainment Challenge inquiry report, the Committee highlighted the value of longitudinal data to assess the longer term impacts of particular
interventions aimed at improving attainment.

293. The Committee similarly believes that there is value in tracking the longer-term outcomes of college students, once they finish their studies, to more fully understand their journey post-college, beyond the first three or six months.

294. In its evidence, CITB highlighted the importance of high quality data on the destinations of FE learners and contrasted the information available in England with the information available in Scotland—

In England, data on the destination of FE learners is collected and shared in a timely manner, to both track learner outcomes and allow policymakers to develop interventions as required. Data shows that one in four (24 per cent) of FE learners in England gain employment in the construction industry within six months of finishing their course, with a further one in six (16 per cent) starting an apprenticeship in the sector. In response, CITB has worked with the Department for Education and partners to develop interventions such as traineeships to provide learners the tools they need to progress towards a construction career.

In the absence of such data in Scotland, it is difficult for policymakers to identify the extent to which FE learners on construction courses successfully transition into the industry. For colleges, working with the Scottish Funding Council (SFC), to provide such accessible, timely, and publicly available data would provide policymakers with the evidence they need to develop policy solutions and improve learner outcomes. 83

295. At present, the SFC collates information from all Scottish colleges, and publishes these college performance indicators in the April of the following year.

296. The Committee recognises the importance of good quality data in forming a clear and true picture of how the college sector is delivering on its promises to learners. It does not, however, consider that the data currently collected and published regarding completion rates at colleges accurately reflects the performance of colleges or indeed the performance of individual students.

297. While the Committee notes that the Scottish Funding Council is currently undertaking work to improve this, the Committee believes that it is essential that these data issues are remedied as the current measures are unfair to both learners and institutions. The Committee therefore seeks an urgent update from the SFC on progress made in producing statistics which—

- provide a more accurate picture of course / activity success,
- establish comparability with other parts of the UK, and
- allow for easier identification of any issues.
298. The Committee agrees that collecting and sharing data on the destination of FE learners, in a timely manner, which ensures that learner outcomes are tracked and allows policymakers to develop interventions as required, is imperative. It therefore recommends that the Scottish Funding Council urgently considers how it could include this in the data collected from colleges.

299. The Committee seeks an update from the SFC on the establishment of the National Impact Framework, linked to the National Performance Framework, and whether the Framework will require the collection and analysis of data to assess colleges longer-term impact on the work force.
Financial sustainability

300. For our report, the Committee has taken evidence in respect of the impact of regionalisation on college finances, as well as the situation that colleges are currently in.

Financing

301. Given the critical role that colleges play in their communities and in supporting the delivery of the Scottish Government's National Strategy for Economic Transformation, it is essential that colleges are on a financially sustainable footing.

302. However, the Committee heard that, ten years after regionalisation took place, there are ever more challenging financial issues to address, including the ongoing costs of consolidated pay settlements, pensions and depreciation of assets, the maintenance requirements of the college infrastructure and the current inflationary crisis.

303. Before regionalisation, the financial position of individual colleges varied considerably. In its Scotland’s Colleges 2012 report, Audit Scotland noted, “Some colleges appear more financially sustainable than others but most operate to tight margins so that relatively small variations from plans can affect their ability to achieve a surplus.”

304. In its Scotland’s College 2015 report, Audit Scotland found that - between 2011-12 and 2013-14 - staff numbers across the college sector decreased by 9.3 per cent and Scottish Government funding to colleges fell by 12.3 per cent in real terms. Despite this, they found college finances at that time to be “generally sound”, and a deficit of £95.2m could be adjusted to an overall surplus of £3.8m once transfer to arm’s-length foundations were factored in.

305. Several witnesses stated that a lack of investment when the regionalisation process and mergers were taking place inhibited the opportunities that have been possible from it.

306. When giving evidence to the Committee the then Principal of Fife College, Hugh Hall stated that regionalisation and the mergers—

- generated about £50 million-worth of annual savings in the process. Unfortunately, all those savings went back into the Scottish Government, so the colleges did not get the benefit. 84

307. This is a sentiment shared by the Principals of the three Glasgow colleges and the Principal of Edinburgh College, Audrey Cumberford, who stated—

- we missed a trick when it came to putting in investment at exactly the same time in order to fully realise that potential. Mergers and regionalisation coincided with cuts in funding of circa 10 per cent. 85

308. Audit Scotland noted that colleges were operating within an increasingly tight financial environment before the pandemic, with its 2019 report showing a widening
309. The Scottish Government published its Resource Spending Review in May 2022. This announced a flat spending settlement for colleges and universities from 2022-23 to 2026-27.

310. In 2022-23, the net college resource budget was set at £675.7m, the same figure as 2021-22. However, the Committee notes that at the announcement of the 2023-24 budget, in December 2022, the amount allocated to colleges was £701.7m, £26m higher than anticipated. This represents a 3.8 per cent cash increase or an estimated real terms increase of 0.6 per cent compared to 2022-23.

