

# Education, Children and Young People Committee

## 16<sup>th</sup> Meeting, 2022 (Session 6), Wednesday 1 June 2022

### College regionalisation

#### Introduction

The Committee is undertaking an inquiry on college regionalisation. The Committee intends to look at what has been learned from regionalisation over the past decade and how this might inform future change within sector.

The Committee launched a [call for views](#), which closed on 6 May.

At this meeting, the Committee will begin to take oral evidence.

#### Committee meeting

The Committee will take evidence from—

- Audrey Cumberland, Commissioner, Commission on the College of the Future, Co-Author of the [Cumberland-Little Report: One Tertiary System: Agile, Collaborative, Inclusive](#) and Principal and CEO of Edinburgh College;
- Professor Sir Peter Scott, Commissioner for Fair Access; and
- Nora Senior, who was Executive Chair of the College of the Future Commission and Chair of Enterprise and Skills Board.

#### Supporting Information

The Committee has received written submissions from [Audrey Cumberland](#) and [Professor Sir Peter Scott](#). These are provided at [Annexe A](#) to this paper.

A SPICe briefing on the issues being considered at this evidence session, is provided at [Annexe B](#).

Submissions have been received from [Ronnie Smith, Chair of the Lanarkshire Regional Strategic Body and New College Lanarkshire](#); and [Janie McCusker, Chair of Glasgow Colleges' Regional Board](#). These are provided at [Annexe C](#).

A SPICe summary of the responses to the Committee's call for views is provided at [Annexe D](#).

Annexe A

# College Regionalisation - Edinburgh College Submission

## 1 What has worked well in the College Sector in the years following regionalisation?

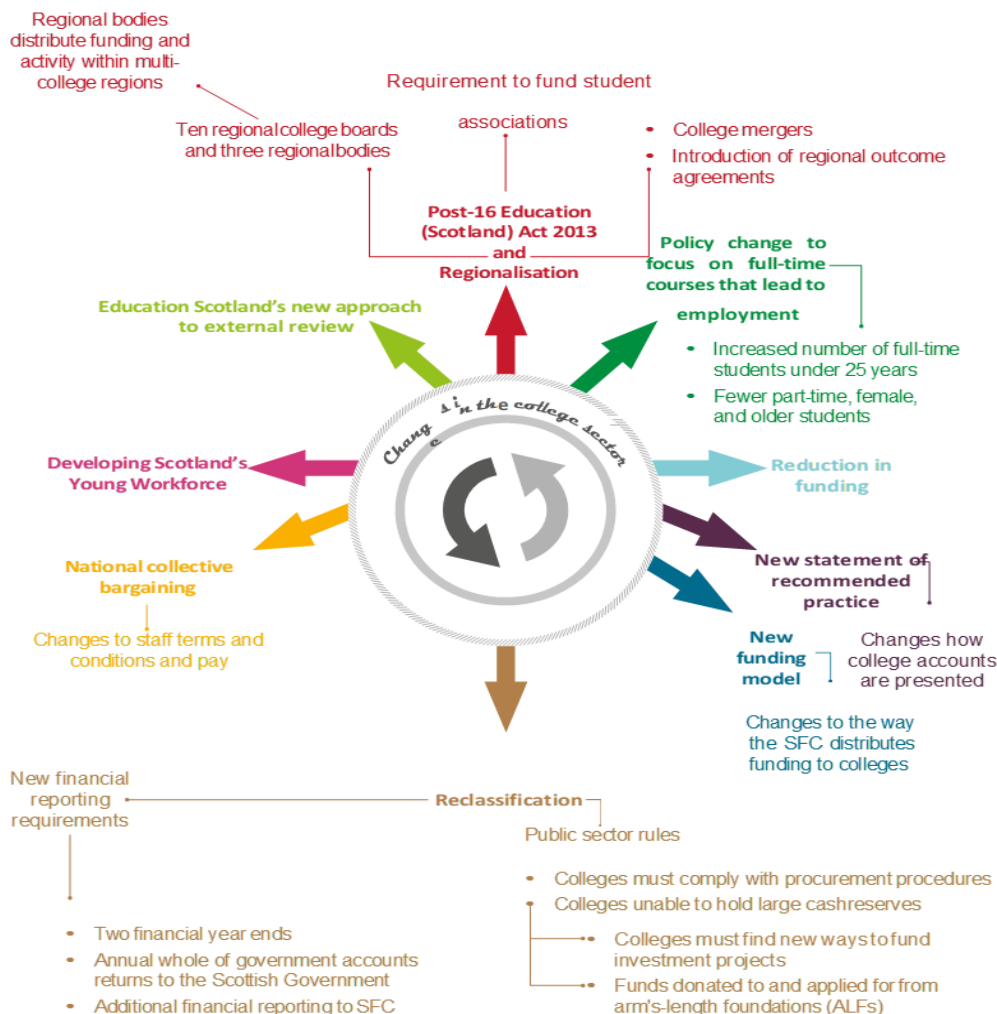
### 1.1 Context

It is challenging to identify the direct impacts of regionalisation on colleges, primarily because of the range of changes associated with the wider reform agenda impacting on the sector as a whole and individual colleges around that time (2012/13).

This is best illustrated by Audit Scotland’s 2016 Report on the College Sector which clearly sets out the changes impacting on colleges at the same time as regionalisation. Please see Exhibit 1

**Exhibit 1**

Changes affecting the college sector  
College sector reform and other changes have had a number of far-reaching consequences.



1.2 Changes impacting **concurrently** on colleges at the point of regionalisation were significant, presenting a number of risks. This included: structural changes via mergers; governance reform; re- classification and resulting impacts; policy landscape shift to FT and 16-24yr olds; real term funding reductions of 9% from 2011/12 – 2014/15; changes to funding model and distribution of funding; <sup>1</sup>non-funded (regional, merger related) harmonisation of pay, terms and conditions and, separately, the introduction of national collective bargaining.

1.3 As an observation, a key ambition of the Griggs 2012 *Report of the Review of FE Governance in Scotland* highlighted ‘coherence’ as an expected outcome of regionalisation yet the landscape in which colleges continued to operate at that time, delivering education, skills training and business support was not coherent.

1.4 It is difficult therefore to both evidence and quantify the direct outcomes of regionalisation and to explore the untapped potential of regionalisation if, for example, reform had been set within a funded investment strategy rather than cuts; if savings resulting from mergers had been re-invested within regions, aligned to improved outcomes; if reclassification had not taken place; if a robust impact assessment had been undertaken of regional harmonisation of pay, terms & conditions prior to the introduction of a policy of national bargaining.

1.5 There are unquestionably benefits of regionalisation, but I would want to stress the importance of building on what are strong foundations established via regionalisation and emphasis on ‘place’ **and** the need for coherence across the wider system, policy and funding environment to truly realise the full potential of regionalisation.

## 2 4-Nations Perspective on Regionalisation in Scotland

2.1 I am a Commissioner on the UK wide Independent Commission on the College of the Future which was established in 2018/19. The Commission brings together leading figures from business and the trade unions as well as national and international experts and key stakeholders from across the four nations of the UK. The work of the Commission in framing the UK-wide recommendations for the college of the future was significantly informed and shaped by the Scottish experience.

