



The Scottish Parliament
Pàrlamaid na h-Alba

Public Audit Committee

Douglas Ross MSP
Convener
Education, Children and Young People Committee

4 February 2025

Dear Convener

Scotland's colleges 2024

At its [meeting on 3 October 2024](#), the Public Audit Committee (the Committee) heard evidence from the Auditor General for Scotland (AGS) on his [briefing on Scotland's colleges 2024](#). The Committee took further evidence on the briefing from the Scottish Government and the Scottish Funding Council (SFC) at its [meeting on 28 November 2024](#).

The Committee considered correspondence relating to its scrutiny of the briefing at its meeting on 16 January 2025 and agreed to write to the Education, Children and Young People Committee to highlight key issues arising from its scrutiny that may be of relevance to your future work, and in doing so close its own scrutiny of the briefing.

Financial sustainability

The Committee previously [wrote to you in May 2024](#) highlighting that the AGS's [Scotland's colleges 2023 briefing](#), stated that the risks to the financial sustainability of the college sector had increased since his previous briefing in [2022](#). We were therefore concerned to hear from the AGS during evidence in October 2024, that the financial challenges facing colleges have once again increased from the previous year, and that—

“Scottish Government funding for the sector has remained static in cash terms for three consecutive years—from 2021-22 to 2023-24— with a cash-terms reduction of £32.7 million in this year's budget. That equates to a real-terms reduction of 17 per cent in funding over the period”.

We heard from the AGS during evidence that the SFC has been proactive, “particularly in reference to the changes to the funding model that it has brought in this year” and by “leading the engagement with individual colleges but also with regard to the wider sectoral piece of work on how it can play its part to support sustainability”. However, the AGS went on to add—

Contact: Public Audit Committee, The Scottish Parliament, Edinburgh, EH99 1SP.
Email publicaudit.committee@parliament.scot. We welcome calls through Relay UK and in BSL through Contact Scotland BSL.

“Although the changes represent progress, we do not yet know whether they will provide financial sustainability for the sector.”

The Committee encourages you to keep the impact of the changes to the SFC’s funding model on the financial sustainability of colleges, under review as part of your future scrutiny in this area.

Reform of the post-school landscape

One of the key messages in the AGS’s briefing is that “colleges are taking steps to identify efficiencies, and they are working with the Scottish Funding Council on actions to help them remain sustainable. But they also need more clarity from the Scottish Government on the aspects of their role to prioritise, given the scale of the challenges, to help them manage their funding”.

The Committee heard from the AGS that the Scottish Government has made “limited progress on implementing the reform of the post-school skills sector in the country” and that the “lack of progress on reform, as well as the need for clearer priorities, is causing continuing uncertainty and making it more difficult for colleges to plan effectively. I have made recommendations that should provide colleges with a clearer basis for planning for financial sustainability.”

Following its meeting on 28 November 2024, the Committee [wrote to the Minister for Higher and Further Education; and Minister for Veterans](#) seeking an update on the timescales for the post-school skills sector reforms and a response to the AGS’s recommendation that “By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver the programmes of work to reform the post-school skills sector”.

The Committee echoes the AGS’s concerns around the progress of the reform of the post-school landscape and draws your attention to the [response from the Minister for Further and Higher Education; and Minister for Veterans](#) which sets out the Scottish Government’s progress in delivering these reforms.

Job evaluation for support staff roles

The Committee was concerned to learn that a job evaluation process for support staff roles has not yet been completed, despite being identified as necessary in 2015/16. We agree with the AGS’s view that while College Employers Scotland has plans to progress the job evaluation work and is working with trade unions to do so, that it “does not feel terribly satisfactory for the people who are caught up in that and waiting for clarity on their roles and responsibilities and what that means with regard to the reward that they receive”.

We sought clarity from College Employers Scotland on the reasons for the delay and on the timeline for the resolution of this exercise. We welcomed confirmation in [the response from College Employers Scotland](#) that following completion of the job evaluation process, back pay will be due to staff from 1 September 2018. We also sought views from the Trade Unions involved and those [responses can be found on our webpage](#).

We heard from Audit Scotland that the commitment to back date pay could result in—

“...potentially significant cost implications for colleges, because the issue goes back a number of years. That adds to the uncertainty for colleges, because they do not know how much they might have to pay or when.

We therefore welcomed clarification from the Scottish Government during evidence on 28 November 2024 that responsibility for taking forward the financial commitment arising from the outcome of the job evaluation process lies with it and not with individual colleges.

The Committee draws your attention to the delayed job evaluation process for support staff in the college sector and asks that you continue to monitor its progress as part of your future scrutiny of the college sector.

Yours sincerely,

A handwritten signature in black ink that reads "Richard Leonard". The signature is written in a cursive, slightly slanted style.

Richard Leonard MSP

Convener