311. In Audit Scotland’s most recent briefing on colleges, published in July 2022, it noted that colleges now spend around 70 per cent of their overall budget on staffing and this is increasing, with increases in employer pension contributions and cost of living pay awards driving up staff costs. The Committee has also heard that for some individual colleges that figure is higher, with Derek Smeall explaining that his college, Glasgow Kelvin College, spends 80 per cent of its accessible income or revenue on staffing.

312. In their evidence to the Committee, some college Principals recognised that their resourcefulness and determination to do the best for students within existing means could often mask the true impact of cuts. However, in the current financial climate, significant changes to staffing, services and support appear inevitable. In her evidence, the then UHI Outer Hebrides Principal, Sue Macfarlane stated—

> we are very angry, but we are also victims of how we just get on with things, find solutions and move forward... but we are absolutely tired out, too. This has been happening year after year. We are in a perfect storm just now, but the fact is that the sector has been dealing with underfunding and lack of parity of esteem for a long, long time.  

313. Glasgow Kelvin College Principal Derek Smeall stated that regionalisation efficiencies have been accommodated over the years, which has reduced the workforce and made it more difficult to be innovative, which makes it more difficult to make progress.

314. During the inquiry, colleges, Colleges Scotland, the Scottish Funding Council and Audit Scotland all highlighted the financial constraints that colleges are currently working within.

315. Audit Scotland raised concerns about the long term financial sustainability of colleges, noting that pay harmonisation, increased pension costs and a depreciation of college assets have left colleges with less and less money. In their briefing, *Scotland’s colleges 2022*, Audit Scotland also noted that the sector’s financial position is forecast to deteriorate.

316. In their evidence to the Committee, college Principals flagged the difficult decisions that they will have to make over the next five years, given the financial pressures,
with some stating that they are currently modelling a potential 25 per cent reduction in staff by the end of 2026-2027.

317. In its written evidence, the SFC noted that in colleges' five-year financial forecast returns, submitted in September 2022 and covering the period to 2026-27, the sector projected staff restructuring costs and significant staff reductions of around 200-300 FTEs in each of the five years. 87

318. Principals also emphasised that their concerns around funding are long-standing, describing colleges as being chronically underfunded. Edinburgh College highlighted, in its written evidence, that it has had to find cash savings of close to £28 million and cut approximately 320 staff since 2013. 88

319. Given the financial constraints, and the impact that this could have on the ability of colleges to deliver their core functions, college leaders including Audrey Cumberford, Principal of Edinburgh College, are asking for clarity from the Scottish Government as to what they are to prioritise —

![P192](image)

Colleges have received their grant information. We know what finances we will receive next year and what volume of activity we will be expected to deliver, which is still a big issue. Individual colleges are having conversations with the funding council about how realistic it is for each region to achieve those activity levels. There is no question but that it is becoming increasingly difficult to hit those input activity volume targets. 89

320. Against this backdrop, the City of Glasgow College written evidence noted that fees for Full Time Higher Education courses at colleges has been frozen at £1,285 since 2008/09, representing a real terms cut of 32 per cent. City of Glasgow College went on to observe that, had fees risen in line with inflation they would have been £1,750 in 2022/23. The college stated that for colleges which deliver a lot of full-time HE, this represents a significant gap in funding. 90

321. In her evidence to the Committee, the Principal of Ayrshire College, Angela Cox, highlighted the disparity in funding for students articulating—

![P193](image)

Where there is duplication of higher-level technical skills, such as HNDs and HNCs, there is not the same parity when it comes to funding- universities are paid at a much higher level than colleges are. 91

322. Colleges receive less funding than universities for delivering courses at the same SCQF level. Funding per full time equivalent student in 2022/23 was on average £5,054 at college, compared to £7,558 per place at university.

323. The Committee appreciates that it is difficult to make a like-for-like comparison between institutions.

324. For instance, the SFC noted that universities have additional costs that colleges don't, such as high-cost medical and clinical facilities and larger library collections.

325. Conversely, colleges have costs that universities don’t, such as the community development work that they do with learners to help prepare them to return to formal education; and the work that they do with groups with additional needs, ensuring that they are supported to succeed. It was also noted that universities are
able to generate income in a way that colleges can't.

326. The Committee heard that the current funding model is also based on historical funding patterns. It is focused on learning and teaching, with particular targets for student numbers. Colleges have called for this model to be reformed to incentivise colleges’ speed of response to employer demand.

327. The Committee also received evidence suggesting that rigidity of the funding model was inhibiting collaboration. In its written evidence, the Royal Society of Edinburgh argued—

Cross-institutional online courses should be considered to allow students a college education regardless of their location; however, current models of funding do not lend themselves to such collaborations. In addition, time and space needs to be made to enable staff to develop and engage with new methodologies.