Initially the Commission set out to answer two simple but fundamental questions:

1. *What do we want and need from colleges in 10 years’ time?*
2. *What changes are needed in order to achieve this?*

2.2 Following extensive consultation with the sector and its stakeholders throughout 2019 and 2020, we shared our vision for the college of the future. We published our final reports for the whole of the UK [UK-Wide Final Report — The College of the Future \(collegecommission.co.uk\)](https://collegecommission.co.uk) and reports for each of the individual 4 Nations, including the Scotland specific report [The Scottish College of the Future — The College of the Future \(collegecommission.co.uk\)](https://collegecommission.co.uk), which I co-authored. More recently we have focused on how colleges work with universities

with our report now published [Going further and higher — The College of the Future \(collegecommission.co.uk\)](https://collegecommission.co.uk)

<sup>1</sup> Edinburgh College Non funded recurrent increase in staff costs of £4.1m as a result of regional harmonisation of pay, Ts & Cs (pre introduction of national bargaining and associated increased staffing costs)

2.3 Our work recognises 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.

2.4 Sir Professor Peter Scott, Commissioner for Fair Access stated “*Scotland is in a better position to develop a truly flexible tertiary education system than any other UK nation...The case for an integrated tertiary education system, rather than discrete university and college, higher education and further education, education and training sectors, should be vigorously promoted in Scotland.*”

2.5 The Commission concluded that the regionalisation of colleges and the oversight of single regional boards in Scotland have established a more coherent system with colleges playing a much stronger role in the delivery of national social and economic policies and an enhanced role in local/ regional economic development.

### 3 The Cumberland-Little Report

3.1 At the direct request of Scottish Ministers, the Cumberland-Little report co-authored with my colleague Paul Little, City of Glasgow College, was published in February 2020 highlighting the economic and social impact of Scotland’s colleges. Across several themes ranging from strategic direction, accountability and performance to innovation and exporting, the subsequent Cumberland- Little Report “*One Tertiary System: Agile, Collaborative, Inclusive*” [TheCLreport\\_210x260\\_AW\\_ALTS\\_EDlogo\\_SQA\\_edits\\_moreZ.indd \(pagetiger.com\)](#)) illustrated the already significant impact of Scotland’s 13 college regions, and identified the potential to do much more in support of the Scottish Government and the conditions necessary to realise that potential.

3.2 The report identifies the significant economic impact colleges already have – not least, an annual boost to Scottish GDP of some £3.5bn. The report sets out a series of recommendations for Government and its partners, with a starting point of defining the purpose of colleges in Scotland which should place **employer support as colleges’ cornerstone, such that colleges provide world- class lifetime learning, and high-quality business support.** We also argue that funding, accountability, performance, and quality regimes must align and support the pursuit of the new purpose, pointing to the need for systemic change in creating of a fully integrated tertiary system in Scotland.

3.3 The Scottish Government’s commitment to the development of a clear

strategic, longer-term vision and intent for the future of tertiary education and research (incorporating multiyear funding assumptions, commitments and a new national impacts framework) is therefore welcomed – as are the recommendations by the SFC in its Review of Tertiary Education and Research, many of which endorsed and reinforced the Cumberford-Little recommendations as did the Scottish Government's response which similarly supported the substance of our report and recommendations.

3.4 Should the commitments and recommendations set out by the SFC in its review and the resulting Government response be delivered, there is a very real opportunity to build on the successes of regionalisation of the college sector – the foundations are there, the opportunity to build and realise the full potential presents a risk if not grasped and a significant opportunity if it is.

## 4 Edinburgh College context and impacts of regionalisation

4.1 As a Regional college of both scale and influence we are clear that we both respond to, and proactively align, with **demand**. What constitutes demand can be both complex and multi-dimensional. As a regional College we respond to the demands of individuals; the needs of our local communities; the demand and needs of local and regional businesses; and the collaborative opportunities within our region, and pan region. All are not always aligned in that demands can vary and even conflict.

In addition, the 'nature' of demand is also changing, and at pace. This has significant implications for not just what we do at Edinburgh College and how we do it, but for the wider system – structure, Government policy, funding, performance measures, outcomes and so on.

4.2 Edinburgh College, Scotland's Capital College is the largest college in Scotland and the only College in the Edinburgh Region which spans three local authority areas; Edinburgh City, East and Midlothian. The College is responsible for 10% of the whole of the sector's activity.

4.3 The tertiary landscape in the region comprises Edinburgh College and four universities with approximately 73,000 students in total across our Region. Edinburgh College accounts for 30,000 of those students in the region.

4.4 The Scottish Government's pre-legislative 2011 consultation 'Putting Learners at the Centre' stated that work undertaken by the SFC demonstrated too much duplication and unnecessary competition within our colleges and regional universities. Also stating that very often colleges and universities are competing for the same students and similar programmes are being run by closely located institutions.

As a result, coherence of provision and removal of unnecessary duplication was a key ambition of regionalisation. Minimising repetition of level of study remains a key focus in the region with student progression with **advanced standing** (e.g. College HND student progressing to year three of University degree) from Edinburgh College

to Universities in our region has increased by 22% since regionalisation and merger.

4.5 Similarly, School-College collaborations have increased significantly with the College partnering with all 37 schools in the region, across the three local authority areas. There has been an increase of 300% in school-college activity since regionalisation with just under 5000 school pupils studying via the College each year. Further scope exists across the whole regional footprint to both increase choice and opportunity for school pupils accessing vocational and technical qualifications and apprenticeships and we continue to influence our three local authority partners to adopt a 'whole region/multi LA' approach to coordinate provision.

4.6 Other examples of the impact of coherent regional planning with local delivery includes significant increases in care experienced students, from just 18 enrolments in 2013 to over 1400 in 2021.

4.7 Despite the gap between colleges income and expenditure widening over the period since 2013; estimated reductions in staffing over 320 staff; achieving cash savings of close to £28m – significant gains have been achieved by the College, including, as examples:

- Edinburgh College student enrolments have increased by 47% over the period
- The number of 'unique' students has increased by 44%
- Part time opportunities have increased from 52% of overall provision to 72%
- Over 2000 local and regional businesses being supported and partnering with the College

4.9 The Leadership and collaborative role that Edinburgh College plays in the region has undoubtedly been enhanced by the scale, reach and influence capacity afforded by Regionalisation. In addition, partnerships and collaborations 'pan-region' are also clear to see including:

- The Edinburgh and SE Scotland City Deal Regional Employability and Skills Programme and its cross sector (Colleges and Universities) partnership for change to drive inclusive growth across the region with a particular focus on Housing Construction and Innovation, Data-driven Innovation and Health and Social Care.
- The East Central College Collaboration (Edinburgh, Fife, West Lothian and Borders) development of the Skills Boost Programme adopted nationwide for the Government's Young Persons Guarantee response to the impacts of the Pandemic.
- The role of the College in the Edinburgh Business Resilience Group (EBRG). First convened in 2020, the group brings together a cross-section of Edinburgh's business, education, public sector, third sector, and other key city stakeholders, all working together to ensure that Edinburgh emerges from the global pandemic as a stronger, more resilient and inclusive city economy, offering opportunities for all.

4.10 The UK Commission on the College of the Future, the Civic University

Network and Sheffield Hallam University endorsed Scotland's regional structure as a model to be emulated by other nations pursuing a more collaborative and cohesive tertiary system in its recent publication '*Going Further and Higher; how collaborations between colleges and universities can transform lives and places*'.

4.11 Despite what has been achieved by Edinburgh College and the sector as a whole since regionalisation it should be noted that successive Audit Scotland Reports, SFC Reports including [Financial Sustainability of Colleges and Universities in Scotland \(sfc.ac.uk\)](https://www.sfc.ac.uk/~/media/SFC/Reports/Financial-Sustainability-of-Colleges-and-Universities-in-Scotland-2021-22.pdf) and the [Review of Coherent Provision and Sustainability - phase 3 \(sfc.ac.uk\)](https://www.sfc.ac.uk/~/media/SFC/Reports/Review-of-Coherent-Provision-and-Sustainability-phase-3-2021-22.pdf) point towards a 'tipping' point being reached with regard to the ongoing financial sustainability for the sector.

## 5 How might the Sector Improve in the years ahead? And adapt to challenges such as those resulting from Covid-19

My initial response would be to reframe the questions and focus on what environment needs to exist to ensure we continue to both build on the success and impacts of regionalisation to date **and** unlock the yet untapped potential of the college sector.

