

21 October 2024

Richard Leonard MSP
Convener
Public Audit Committee
Scottish Parliament

Dear Convener

Scotland's Colleges 2024

On 3 October 2024, I gave evidence to the Committee on my report Scotland's Colleges 2024. I agreed to check if Audit Scotland holds any additional information on the following points of interest to the Committee, which I have set out below.

Evidence base/evaluation to support the changes to the funding model

The Committee was interested in finding out more about whether any assessment was undertaken to inform the changes introduced to the Scottish Funding Council's funding model (paragraphs 29 to 30 and 37 of the briefing paper). The changes to the funding model were taken forward by the [Colleges: Tripartite Alignment Group](#), which includes representatives from Colleges Scotland, Scottish Government and the Scottish Funding Council (SFC).

A College Funding Group (a working group within the Tripartite Group) was also set up to discuss these issues in greater depth. These arrangements provided an opportunity for Colleges Scotland, the Scottish Government and the SFC to discuss potential changes and work through the impact these might have. We are not aware of whether any evaluation or modelling work was carried out to assess the likely impact of the changes on colleges' financial position.

Roles of staff leaving under voluntary severance

The Committee was interested in knowing whether there was information on the roles of staff who left under voluntary severance, with a particular interest in teaching staff. Our briefing contains details on the take-up of voluntary severance for 2021/22 and 2022/23, sourced from the 14 college accounts that we had received when we prepared the briefing. Information from the accounts is by headcount, rather than full-time equivalent (FTE) and is not split into teaching or non-teaching staff.

The SFC publishes an annual report on staffing in the college sector. The most recent [College Staffing Data 2022-23](#) was published on 26 March 2024. This report includes both incorporated and unincorporated colleges, while my report on colleges covers the incorporated colleges only.

The SFC report shows that over the past two years, teaching staff reduced by 257 FTE over both incorporated and non-incorporated colleges. It also shows non-teaching staff increased by 138 FTE. The SFC report considers total staffing numbers and changes, so will extend to leavers for reasons other than voluntary severance and also to staff joining colleges. My briefing

reported on staff leaving through voluntary severance only, therefore the numbers are not comparable.

Proceeds of disposal of assets and subsequent transfer to ALFs

The Committee was interested in the current position on what happens to any funds raised from the disposal of a college asset, as discussed at paragraph 37 in my briefing paper. The Scottish Government is currently consulting with the principals and chairs of colleges and with Colleges Scotland on proposed procedures and guidance for the disposal of assets. The new procedures and guidance lay out a suggested approach which differs depending on the value of the asset. They include proposals for how to allocate a share of any proceeds between the college itself and the sector as a whole. We are not able to provide any further information on whether it would be possible for a college to transfer any of these funds into an ALF. We do not have further details on when the consultation will end. The Committee may wish to follow up on these issues with the Scottish Government.

Yours sincerely

Stephen Boyle
Auditor General for Scotland