328. In its Review of Coherent Provision and Sustainability, the SFC recommended that it convene a working group, to include the Scottish Government and the college sector, to agree a plan to move towards a fairer distribution of investment across the sector. The Scottish Government agreed to this recommendation.

329. In its evidence, SFC also highlighted that it was considering the differential in funding for students who are going through a higher national qualification course at a college compared to students on the first two years of an undergraduate course as part of the wider funding review. 92

330. The Committee heard that colleges are facing significant financial challenges. In order for colleges to be able to continue to deliver their critical functions, it is vital that they have stronger, more sustainable finances, and are supported to be able to do this.

331. The Committee heard how vital the community learning and development work delivered by colleges is, as it is supporting some of the most vulnerable learners to develop skills for learning, life and work. It also recognises that delivering this work is resource intensive.

332. College Principals recognised the importance of encouraging people back into a learning space and providing support for students with additional needs. They are proud of their work in this regard and the support that they have in place.

333. However, there are concerns about the ability of colleges to deliver on their full range of functions, for example widening access, as a result of financial pressures. Sir Peter Scott said—

Colleges play an absolutely crucial role from the perspective of fairer access, so any excessive financial pressure on them has the potential to damage efforts to move towards fairer access. 93

334. The Scottish Funding Council has confirmed that there are no fixed rules regarding the number of places set aside for community learning and it will differ across regions. It was also noted that, to be flexible and approachable, colleges run many outreach programmes either on their campuses or in community locations such as
schools, libraries and buses. Many of these courses can be short in nature but often lead to more substantial learning at college or a HEI.  

335. The Committee understands that while there may not be a specific target in every college’s outcome agreement, as to how much community learning work they must do, it is featured as a priority in the letter of guidance that the Minister for Higher Education and Further Education, Youth Employment and Training issued to the SFC. This set out his expectation that the SFC would take an active role in the delivery and implementation of the Scottish Government's Adult Learning Strategy.  

336. The Committee heard that the financial situation that colleges are facing is threatening the level and range of courses and training that they can offer. While mergers and regionalisation have provided increased resilience in the sector, Audit Scotland noted in its 2018 report, that the total cost of harmonisation of staff pay and conditions would absorb all of the projected savings from college reform.  

337. The Committee strongly welcomes the harmonisation of pay and conditions. However, given that colleges are so reliant on public funding, increased costs in pay and conditions, particularly when 70-80 per cent of college budgets are spent on staffing, means that colleges have marginal room for manoeuvre.  

338. In the view of the Royal College of Scotland, financial constraints upon colleges have limited the success of regionalisation—  

In theory, regionalisation promised colleges greater freedom to set their own strategic agendas and serve the specific and identified needs of their regions. In practice, this independence was heavily undermined by the governance and funding reforms. These changes introduced new constraints on finances and decision-making which limited colleges’ autonomy to leverage the benefits that regionalisation had originally offered. In other words, the policy and funding context in which regionalisation was implemented had significant implications and curtailed the potential for wider success and impact.  

339. The Committee is concerned that colleges are currently making decisions to respond to the challenging financial climate without clear overarching strategic direction from the Scottish Government as to their purpose and what they must prioritise (as noted in paragraph 47 of this report). As such, colleges are being asked to take decisions for the future, uncertain as to whether those decisions will be compatible with the Scottish Government's vision.  

340. The Committee welcomes the fact that the Scottish Funding Council and Scottish Government have agreed to work on fairer distribution across the sector. The Committee would welcome an update on the progress of this work and seeks reassurance that the funding model will recognise and protect the importance of colleges’ community education work and the support that the colleges provide to students, particularly to widening access students.  

341. The Committee believes that increased articulation has brought the apparent
disparity in the funding for colleges and universities delivering courses at the same SCQF level into sharper focus. The Committee welcomes that the Scottish Funding Council has agreed to look at, and report on, this funding differential. The Committee believes that this needs to be fully considered and therefore urgently seeks an update from the SFC on this work. The Committee would expect this to include initial illustrative examples.

342. The Committee recognises the challenging financial situation that colleges are facing, however, it is essential that the work that colleges do with students with additional support needs and those who are hardest to reach, is not disproportionately affected in the drive to make savings. Given the importance of this work, and the additional costs involved, the Scottish Government and Scottish Funding Council should monitor the impact on those groups and offer appropriate support.

343. The Committee seeks reassurance from the Scottish Funding Council that the National Impact Framework, which is due to be published in Autumn 2023, will measure the impact of colleges’ community development work.

344. In the current financial climate, the Committee believes it is essential that the Scottish Government provides clarity to colleges regarding what they should be prioritising.

Flexibility

345. As noted repeatedly, colleges are facing significant financial challenges but are largely reliant on public funds. While clearly wishing for more funds, college Principals recognised the realities of the current economic climate.