In summary it is critical that a system wide approach is taken, moving away from an environment existing today that could be characterised as being 'siloed' e.g. across policy landscape, funding models, multiple funding 'pots' and funding distribution etc

5.1 Build on the foundations established by regionalisation of the college sector to an enhanced focus on 'place' - regional autonomy, agility and outcomes aligned to national priorities (including NSET) and performance framework.

5.2 Colleges must be afforded greater flexibility in order to be responsive to differing - and indeed shifting at pace - economic and societal needs and priorities.

5.3 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. A fleet of foot college sector is more essential than ever in supporting Scotland's economic recovery and future transition for growth.

5.4 The governance structure that was introduced to support and embed regionalisation is overly complex, particularly within the multi-college regions where it does appear that the arrangements put in place at a particular point in time and for a particular reason are no longer relevant or appropriate for the future – perpetuating multi-layered and costly arrangements.

5.5 Further collaboration on the delivery of higher education between universities and colleges could also help with curriculum development and strengthen routes of transition to different institutions to improve flexibility and student choice.

5.6 The college sector needs a refreshed mandate from Scottish Ministers, set within the wider tertiary system and reflecting the post-COVID environment, the climate challenge, and the priority to secure a just transition to net zero. A refreshed 'purpose' for our college system (vocational, technical and professional education and skills training) must be a priority. Naturally, how colleges are measured with

respect to outcomes (not inputs and volume activity as is the case now); how the sector is funded; how we respond to and deliver Government policy; how the sector partners with key stakeholders and industry - should align with our 'purpose'.

5.7 The Cumberford-Little (C-L) report referenced in section 3 of this submission highlights the significant economic and social benefits that derived from colleges' work. The Report also identified a series of recommendations that, if implemented, would address the systemic issues preventing colleges from achieving our full potential. These included proposals to:

*improve college/employer engagement; to give colleges greater freedom to develop qualifications aligned with employer needs; to remove other central controls that constrain college innovation; and to establish a new approach to measuring college performance, based on impact. The Report was unanimously endorsed by Scottish college leaders, and warmly welcomed by businesses who noted the recommendation for business support to become the bedrock of college activity.*

5.8 The now chronic and sustained underfunding of Scotland's colleges must be addressed. This must also include moving at pace to a model of funding distribution that reflects regional demand, funding models that are equitable, both across the college sector and across the wider educational landscape, and multi-year strategic investment.

Through successive real terms cuts, Government is putting at risk the benefits of regionalisation, its own investment in colleges, and is undermining colleges' capacity to support employers (particularly our SMEs) in up- and re-skilling workforces across a range of priority sectors.

An example of historical inequalities being perpetuated over a sustained period of time includes the methodology for allocating core grant-in-aid. Edinburgh College continues to receive the lowest 'price' per credit than any other college and region in Scotland – despite a national approach to determining staff costs via national collective bargaining and delivery of broadly the same profile of curriculum spread and levels of qualifications. To put into context when comparing to a college of similar profile (scale, multi campus, similar student profile and curricula spread) the detrimental income effect of this model equates to **c£5m per annum for Edinburgh College**.

5.11 Edinburgh College, like the sector as a whole, faces yet again significant budgetary pressures. This seems to be counter-intuitive given the Government's more or less full support for the SFC recommendations in its recent Coherence and Sustainability Review which sets out the potential capacity for colleges to provide an agile, rapid and cost-effective solution to business and community recovery. In addition, the Government's recently published National Strategy for Economic Transformation sets out a 10-year strategy with a clear focus on re-skilling, up-skilling and lifelong learning to drive our recovery and future growth. Colleges must have a more systematic role in the innovation pipeline, playing a key role in applied innovation support of businesses.



## 6 What should the priorities of the college sector be in the year ahead?

6.1 World class lifetime learning and training (including upskilling and reskilling) and high-quality business support.

In summary:

*“Colleges should provide world class lifetime learning, training and high-quality business support, which shapes businesses, through value adding, symbiotic relationships that boost productivity and deliver for core economic sectors; delivers transformative technological and professional education, pre-employment qualifications, up- and re- skilling learners throughout a lifetime both at work, and beyond; and high-quality cost effective public higher education, articulating seamlessly with the university offer, whilst also delivering accelerated college degrees; and*

*connects with, and builds resilience in, the communities in which they're anchored, working in deep partnerships to minimise disadvantage and helping individuals to remain economically active; and is part of a highly connected tertiary system, whose unique contributions are accorded equal value, and where colleges, alongside schools, universities, the third sector, and other actors, support all school leavers and older learners as they progress onwards on a coherent journey to - and subsequently through - work.”* **C-L Report**

**Audrey Cumberland**

Principal & Chief

Executive Edinburgh

College

May 2022

# REVIEW OF COLLEGE REGIONALISATION

## Written evidence from the Commissioner for Fair Access

### Introduction

I was appointed Commissioner for Fair Access in January 2017 by the Scottish Government following a recommendation in final report of the Commission on Widening Access published the previous year. My main responsibility is to report on progress towards meeting the Government's targets for increasing participation from socially deprived communities, which were suggested by the Commission, and to comment generally and make recommendations on access issues. I am independent from the Government.

I discharge this responsibility in the following ways:

- Annual Reports to the Government: I have written four regular reports and also a special report on the impact of Covid. My fifth, and final, Annual Report will be published later this month.
- Discussion Documents: These are on a range of topics including disability, retention and outcomes, disability and league tables. They bring together the most up-to-date figures and a commentary by me as Commissioner.
- Scottish Framework for Fair Access: Another recommendation by the Commission on Widening Access was that a Framework for Fair Access should be established to report on the evaluation of access initiatives and to spread good practice. This was finally done in June 2019.

In addition when invited I give speeches, attend conferences and write articles to support my work. Full details are available on the Commissioner's website (which is now separate from that of the Scottish Government):

<https://www.commissionerforfairaccess.scot>

### The role of colleges in fair access

Colleges play a key role in delivering fair access. They do so in the following ways:

1. They work closely with schools, offering partnerships that make it possible to combine academic and vocational courses. These ease the transition from school to post-school study, initially in further education but also potentially in higher education, especially for students from more socially disadvantaged backgrounds.

2. They play a key role in delivering higher education programmes, principally Higher National Certificates and Diplomas (HNCs and HNDs). While in England less than 10 per cent of higher education is delivered by further education colleges (and HNs have become a threatened species), in Scotland more than a quarter (27 per cent) of higher education is delivered by Colleges (and HNs are flourishing). The social base of College students is much wider than that of students at Higher Education Institutions. More than a quarter (25.3 per cent) of HE entrants to Colleges in 2020-21 came from the 20-per-cent most deprived communities in Scotland (SIMD20), compared with 16.7 per cent of entrants to full-time first-degree courses.
3. HNs delivered by Colleges have a dual function.
  - First, they are free-standing advanced vocational qualifications that are well understood and continue to be highly regarded by employers.
  - Second, they offer the possibility of students transferring on to first-degree courses in universities - 'articulation' - in the majority of cases with 'advanced standing', ie HN graduates enter the second, or even third, year because they receive credit for what they have already achieved. Currently 58 per cent of 'articulating' students are granted 'advanced standing'. The Scottish Funding Council has set a target of 75 per cent. In my Annual Reports I have argued that smoother 'articulation' is key to fair access. Four out of 10 SIMD20 entrants to universities come via this college route.

### College regionalisation

Any reorganisation that strengthens Colleges is likely to benefit fair access to higher education. Regionalisation has reduced the number of colleges from 41 to 26, producing larger institutions that are more comprehensive, more resilient and more self-confident. In my view, this strengthening of the Colleges has allowed them to continue to play a key role in fair access, both as providers of advanced vocational qualifications and as sources of 'articulating' entrants to universities. In the absence of this strengthening there would be a risk that their role in higher education could have been reduced (even to the vestigial status it has south of the Border).