346. They therefore stressed how important it could be to, at least, have more flexibilities in order to better manage their financial situation. Audrey Cumberford, Commissioner for the Commission on the College of the Future and Principal of Edinburgh College, told the Committee—

> The answer is not always additional funding; it potentially involves considering how we can best flex the resource that is currently in the system and target it for the outcomes that we want to see in our regions.  

347. As noted earlier, regionalisation occurred alongside other significant changes, one of which was the decision of the Office for National Statistics (ONS) to re-classify incorporated colleges throughout the UK as public sector bodies from April 2014.

348. This decision meant colleges were to be treated as part of central government for budgeting purposes. As such, colleges had to operate within an annual budget
reflecting their income and expenditure and “avoid creating a surplus or deficit within Scottish Government budget control limits”. This put restrictions on colleges’ scope to build up financial reserves.

349. College Principals, Colleges Scotland and the Cumberford-Little report all highlight the challenge that re-classification has placed on colleges and have asked for it to be changed. In his evidence, the then Principal of Fife College, Hugh Hall described it as a "straitjacket" which had removed flexibilities, and that "colleges have been suffering as a consequence ever since." 98

350. In its evidence to the Committee, the SFC acknowledged the constraints of the re-classification, however, it also highlighted that colleges were protected by their current classification, as they are less likely to suffer significant financial losses. 99

351. EIS-FELA also suggested that ONS reclassification had brought a greater level of scrutiny on college finances than had existed previously, which the organisation welcomed. 100

352. Audit Scotland agreed that the move led to greater accountability for the use of public money in the college sector. This was as a result of “additional financial reporting and reduced autonomy for colleges.” 101

353. In his response to the SFC Review of Coherent Provision and Sustainability, and in his evidence to the Committee, the Minister for Higher Education and Further Education, Youth Employment and Training highlighted that the decision on classification was made by the ONS independently, however, he has concluded that the current arrangements are correct on the basis that colleges are largely publicly funded bodies. 102

354. The Committee recognises the financial constraints that their current ONS classification brings, however, it notes that the Minister for Higher Education and Further Education, Youth Employment and Training has confirmed that this will not be revisited.

355. This means that the Scottish Government will be limited in its ability to give colleges the flexibilities requested by Colleges Scotland which included—

- To borrow and hold reserves, allowing colleges to put money into building maintenance, make campus and infrastructure improvements, and invest in improving the student experience.

- To be able to reinvest surpluses, allowing colleges to plan with greater flexibility around budgeting and strategic decisions, to help maximise efficiencies.

- To change the rules to allow carry forward of monies between years, which will assist colleges in raising additional commercial income, including from international activity. 103

356. Another possible flexibility suggested was some manoeuvrability to accommodate the gap between the end of the financial year and the end of the academic year. This is something that the SFC recommended in its 2021 Review of Coherent Provision and Sustainability. The Scottish Government stated, in its October 2021
In her evidence, Sue Macfarlane, then interim Principal of Outer Hebrides UHI, highlighted that other public sector bodies, for instance, Scottish Qualifications Authority, have flexibilities including around the end-of-year position and around carrying forward balances to the next year. She stressed—

> Colleges need that flexibility; without it, the crisis will keep going year on year and we will not get out of it.  

Nora Senior was Executive Chair of the College of the Future Commission and Chair of Enterprise and Skills Board. When giving evidence to the Committee in June, she explained that colleges need much more flexibility to be able to deliver all of the demands placed on them—

> the system needs to be freed up so that colleges can be more flexible in what they deliver, how they deliver it and where they can get funding from. In tandem with considering savings, we need to explore how to flex the college system and the whole infrastructure framework to make it easier for colleges to do things that they might not have considered before.

The SFC has recommended that the Scottish Government “explore giving colleges more flexibility or that it push the boundaries of those flexibilities where it can”.  

In his evidence to the Committee, the Minister for Higher Education and Further Education, Youth Employment and Training committed to looking at flexibilities including whether there needs to be such a level of credit-based provision and whether colleges should have increased latitude to be more responsive to local employer demand.

He also referenced the Scottish Government's commitment from its October 2021 response to the SFC review that it would consider whether there could be further flexibilities to help colleges to better address some of their financial challenges.

In November 2021, the Minister for Higher Education and Further Education, Youth Employment and Training committed to looking at these possible flexibilities on an "expedited basis" given the concerns of colleges.

In its written evidence, the Royal Society of Edinburgh stated that—

> Colleges must be afforded greater flexibility in order to be responsive to differing - and indeed shifting - economic and societal needs and priorities. Colleges can perform different functions depending on their regional context, yet the existing policy and funding landscape can constrain their ability to diverge according to local needs.

The Committee agrees that it is critical that colleges are urgently given as much flexibility as possible, to better equip them to face the current challenges. It recognises, however, that such flexibility does need to be balanced with the need for good governance with clear processes for monitoring how these flexibilities are being used.
The Committee recommends that the Scottish Government and Scottish Funding Council urgently give colleges as many financial and operational flexibilities as possible to help them deliver on the various strands of their work. This could include, but not be limited to: flexibility for year end, flexibility on SFC outcomes and flexibility in terms of access to additional funds.

The Committee notes that the Scottish Government agreed to explore the possibility of end year flexibility in October 2021 and, in his evidence to the Committee, the Minister for Higher Education and Further Education, Youth Employment and Training stated that he would consider flexibilities that colleges could be given on an expedited basis. The Committee asks for an urgent update from the Scottish Government and the Scottish Funding Council in respect of the flexibilities colleges will be given.

Regionalisation and mergers aimed to create more sustainable entities which could still support local delivery.

Colleges deliver a large level of vocational education and training, requiring the teaching of practical skills on site and in person. The state of the college estate as a whole is therefore very pertinent to the delivery of that education.

A survey of the college estate, carried out in 2017, found that one third of the college estate was not wind or water tight. Unlike universities, colleges are almost wholly dependent on the Scottish Government and the Scottish Funding Council for their capital investment.

The Committee acknowledges that there are impressive buildings in college campuses across the country. However, the evidence the Committee heard regarding the state of some of the college estate was worrying.

In 2022-23, the Scottish Funding Council allocated a capital budget for colleges totalled £72.6m. This was split between—

- £31.2m for Capital maintenance (backlog & lifecycle)
- £38.5m for Fife College (new Dunfermline Learning Campus); and
- £2.9m for digital poverty

In her evidence to the Committee, SFC Chief Executive Karen Watt explained that there was currently around £30m allocated annually to maintenance. However, this figure is some way short of what is required as Audit Scotland identified a shortfall of £321m since 2018 -19, based on that 2017 survey.

The Committee welcomes the considerable investment that has been made towards the development of the new Dunfermline campus of Fife College. However,
there is clearly a significant volume of backlog and lifecycle maintenance required across the Scottish college estate.

374. In its briefing, Scotland's Colleges 2022, Audit Scotland stated—

> Maintenance needs have grown over time and pose a risk to colleges’ ability to maintain the suitability and safety of their buildings.

375. This raises questions about the current learning environment for students. Colleges Scotland noted that the backlog is likely to have increased significantly over time. However, looking ahead, it also raises significant questions as to how colleges will be able to reach net-zero climate emissions which they are aiming to meet by 2040 but, as public bodies, must meet by 2045.

376. The Committee acknowledges that the Scottish Funding Council is working to identify the level of investment required across the college estate as well as how that investment may be secured.

377. The SFC published its College Infrastructure Strategy in November 2022. This outlines its approach to—

- determining future investment in the college estate and infrastructure - including net zero, training equipment and digital need; and

- developing a ten-year Infrastructure Investment Plan for Scotland’s colleges from 2023 to 2033.

378. The Committee notes that the SFC aims to publish the Infrastructure Investment Plan in Autumn 2023.

379. However, the Committee believes that it is clear from the extent of the backlog that this situation needs urgent attention.


381. The Committee recognises that, when it announced its budget in December 2022, the Scottish Government had allocated £82.4m in Net College Capital, £7.7m more than expected. This is an increase of 10.3 per cent in cash terms and an estimated 6.9 per cent in real terms, compared to 2022-23.

382. The Scottish Government explained that the increase in the capital budget is not only to support college estates maintenance but also to continue student digital support.

383. The Committee notes this increase, and the challenging financial climate in which it has been allocated. The scale of the backlog, however, clearly outweighs the capital budget which has been allocated to help deal with it. To that end, the Committee would encourage the Scottish Government to give the SFC and colleges whatever flexibilities it can, to allow them to maximise any opportunities to secure investment.
384. The Committee is extremely concerned about the significant level of back log and life cycle maintenance required to ensure that the college estate is wind and water tight, and the impact that this may be having on learners. Given the current situation, the Committee is further concerned about ability of colleges to meet their net zero targets by 2045. As such, the Committee recommends that the SFC do all it can to accelerate work to develop and implement its Infrastructure Investment Plan. The Committee would strongly encourage the Scottish Government to explore how the requisite resource can be provided to remedy the outstanding maintenance issues and place colleges on the path to Net Zero.

Industrial Relations

385. Although noting that the establishment of the national collective bargaining was not as a result of regionalisation but implemented concurrently, EIS-FELA was clear in its view that national collective bargaining has been a positive reform.

386. Established in 2015, the National Joint Negotiating Committee (NJNC) was established to jointly agree terms on issues, such as pay and terms and conditions of employment in Scotland’s colleges in partnership with the trade unions (EIS, GMB, UNISON and UNITE).

387. However, there has been considerable industrial action over the last 8 years (7 of which have seen strike action). While there have been three lessons learned reports, the issues persist with a dispute currently ongoing.

388. The Committee welcomes pay harmonisation for staff and notes that this reform has been highlighted as a positive repeatedly throughout its inquiry.