In 10 of the 13 regions there is now only one college - with two in Lanarkshire, three in Glasgow and 8 in the Highlands and Islands (although here they are make up the University of the Highlands and Islands [UHI]). This rationalisation has helped to simplify partnerships between Colleges and Universities. Because good relationships, and trust, are key to promoting smoother 'articulation', this has contributed to fair access.

However, the regional geography that makes sense for Colleges as providers of locally based further education (and, arguably, free-standing higher education courses) may not make such good sense in the wider context of partnerships between Colleges and Universities. Inevitably these partnerships cross regional boundaries. For example, the three universities in Edinburgh should, and do, not confine their partnerships to those with Edinburgh College. Put simply, the geography of Colleges and the geography of Universities do not match.

### Specific questions

*What has worked well in the college sector in the years following regionalisation?*

The establishment of larger Colleges has strengthened their management capacity, contributed to greater efficiency and increased their standing. This has protected their position as key providers of higher education, as well as further education, which has promoted fair access because of their wider social base - for the reasons given above.

*How might the sector further improve in the years ahead?*

The scope for further rationalisation is limited. Colleges would benefit from a period of organisational stability. It is also important that Colleges receive adequate and equitable funding. These conditions would allow them to continue their role with regard to fair access.

*How might Colleges adapt in the light of current challenges such as those resulting from Covid-19?*

Colleges responded quickly and imaginatively to the Covid-19 pandemic. For my special report on the impact of Covid-19 on fair access I wrote to all Colleges and Universities, and held (virtual) meetings with several. I was impressed by the efforts made by Colleges, and especially by College staff, to help their students in the most difficult circumstances. However, the impact of Covid-19 was far-reaching, and is still unfolding. The attainment gap in schools, mental health among students (and staff), financial hardship and other issues will continue to reverberate - and could well be exacerbated by the cost-of-living crisis.

*What should be the priorities of the College sector in the years ahead?*

Colleges should continue to provide high-quality further and higher education focused on meeting the individual needs of their students as well as the skill demands of employers. They should work together with employers and with universities within a better integrated system of tertiary education and training (ranging from on-the-job training to postgraduate degrees), such has had been envisaged in the Learner Journey: 16-24 initiative.

**Peter Scott**

Commissioner for Fair Access

May 23, 2022

## Annexe B

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**The Information Centre**  
An t-Ionad Fiosrachaidh

## **Education, Children and Young People Committee**

### **Wednesday 1 June 2022 (Session 6)**

## **College regionalisation**

### **Introduction**

The Committee will begin taking evidence as part of its inquiry into college regionalisation ten years on.

Ahead of the inquiry, the Committee issued a call for views on college regionalisation. This asked respondents:

- what has worked well in the college sector in the years following regionalisation?
- how might the sector further improve in the years ahead?
- how might colleges adapt in light of current challenges such as those resulting from COVID-19?
- what should be the priorities of the college sector in the years ahead?

During this first session of evidence, the Committee will hear from:

- Audrey Cumberland, Commissioner, Commission on the College of the Future, Co-Author of the Cumberland-Little Report: 'One Tertiary System: Agile, Collaborative, Inclusive' and Principal and CEO of Edinburgh College
- Nora Senior – was Executive Chair of the College of the Future Commission and Chair of Enterprise and Skills Board.
- Sir Peter Scott, Commissioner for Fair Access

This session will give Committee members an opportunity to learn more about regionalisation, its aims and its progress. It will also give members an opportunity to explore what might be the next steps for the college sector, particularly in light of the planned reforms following the publication of the [Scottish Funding Council's 2021 review of the provision and sustainability of tertiary education and research](#).

## Background

### College regions

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, as well as being focused on jobs and economic growth. It also signalled a move toward a more interconnected tertiary education sector; since the collaboration between the further and higher education sectors continues to develop.

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

The consultation also stated that all regional groupings of colleges should be able to offer:

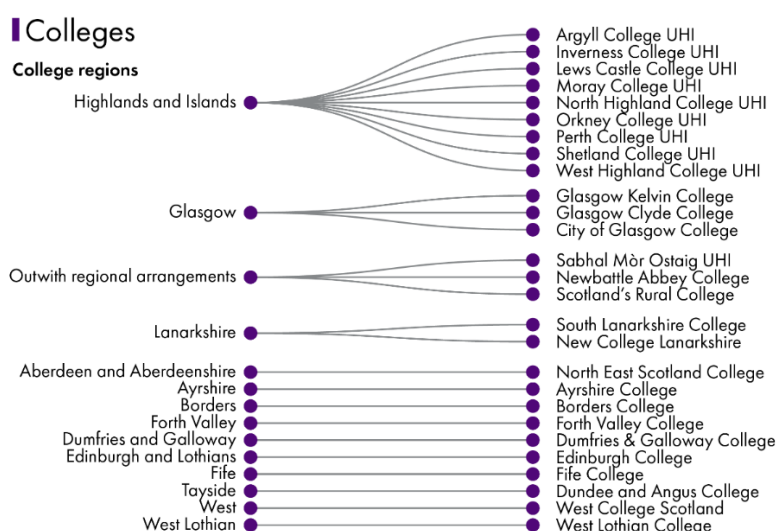
- a range of courses to the communities they serve;
- provision responsive to the demography and social and economic needs of the area they serve;
- capacity to deliver on the Scottish Government's commitment to provide education, employment or training for all 16-19-year olds;

- wide availability of access courses; and
- scope to achieve cost-efficiencies through reducing back office and management costs and reduction in course duplication and provision.

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. The Post-16 Education (Scotland) Act 2013 underpinned college regionalisation, which saw the formation of 13 college regions. These are: Highlands and Islands; Glasgow; Lanarkshire; Aberdeen and Aberdeenshire; Ayrshire; Borders; Forth Valley; Dumfries and Galloway; Edinburgh and Lothians; Fife; Tayside; West; and West Lothian.

Subsequently, college mergers reduced the number of colleges down from 41 in 2011 to 26 currently. Most of these colleges sit within the 13 regions established by the 2013 Act. **Chart 1** shows Scotland’s colleges and the college regions they fall into following regionalisation. There are three multi-college regions and ten single college regions. As noted on Chart 1, there are also three colleges which fall outwith regional arrangements.

**Chart 1: Colleges and college regions**



Source: SPICE and Colleges Scotland

## College qualifications

Scottish qualifications are mapped out on the [Scottish Credit and Qualifications Framework \(SCQF\)](#) from level 1 to 12, taking in qualifications awarded by the Scottish Qualifications Authority (SQA), Further and Higher Education Institutions, and apprenticeships and vocational qualifications (including Modern Apprenticeships).

Colleges typically offer courses from SCQF Level 4 to SCQF Level 8. This means learners can study further education courses such as National 4 and 5, Higher and vocational courses to higher education courses and, in some cases, ordinary degrees.

Higher National Certificates (HNCs) and Higher National Diplomas (HNDs) are higher education qualifications delivered at college:

- HNCs (SCQF Level 7) are generally one-year long college courses equivalent to year one of a university degree programme.
- HNDs (SCQF Level 8) are two-year college courses, equivalent to year two of a university degree programme.

Successful completion of some HNC/HND courses allow direct entry into the second year of a degree programme. In addition, articulation enables learners to enter university at the third year of a degree programme where agreements are in place between colleges and universities. More information about articulation is available in [this SPICe blog on articulation](#).

## Incorporated and non-incorporated colleges

Scottish councils ran all publicly funded colleges in Scotland until the introduction of the Further and Higher Education Act 1992. Under this Act, most colleges established their own corporate body and boards of management. These colleges are referred to as 'incorporated colleges', with boards holding responsibility for financial and strategic management. Incorporated colleges produce accounts subject to audit by the Auditor General for Scotland.