389. College Principals stated that national bargaining came in at time of declining budgets and suggested that colleges' limited ability to increase staff pay has been a key reason for the high levels of industrial action in the sector. Given that budgets are expected to be relatively flat over the next five years, the Committee suggests that the situation is unlikely to improve.

390. When asked if he would make changes to the structure of the NJNC, Derek Smeall, Principal of Glasgow Kelvin College and one of two Principals on the committee, suggested that there were opportunities to look at how things can be done more effectively. 111

391. During the 5 October meeting, Colleges Scotland Chief Executive, Shona Struthers, suggested that the introduction of an independent third party observer may help the process.

392. However, evidence from EIS-FELA and the Strathesk lessons learned report, commissioned by the Scottish Government, indicated that it was not structures but a “debilitatingly low level of trust” between college management and unions that was the key issue. The Committee noted that relationships seem to have broken down to a point which seems difficult to fix.
393. It was evident from witnesses that there are examples of good practice locally in building trust and positive working relationships, for instance, in Fife.

394. In order to improve the working of the NJNC, the Strathesk review recommended—

- Resetting the authority of the national bargaining process
- Joint review of the Bargaining Agreement
- Resetting the evidence base
- Enhancing Negotiation Skills
- Resetting behaviours

395. The Committee noted that, in respect of pay negotiations, the Scottish Government has repeatedly intervened in the process to help broker a deal. However, such intervention has become so expected that progress seems no longer possible without it. As such, the NJNC process doesn't seem able to work as intended. The Committee therefore considers resetting the authority of the national bargaining process to be essential.

396. The Committee notes that the College Employers Scotland accepted the recommendations of the report and that it highlighted its willingness to work with the Scottish Government and trade unions as to how the recommendations would be implemented. ¹¹²

397. The Committee heard strong evidence that good relationships and developing trust will be essential to the effective working of the NJNC in the future.

398. While acknowledging that the onus is on employers and unions to improve relations between the two, given the long-standing nature of the problem, the Committee recommends that the Scottish Government consider whether there is a role it can play to support the development of better relations.

399. The Committee calls on college management and unions to set out how they are going to respond to the lessons learned report, to ensure that improvements are put in place to avoid future disputes. The Committee recommends that this is set out urgently, so that action can begin to address these issues immediately.

400. The Committee will revisit this issue once the responses from unions, employers and the Scottish Government to the Strathesk lessons learned report have been received.
Conclusion

401. This inquiry set out to explore to what extent the aims of regionalisation have been achieved over the last ten years, how equipped colleges are to deliver what is required of them; and whether any further changes are needed.

402. The Committee recognises that colleges are institutions delivering on multiple, critical fronts. Colleges and their staff—

- provide opportunities which allow people to develop skills to live more independently and for others to take their first steps back into formal education;
- provide a platform for lifelong learning and development, so that people can improve their skills, or develop new interests - at any point in their life;
- deliver high-quality, highly-respected advanced vocational qualifications, professional training, have strong links to industry and will play a pivotal role in upskilling the workforce in new technologies for new industries;
- deliver over one quarter of higher education across Scotland;
- provide tangible opportunities for widening access and social mobility; and
- are critical to the realisation of the Scottish Government's National Strategy for Economic Transformation.

403. It is clear from the evidence that the Committee has heard that there have been positives from regionalisation, alongside the broader policy changes taking place over the last ten years, including—

- The creation of colleges of scale, with a stronger and more credible platform to engage with educational and economic partners;
- A resulting coherence of curriculum across the region, which can aid learner pathways from school to higher education;
- Increases in articulation, widening access to higher education; and
- Enhancement of the student voice, through the strengthening of student associations and student representation in college decision making.

404. However, there is also some frustration, particularly in relation to the current financial position and funding model, and a general lack of flexibility to be able to respond to economic and societal needs and priorities.

405. The potential of colleges is being curtailed by these significant and ongoing financial pressures and this lack of flexibility.

406. Colleges need more funds to be able to deliver what is being asked of them, particularly if they are going to be able to meet their net-zero commitments by 2045. However, the Committee recognises the financial constraints that the Scottish Government is also working within, and the allocation of more funds may not be possible.
407. As such, colleges will require more flexibility in terms of managing their finances, and in what they are expected to deliver. The Committee believes that decisions on these issues, to help underpin the financial sustainability of colleges and to provide possible flexibilities, are required as soon as possible, as is a strategy to lever in capital investment to colleges.

408. Regionalisation has brought benefits over the last ten years. If we want to build on that success, then colleges need a clear vision of what is expected of them, and to have sufficient funding to deliver upon that vision. If additional funding is unavailable, and flexibility within current funding arrangements is also not forthcoming, then the Scottish Government and the Scottish Funding Council need to provide colleges with a clear steer on what they should be prioritising.
Annex A - Minutes of Meetings

409. Extracts from the minutes of meetings of the Education, Children and Young People Committee.

16th Meeting, Wednesday 1 June 2022

4 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Audrey Cumberford, Commissioner, Commission on the College of the Future;
Professor Sir Peter Scott, Commissioner for Fair Access; and
Nora Senior, Chair, Enterprise and Skills Strategic Board.

5 Evidence Session (In Private):

The Committee considered the evidence it heard earlier under agenda item 4.

17th Meeting, Wednesday 8 June 2022

1 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Eve Lewis, Director, Student Partnership in Quality Scotland (sparqs);
Stuart Brown, National Officer, Educational Institute of Scotland (EIS);
Lorcan Mullen, Regional Organiser, Head of Higher Education and Further Education, UNISON.

5 Evidence Session (In Private):

The Committee considered the evidence heard earlier under agenda item 1.

18th Meeting, Wednesday 15 June 2022

1 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Amy Monks, President, Dundee and Angus College Students' Association;
Al Wilson, Director, Edinburgh College Student Association;
Heather Innes, Vice President Higher Education and President elect, Highland and Islands Student Association;
John O'Hara, Senior Learner Engagement Manager, New College Lanarkshire Students' Association;
Kirsten Koss, Depute President Aberdeen/Altens, North East Scotland College Students' Association;

Micole Cochrane, Student Association Development Officer, West Lothian College Student Association; and

Alex Bryson, Class Representative, Fife College.

4 Evidence Session (In Private):

The Committee considered the evidence it heard earlier under agenda item 1.

22nd Meeting, Wednesday 21 September 2022

1 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Derek Smeall, Principal and Chief Executive, Glasgow Kelvin College;

Sue MacFarlane, Interim Principal, Outer Hebrides College, UHI;

Ann Baxter, Deputy Principal for Students and the Curriculum, New College Lanarkshire;

and then from—

Angela Cox, Principal and Chief Executive, Ayrshire College;

Joanna Campbell, Chief Executive Officer, Dumfries and Galloway College;

Hugh Hall, Principal and Chief Executive, Fife College; and

Neil Cowie, Principal and Chief Executive, North East Scotland College.

2 Evidence Session (In Private):

The Committee considered the evidence it heard under agenda item 1.

23rd Meeting, Wednesday 5 October 2022

1 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Shona Struthers, Chief Executive and Andrew Witty, Director of Sector Policy, Colleges Scotland;

Karen Watt, Chief Executive and James Dunphy, Director of Access, Learning and Outcomes, Scottish Funding Council.

2 Evidence Session (In Private):

The Committee considered the evidence it heard earlier under agenda item 1.
26th Meeting, Wednesday 2 November 2022

2 Colleges Regionalisation Inquiry:

The Committee heard evidence from—

Jamie Hepburn, Minister for Higher Education and Further Education, Youth Employment and Training and Stephen Pathirana, Director Advanced Learning and Science, Scottish Government.

6 Evidence Session (In Private):

The Committee considered the evidence it heard earlier under agenda items 2 and 3.

30th Meeting, Wednesday 30 November 2022

5 Colleges Regionalisation Inquiry (In Private):

The Committee considered its approach to its report.

8th Meeting, Wednesday 8 March 2023

4 College Regionalisation Inquiry (In Private):

The Committee considered a draft report.

9th Meeting, Wednesday 15 March 2023

1 Colleges Regionalisation Inquiry (In Private):

The Committee considered a draft report. Various changes were agreed to. The Committee agreed to consider and agree an amended paragraph by correspondence and delegated to the Convener responsibility for finalising the draft report for publication.

The Committee agreed arrangements for publication of the report and that Members would not comment on the report during the embargo period, prior to publication.

The Committee agreed to submit a bid to the Conveners' Group for a committee debate on the report.
1. 2012 Review of Further Education Governance in Scotland, conducted by Professor Russel Griggs OBE
2. Scottish Funding Council College Performance Indicators 2020-21
3. Scottish Funding Council College Statistics 2020-21, background tables, table 4
4. Official Report - Education, Children and Young People Committee - 8 June 2022, Col 2
5. Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting
7. EIS-FELA written submission
8. Commissioner for Fair Access written submission, published as part of the papers for the 1 June 2022 meeting
12. Lantra written submission
13. Official Report - Education, Children and Young People Committee - 21 September 2022, Col 53
15. Official Report - Education, Children and Young People Committee - 21 September, Col 48-49
16. Official Report - Education, Children and Young People Committee - 1 June 2022, Col 12
17. Scottish Qualifications Authority website, "Establishing the need"
18. Note from informal engagement session with senior figures from Developing the Young Workforce (DYW), published as part of the papers for 5 October 2022 meeting.
19. Official Report - Education, Children and Young People Committee - 8 June 2022, Col 8
20. Official Report - Education, Children and Young People Committee - 21 September, Col 32
Note from informal engagement session with senior figures from Developing the Young Workforce (DYW), published as part of the papers for 5 October 2022 meeting.