[Prior to regionalisation, 37 colleges were classed as incorporated](#); following regionalisation, 20 colleges operate in this way. The remaining six colleges are classed as non-incorporated and SRUC is classed as a higher education institution, though it delivers higher and further education courses and counts towards the achievement of national targets for colleges.

The six non-incorporated colleges are: Argyll College; Orkney College; Sabhal Mòr Ostaig, Shetland College, West Highland College and Newbattle Abbey College. All sit within the UHI regional arrangement, apart from Newbattle Abbey.

Further information about college management and governance can be found in the 2021 [SPICe Further and Higher Education Subject Profile](#).

## ONS reclassification

The Office for National Statistics (ONS) announced prior to regionalisation that incorporated colleges throughout the UK would be considered public sector bodies from April 2014. This decision meant colleges are now treated as part of central government for budgeting purposes.

[Audit Scotland's 2013 report on Scotland's Colleges](#) stated that this change meant 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.



In its 2015 report, Audit Scotland stated that the reclassification: “...led to greater accountability for the use of public money in the college sector through additional financial reporting and reduced autonomy for colleges.” – [Scotland's Colleges 2015](#), p5

This led to the creation of arm’s-length, independent foundations to protect college financial reserves. The Articles of Association of these foundations stipulate transferred funds must be spent on further education in Scotland.

## Regionalisation: Progress and challenges

Audit Scotland produces annual reports on Scotland’s colleges and these provide useful information about the progress of regionalisation in subsequent years. A summary of the key issues arising in the reports from 2012 onwards is provided below.

[Audit Scotland's 2012 College Overview report](#) looked at the financial standing of the college sector prior to the introduction of structural reforms. This report identified overall reductions in public spending plus the potential cost pressures of proposed mergers as challenges facing the sector. The report recommended the Scottish Government and Scottish Funding Council should work with colleges at local and regional level to implement the reforms and ensure lessons from past public sector reforms were taken on board to ensure effective management.

The report provided an overview of the sector’s history, noting between 1992 and 2010, the number of incorporated colleges fell from 43 to 37. It also noted colleges varied “widely in size and character”. At that time, City of Glasgow College was the largest; its expenditure of £103.5m in 2010/11 exceeded the combined spend of the ten smallest colleges in Scotland.

In terms of the finances of the sector, Audit Scotland found there was:

“...no consistent trend in the amount of annual surplus or deficit reported by the sector as a whole since 2006/07, and the financial standing of individual colleges differs widely. 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.” – [Scotland's Colleges 2012](#), p10

The 2012 report also identified the development of college outcome agreements by SFC as “having the potential to bring a more strategic approach to managing the sector”.

[Audit Scotland's 2013 report on colleges](#) updated on progress toward regionalisation, stating that SFC had provided around £54m in funding for the programme. Colleges were expected to meet up to half of the total costs of individual mergers, and Audit Scotland found the contribution from each college “varied widely”. The cost of college staff voluntary severances resulting from mergers were identified as one of the main contributors to the costs of mergers.

The 2013 report also highlighted colleges faced an expected 11 per cent real-terms reduction in Scottish Government revenue grant funding between 2011-12 and 2014-15. Audit Scotland stated that with staff costs forming “about 60 per cent of a typical college’s expenditure”, staff reductions were understandably seen as a way to make savings. However, the balance between reducing costs and retaining staff with skills and experience was highlighted as a key consideration for colleges to make when

deciding which staff to grant voluntary redundancy.

The Scottish Government's emphasis on full-time education and prioritisation of younger students was highlighted as a move which "may limit learning opportunities for older people".

Audit Scotland's [Scotland's colleges 2015 report](#) discussed the challenges of regionalisation, such as standardising terms and conditions for staff and integrating IT systems. The report found planning for mergers was "generally good" and all "merged colleges were established on time".

On efficiency savings, Audit Scotland stated that while the Scottish Government had identified efficiency savings of £50m per year from 2015-16, they and SFC had not specified how this would be measured. Audit Scotland concluded this:

"...makes it difficult to assess whether the reform programme is achieving all of its aims." – [Scotland's Colleges 2015](#), p5

Audit Scotland reported that the changes resulting from regionalisation had "minimal negative impact on students" and colleges continued to deliver on their learning targets in return for funding. However, 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. The report recognised:

"There has been a reduction of 48 per cent in part-time students and a reduction of 41 per cent in the number of students aged 25 or older between 2008-09 and 2013-14." – [Scotland's Colleges 2015](#), p6

Audit Scotland found that while Scottish Government funding to colleges fell by 12.3% in real terms between 2011-12 and 2013-14, college finances were "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.

In addition, staff numbers in the sector decreased by 9.3% between 2011-12 and 2013-14. This was delivered mainly through voluntary redundancy schemes. Audit Scotland found this process was managed well overall, there were some colleges that fell short of good practice.

[Audit Scotland's 2016 report](#) highlighted that the number of under-25s in full-time education at college had increased by 14% in eight years while student numbers overall had decreased by 41% and part time students by 48% over the same period. The report noted:

"Most of the reductions in student numbers have been among women and people aged over 25. The gender balance is now broadly equal overall but there are significant differences between subjects." – [Scotland's Colleges 2016](#), p5

The report also highlighted that many colleges did not have long-term financial plans, stating such plans would help address financial pressures such as national collective bargaining, estate maintenance and student support funding.

Monitoring of progress was once again highlighted as an area in which the Scottish Government and SFC should provide further detail, with Audit Scotland calling for publication of costs and savings achieved through regionalisation to be published.

[Audit Scotland's 2017 report on Scotland's colleges](#) focused more on performance and finances rather than reform. It found student numbers decreased in 2015-16 and

full time equivalent (FTE) was at its lowest since 2006-7. Full-time and part-time student numbers fell, though the fall in part-time numbers was greater.

During this time, the financial state of the sector deteriorated slightly as the underlying deficit increased. Staff costs remained the highest area of expenditure and had increased by six per cent between 2013-14 and 2015-16. There was also an increase of 9% in the number of non-teaching staff over the same period. Colleges told Audit Scotland this was due to bringing some services in-house, changes to the curriculum and employing more apprentices.

Audit Scotland also stated the costs associated with national bargaining had been highlighted to be around £80m over three years. The report again recommends colleges develop longer-term financial planning to take account of such cost pressures.

[Audit Scotland's 2018 report](#) on Scotland's colleges again focused on performance and finances, rather than reform. The report highlighted estimates from Colleges Scotland stating that the total cost of harmonisation of staff pay and conditions would likely be around £50m. Audit Scotland stated this "would absorb all of the Scottish Government's projected savings from college reform" and while the Scottish Government was providing funding to cover the additional costs up to the end of the academic year 2018-19, funds for 2019-20 – the year when costs were to increase most significantly - had not been specified.

The impact of national bargaining, building maintenance and the costs of leaving the European Union were all highlighted as potential risks to the future financial sustainability of colleges.

Also during this time, student numbers increased by around four per cent, with most of this increase in students in part time learning under 16 years of age.

In its [2019 report on Scotland's Colleges](#), Audit Scotland found colleges to be operating within an increasingly tight financial environment and the gap between colleges' income and expenditure was widening. College cost pressures included Scottish Government revenue funding for 2019-20 covering the additional costs of harmonising pay and conditions but not cost of living increases and pension contributions. College capital funding also fell short of the amount needed to maintain the college estate. In addition, non-government income generated by colleges and money held by arm's-length foundations had fallen.

On colleges student demographics, Audit Scotland finds:

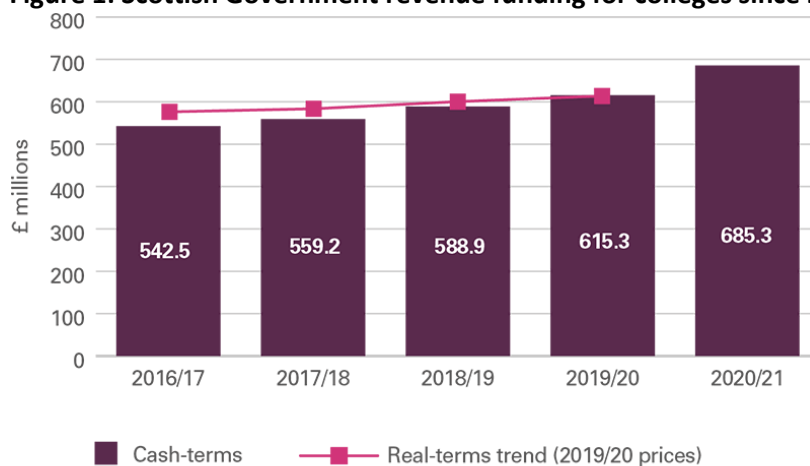
"Student numbers increased, and the sector exceeded its learning activity targets. Over the past three years, colleges have been providing less learning to students aged 16-24 and more to students aged 25 and over. Colleges are widening access to disabled, ethnic minority and care-experienced students. After several years of increasing learning delivered to students from deprived areas, the proportion of learning delivered to this group fell slightly in 2017-18."  
– [Scotland's Colleges 2019, p4](#)

Attainment, student retention rates and leavers going on to positive destinations was found to vary across colleges. The attainment rate for full-time further education was 66% - falling short of the SFC target of 75%.

**Annex 2** of this briefing provides figures on student numbers over time.

[Audit Scotland's 2020 report](#) was published in 2021 with a new format providing an overall summary of the sector. The 2020 report found colleges ended 2019-20 in a better financial position than was initially forecast as some colleges were able to furlough staff during the COVID-19 pandemic and the full financial impact of the pandemic was not felt. In addition, Scottish Government revenue funding rose by 2%, though, as Audit Scotland highlights, increases in funding were used pre-COVID to cover the costs of harmonising staff terms and conditions.

**Figure 1: Scottish Government revenue funding for colleges since 2016-17**



Source: [Audit Scotland Scotland's Colleges 2020 report](#)

**Annex 1** of this briefing provides a table showing Scottish Government revenue funding since 2010-11.

The gap between colleges' income and expenditure grew to £54m in 2019-20, and Audit Scotland forecast this will continue to grow due to pension costs and depreciation of assets. However, while the sector forecasted a deficit of £9m in June 2020, Audit Scotland found the sector's underlying financial position to be a surplus of over £3m in 2019-20. A breakdown by college can be [found in the report](#).

The 2020 report again highlighted the need for "robust long-term financial planning" and stated there are:

"...a significant number of colleges that need increased funding, cost cutting - or both - to deliver balanced budgets in the future." – [Scotland's Colleges 2020](#)

## Recent reports on the sector

### One Tertiary System: Agile, Collaborative, Inclusive

The [One Tertiary System: Agile, Collaborative, Inclusive report](#), published in February 2020. More often called the Cumberland-Little report recommended a rebalancing of college and university funding and making supporting business growth a top priority for the sector.

Report 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. This should also 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.
- Minister 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.

## **Scottish College of the Future**

The [Scottish College of the Future](#) report was published in 2021, as part of the work of the UK wide Independent Commission on the College of the Future (the Commission). It looked at what society wants and needs from colleges from 2030 onwards and how colleges might be part of a joined-up education and skills system. The Scotland’s College of the Future report looked at how recommendations for reform and renewal could be applied to the Scottish further education system.

The Commission sought to contribute to the [Scottish Funding Council \(SFC\) Review of Coherent Provision and Sustainability](#). The SFC review 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.

The Commission's recommendations included calls for:

- 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.
- The creation of a single-line tertiary budget, including student support, to provide flexibility to maximise student support and to help develop a more integrated tertiary system.
- SFC, Colleges Scotland and Universities Scotland to set out an action plan to implement a National Articulation Framework to ensure more students option of progressing from college courses into second or third year courses at university.
- Embedding of regional partnerships between colleges and universities.
- The Scottish Government to carry out a longer-term review of Post-16 education, with a view to developing a “comprehensive tertiary system with a coherent progressive curriculum post National 5 or post-14 across schools, colleges and universities”.
- Facilitation of partnership and collaboration between colleges across regions to boost their role in economic recovery and regeneration.
- An end to ringfencing of capital budgets to encourage colleges and universities to develop shared facilities.
- Colleges' role in business support and innovation to be established, embedding the partnership between employers and colleges. A network of specialist hubs should be created to address skills shortages and offer opportunities in remote/rural areas.
- Further work to deepen joint working arrangements between Skills Development Scotland (SDS) and SFC. The report also suggested the creation of a single national agency bringing the functions of SFC and SDS together and exploring the scope for bringing the Student Awards Agency Scotland (SAAS) into the agency.
- SFC to review the potential for shared services across colleges, drawing on the experiences of the University of the Highlands and Islands.
- The creation of a national network of digital community hubs in colleges to tackle digital poverty.
- The Scottish Government to create a national fund to develop online learning materials and digital infrastructure.
- A review of post-16 qualifications, with authority given to colleges to develop their own qualifications. Multiple entry routes into and exit routes out of the

qualifications system should be developed and vocational and academic qualifications should have parity of esteem. The Commission also suggested work across the four nations to create a simplified accreditation and regulatory framework.

- Review of the structure and diversity of the future workforce, looking at skills demand and the impact of digitalisation.
- Establishment of a national workforce development programme for teaching, learning and support professionals.
- Colleges Scotland, the Scottish Government and the College Development Network to address issues of diversity amongst college leadership using data to develop targeted recruitment and development programmes.

The Independent Commission on the College of the Future also published the [Going Further and Higher report](#) in February 2022. This report again looked at all four nations of the UK, calling for great collaboration between colleges and universities.

The report recognises the recommendations of the SFC's 2021 Review of Coherent Provision and Sustainability (for more on the review, see the next section of this briefing) and sets out a path toward an integrated and collaborative tertiary system. It also recognises the Scottish Government's response broadly in acceptance of the recommendations. On the opportunities presented by college regionalisation, it states:

“In Scotland, the regionalisation of colleges presents a coherent interface for universities – which the SFC has proposed is further developed, through coordinated college-university outcome agreements. This can be further complemented with City Deals, where they exist. There will be many contexts in which it is preferable to work on the basis of a Scotland-wide tertiary network.” – [Going Further and Higher, p23](#)

## **Commission on Widening Access, the National Articulation Forum and the Commissioner for Fair Access**

The 2016 [Commission on Widening Access \(COWA\) report](#) 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”.

The COWA report recommended the establishment of a Commissioner for Fair Access to oversee progress on widening access. The current [Commissioner for Fair Access](#), Sir Professor Peter Scott, has continued to highlight the role articulation plays in widening access to university.

The COWA report also called for articulation links between colleges and universities to be further expanded to offer disadvantaged learners more routes into university. Following the report, 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.

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.

The report recommended improving subject alignment between Higher National Certificates and Diplomas (HNCs and HNDs) and degree subjects, with co-ordination of articulation agreements at national level building on the regional level agreements already in existence.

In the two years following the Forum report's publication, there has been a focus on closer alignment and collaboration between colleges and universities. It emerged as a key recommendation of the SFC's Review of Coherent Provision and Sustainability for the further and higher education sectors and was accepted by the Scottish Government.

## **SFC Review of Coherent Provision and Sustainability**

In June 2020, the Scottish Government asked SFC to carry out a review of the college and university landscape to plan future provision and funding. The COVID-19 pandemic caused significant issues for colleges and universities, with institutions facing predicted income loss, the suspension of in person teaching, assessment and placements and uncertainties around future applicant numbers.

The resulting [Review of Coherent Provision and Sustainability](#) was carried out in three phases:

- [Initial phase one considerations were published in October 2020](#);
- [a phase two progress update was published in March 2021](#);
- and [phase three recommendations were published in June 2021](#).