City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College joint written submission

Construction Industry Training Board (CITB) written submission

City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College joint written submission

Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting

Lanarkshire Strategic Regional Board written submission, published as part of the papers for the 1 June 2022 meeting

Perth College UHI written submission

Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting

Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting

Perth College UHI written submission

Official Report - Education, Children and Young People Committee - 21 September, Col 31-32

Lanarkshire Strategic Regional Board written submission, published as part of the papers for the 1 June 2022 meeting

Royal Society of Edinburgh written submission

Official Report - Education, Children and Young People Committee - 21 September 2022, Col 12

Borders College written submission

Official Report - Education, Children and Young People Committee - 2 November 2022, Col 24-26

Official Report - Education, Children and Young People Committee - 8 June 2022, Col 7

Claire Donaghy written submission

The Open University in Scotland written submission

Borders College written submission

Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting.
42 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 12

43 National Federation of Roofing Contractors written submission

44 Scottish Funding Council written submission of 22 April 2022

45 Construction Industry Training Board (CITB) written submission

46 Note from informal engagement session with senior figures from Developing the Young Workforce (DYW), published as part of the papers for 5 October 2022 meeting.

47 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 3

48 Note from informal engagement session with senior figures from Developing the Young Workforce (DYW), published as part of the papers for 5 October 2022 meeting.

49 Official Report - Education, Children and Young People Committee - 2 November 2022, Col 4-5

50 NUS Scotland written submission

51 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 3

52 Official Report - Education, Children and Young People Committee - 8 June 2022, Col 16

53 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 8

54 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 8

55 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 36

56 Official Report - Public Audit Committee, 22 September 2022, Col 12

57 Official Report - Chamber, 12 January 2023, Col 7-8, Response to Oral Parliamentary Question S6O-01768

58 Official Report - Education, Children and Young People Committee - 15 June 2022, Col 10

59 Written answer: S6W-13653

60 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 12

61 Commissioner for Fair Access written submission, published as part of the papers for the 1 June 2022 meeting
62 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 20
63 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 18
64 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 16-17
65 Scottish Funding Council (2022), College Statistics 2020-21.
66 Scottish Funding Council written submission of 22 April 2022
67 Personal correspondence from SFC to Clerks
68 Scottish Funding Council written submission of 22 April 2022
69 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 31
70 Audit Scotland written submission
71 Scottish Funding Council College Performance Indicators 2020-21
72 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 10
73 Official Report - Education, Children and Young People Committee - 7 September 2022, Col 12
74 Royal Society of Edinburgh written submission
75 Commissioner for Fair Access written submission, published as part of the papers for the 1 June 2022 meeting
76 Scottish Funding Council statistics, Articulation from Scottish Colleges to Scottish Universities 2014-15 to 2018-19 (Experimental Statistics), Published 15 December 2020
77 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 24
78 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 24-25
79 Official Report - Public Audit Committee, 22 September 2022, Col 12
80 Scottish Funding Council (2021) - College Leaver Destinations 2019-20
81 Official Report - Public Audit Committee, 22 September 2022, Col 13
82 Official Report - Education, Children and Young People Committee - 5 October 2022, Col 26
83 Construction Industry Training Board (CITB) written submission
84 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 29
85 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 8
86 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 18
87 Scottish Funding Council written submission, published as part of the papers for the 2 November 2022 meeting.
88 Edinburgh College written submission, published as part of the papers for the 1 June 2022 meeting
89 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 10
90 City of Glasgow College written submission
91 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 20
92 Official Report - Education, Children and Young People Committee - 5 October 2022, Col 14
93 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 12
94 Personal correspondence from SFC to SPICe
95 Royal Society of Edinburgh written submission
96 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 6
97 Audit Scotland, Scotland's Colleges 2013, page 33
98 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 30
99 Official Report - Education, Children and Young People Committee - 5 October 2022, Col 35-36
100 EIS-FELA written submission
101 Audit Scotland, Scotland's Colleges 2015, page 5
102 Official Report - Education, Children and Young People Committee - 2 November 2022, Col 6
103 Additional information provided by Colleges Scotland, October 2022 and published published as part of the papers for the 2 November 2022 meeting
104 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 17

105 Official Report - Education, Children and Young People Committee - 1 June 2022, Col 5

106 Official Report - Education, Children and Young People Committee - 5 October 2022, Col 35-36

107 Official Report - Education, Children and Young People Committee - 2 November 2022, Col 6

108 Royal Society of Edinburgh written submission

109 Scottish Funding Council written submission provided for 5 October 2022 meeting, and published in the meeting papers for that meeting.

110 Climate Emergency Statement from Colleges Development Network, February 2021

111 Official Report - Education, Children and Young People Committee - 21 September 2022, Col 22

112 College Employers Scotland written submission, published as part of the papers for the meeting on 21 September 2022.