[Phase One of the review](#) envisaged colleges and universities having a central role in Scotland's post-pandemic recovery. Within this, priorities include widening access to university for those from the most socioeconomically deprived backgrounds, supporting students facing financial hardship, protecting Scotland's research and science base and developing digital and blended learning.



The themes emerging from Phase One were further considered in the [Phase Two update report](#). Collaboration between institutions was a key focus of this update, but the diversity of the current college and university landscape was highlighted as a strength. This indicated the final report would not recommend mergers. Instead, access to courses, learner journeys, skills and economic recovery were highlighted by SFC as areas for 'place based' collaboration at regional level.

Many of the final recommendations in the Phase 3 report focus on closer collaboration between colleges and universities and the roles they can play as part of the overall tertiary education system. This builds on the ongoing emphasis on closer working – [for example in areas such as articulation](#) (course progression from college to university). The review also raises the prospect of exploring shared support services between institutions.

The summary of the review states its final recommendations intend to:

"...build logically from years of policy direction and investments that are particular to tertiary education and research in Scotland, to enable the system to evolve to be even more coherent, responsive and effective for the years ahead, for current and future students, for the skills needs of employers and for wider social and economic goals." – [SFC Phase 3 report](#), p9

Recommendations most relevant to the college sector include:

- A call 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.
- A call for 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 HEI and college sectors, including consideration of shared support services and with industry. This should be supported by the Scottish Government.
- A call for the Scottish Government to work with SFC to build on progress made to widen access to university.

- Continuation of work across the sector to promote Scotland as a study destination for international students.
- The development of a single quality assurance and enhancement framework for colleges and universities.
- A call for the Scottish Government to consider exploring the Office for National Statistics (ONS) classification of colleges as public bodies.
- Two proposed Tertiary Provision Pathfinders are being set up to test how a more integrated tertiary model might work in practice. The two regions are the South of Scotland and the North East of Scotland.

## SFC Report on Regional Strategic Bodies

In October 2020, following a recommendation from Audit Scotland, SFC published a [report on regional strategic bodies](#) as part of its wider review of the further and higher education sectors. This review recommended:

### **1. The dissolution of the Lanarkshire Board, with both colleges managing themselves as separate regional entities (as single college regions do currently).**

While the board was found to be meeting its core statutory requirements, SFC found the regional arrangements had not delivered significant benefits for students and stakeholders at New College Lanarkshire and South Lanarkshire College. While acknowledging “good efforts” had been made to improve governance arrangements, SFC stated these were “unlikely to improve regional effectiveness when there remains an unwillingness from either partner”.

New College Lanarkshire is described in the review as “a significant regional presence with an ambitious vision of transformation and improvement”. South Lanarkshire College is described as “small, financially stable” with different priorities for its local community.

Geography and transport links were highlighted as another factor working against integration, with students more likely to look toward colleges in Glasgow than the other Lanarkshire college when considering their options.

SFC concluded that the governance arrangements are “sub-optimal” and “not well understood or accepted” leading to “constant friction” and distracting both colleges from focusing on their students and on contributing to economic recovery.

SFC recommended the dissolution of the regional strategic body (RSB), with both colleges managing themselves and having a direct relationship with SFC.

### *South Lanarkshire College*

It should also be noted that there have been governance issues at South Lanarkshire College over the past year. [Audit Scotland concluded](#) that there were a “number of areas where the college did not fully comply” with college code for good governance.

In July 2021, SFC commissioned an external review into governance at the college. This was finalised in August 2021 and considered by the board in December 2021. In November 2021, the college’s board commissioned two independent investigations into complaints against the chair of the board, principal and interim clerk to the board.

[Audit Scotland reported in April](#) that the college has developed a governance improvement plan. This has been approved by the college board and the Lanarkshire Board and progress is being monitored. The [Public Audit Committee took evidence on this Section 22](#) report on 12 May 2022 and will consider its next steps in the autumn.

### **2. Further reformation of the Glasgow Colleges Regional Board (GCRB), with a focus on further efficiencies, and development of the Glasgow ‘one door’ approach for students, employers and other stakeholders.**

The GCRB oversees City of Glasgow College, Glasgow Kelvin and Glasgow Clyde. SFC found the GCRB to be meeting its core statutory requirements and adding value to college provision. However, there are mixed views within the individual colleges about the effectiveness of having four boards (i.e. a board for each college plus an overarching regional board). While all agree on the need for collaboration, there are disagreements over cost and region-level process.

On cost, SFC states that agreeing funding allocations is challenging but that at £445,000 in 2019-20, the costs of the GCRB are less than originally thought.

SFC concludes that the GCRB should now begin looking at further reform, exploring options that build on regional planning, seeking further efficiencies, securing the financial viability of each of the constituent colleges, developing the Glasgow ‘one door’ approach for students, employers and stakeholders and considering options for further reform at regional level.

### **3. The University of the Highlands and Islands’ Further Education Regional Board to consider further mergers of partner colleges, shared services, and changes to roles and responsibilities on the board itself to simplify complex governance.**

Inverness, Lews Castle, Moray, North Highland, Perth, Argyll, Orkney, Shetland and West Highland colleges are all part of the Highlands and Islands region.

The Court of the University of the Highlands and Islands (UHI) existed prior to regionalisation. It was then established as the RSB in 2014 and secured operational fundable body status in 2015. A committee of the UHI court, the Further Education Regional Board (FERB), was established to carry out the regional body role. The operating costs of the FERB were £247,000 in 2019-20.

SFC states that the regional governance arrangements have delivered benefits for students and stakeholders, with UHI building a collaborative culture. Improved completion rates for further education students, good progress on apprenticeships and a focus on student engagement are among areas highlighted. However, SFC also states the FERB is yet to deliver on areas including curriculum planning, further regional coherence and strategic alignment.

SFC concludes that, as the first integrated tertiary education body in Scotland, UHI had an ambitious mission and has achieved a “huge amount” in ten years, providing blended and online learning opportunities helping people to access further and higher education in remote and rural areas. In order to improve further, it recommends UHI and its colleges explore the possibility of further mergers, consolidation, shared services, and considers changes to roles and responsibilities of the board itself to simplify complex governance.

## **Scottish Government response to SFC review**

The Scottish Government responded to the SFC review in October 2021, broadly accepting the recommendations. The response stated the review has “big ambitions against fairly constrained resources” and a period of capacity building and a prioritisation would be needed as a result.

All of the SFC recommendations on further changes to regional strategic bodies (as outlined in the section above) were accepted by the Scottish Government.

The Scottish Government’s response also set out:

- Agreement with SFC’s view that the diversity of the tertiary education system is a strength. This indicates that the focus on collaboration will be about closer working between autonomous institutions, rather institutions having less autonomy.
- An eagerness to “support and incentivise” partnership working across the sectors.
- The Scottish Government will prioritise the development of a statement of strategic intent for tertiary education
- The intention to move toward multi-year resource funding allocations. This will be taken forward as part of wider plans to develop multi-year resource spending plans; a consultation on these wider plans was held earlier this year. Work on funding models will be taken forward with SFC and the wider sector.

- SFC prioritise development of a National Impact Framework setting outcomes and impact expected from institutions. This should “balance rigour and proportionality” so as to not be overly burdensome on institutions. It must also recognise the functions and contributions of different parts of the tertiary system.
- The Scottish Government will work with SFC, Skills Development Scotland and the sector to continue development of Foundation and Graduate Apprenticeship.
- SFC’s recommendation that the ONS classification of colleges as public bodies should be explored will not be taken further. However, the possibility of greater flexibility around the March financial year end will be explored. Such a move could give colleges greater financial flexibility to the end of the academic year in July.
- The Scottish Government is “impatient” to see progress on regional collaboration and supports the setting up of Tertiary Provision Pathfinders to explore improved strategic planning. The government wants to see pathfinder areas “act with pace” and share lessons that can lead to wider improvement. SPICe understands from SFC that pilot Pathfinder regions are the South of Scotland and the North East of Scotland. Engagement with institutions is underway and the regions are in the process of establishing Regional Delivery Boards.
- Acceptance of SFC’s recommendation of the development of an Economic Recovery and Employer Engagement Investment Programme for colleges and universities. This would need to complement the existing National Training Transition Fund and the Young Person’s Guarantee.
- The establishment of an SFC Employer and Industry Advisory Group and plans to develop more strategic relationships with NHS Education Scotland are welcome however the government recommends SFC considers how the new group will interact with existing groups.
- The Scottish Government is content for SFC to explore with the Students Awards Agency Scotland (SAAS) and others the development of a micro-credential framework for short courses.
- Student voice must be a key consideration in SFC’s work to take forward the review recommendations.
- The involvement of colleges in innovation and knowledge exchange is welcome, and SFC should ensure this work fits in with the government’s new innovation strategy.

**Lynne Currie, Senior Researcher (Further and Higher Education), SPICe Research**  
**25 April 2022**

Note: Committee briefing papers are provided by SPICe for the use of Scottish Parliament committees and clerking staff. They provide focused information or respond to specific questions or areas of interest to committees and are not intended to offer comprehensive coverage of a subject area.

The Scottish Parliament, Edinburgh, EH99 1SP [www.parliament.scot](http://www.parliament.scot)

# Annex 1

## Revenue funding for colleges

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
<b>Net College Resource Budget</b>	591	555.7	546.4	521.7	521.7	531.5	542.4	559.2	588.9	615.3	685.3	675.7	675.7

**Figure 2: Scottish Government revenue funding for colleges since 2010-11 (£m)**

**Sources:**

2010-11 to 2015-16 from [Audit Scotland Scotland's Colleges 2019](#)

2016-17 to 2020-21 from [Audit Scotland Scotland's Colleges 2020](#)

2021-22 and 2022-23 figure from [Scottish Government Budget 2022-23](#) as Audit Scotland figures not yet available.

## Annex 2

### Student numbers

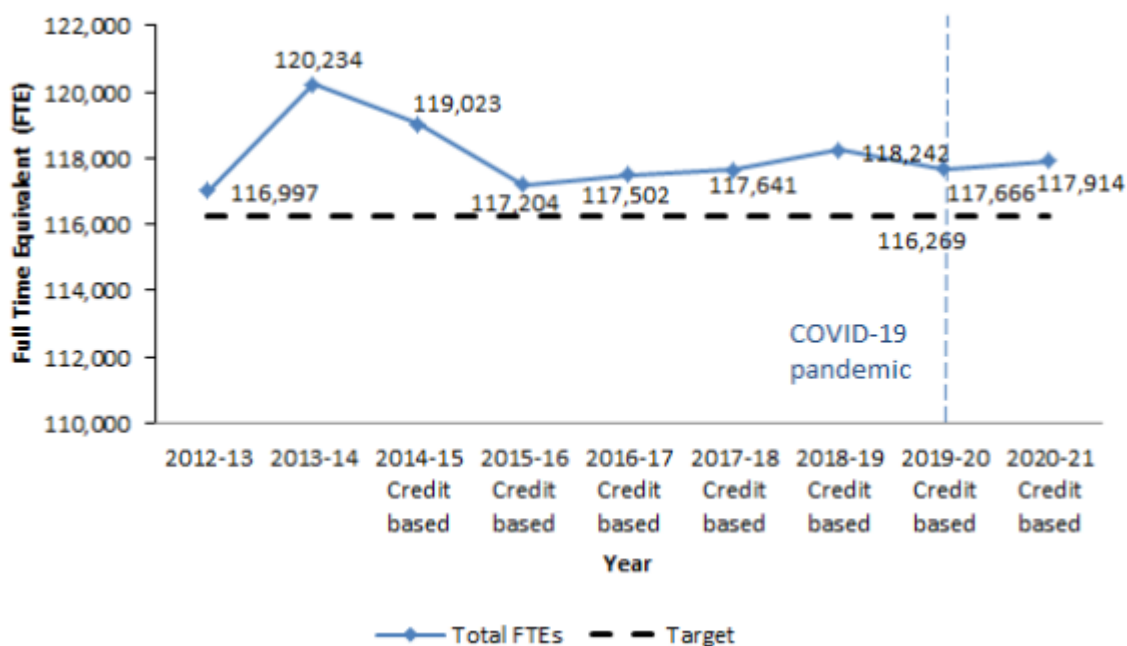
[SFC’s College Statistics 2020-21 publication](#) provides an overview of college sector statistics from 2011-12 to 2020-21.

Since 2012-13, the Scottish Government has set a national target for the college sector to deliver 116,269 Full Time Equivalent (FTE) student places per year.

FTEs are used as an indicator of learning activity, with one FTE equal to 600 hours of learning. A student may enrol on one course at one FTE, two courses at 0.5 FTE each or a part time course at 0.25 FTE. Student headcounts do not give an indication of learning hours, so FTE is often used for this purpose.

Figure 3 below is from the SFC report and gives an overview of college delivery of this target. The figures include Foundation Apprenticeships.

**Figure 3: FTEs delivered against the Scottish Government target 2012-12 to 2020-21**

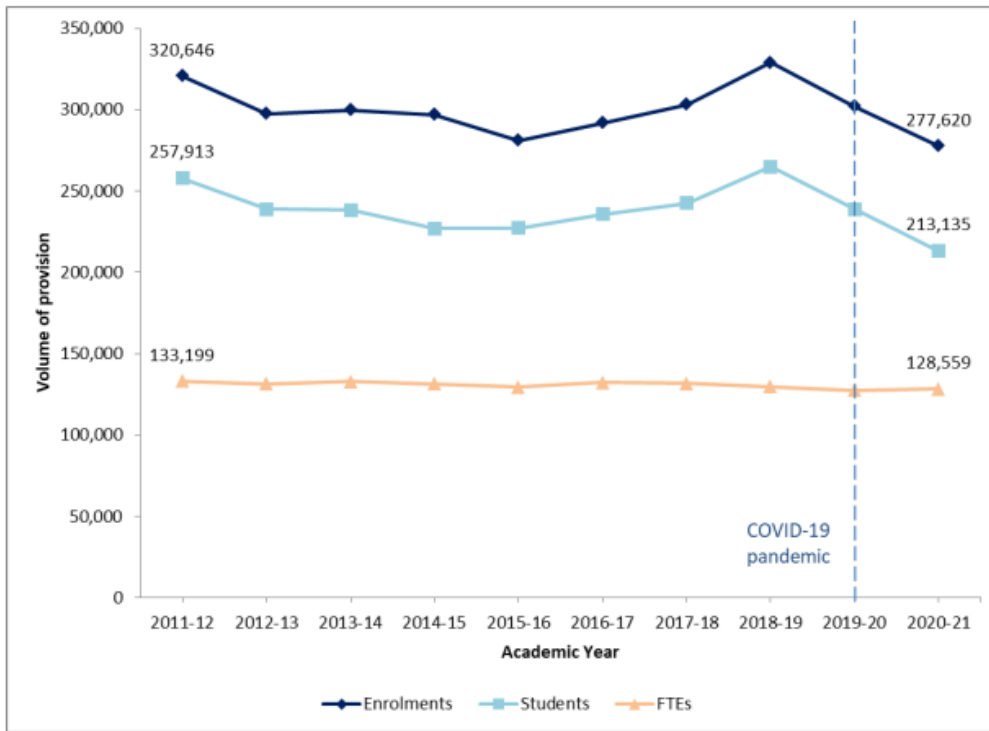


Source: [SFC College Statistics 2020-21](#)

Figure 4 is also from the SFC College Sector Statistics 2020-21 report and shows how the number of students, enrollments and FTEs have changed in the last ten years.



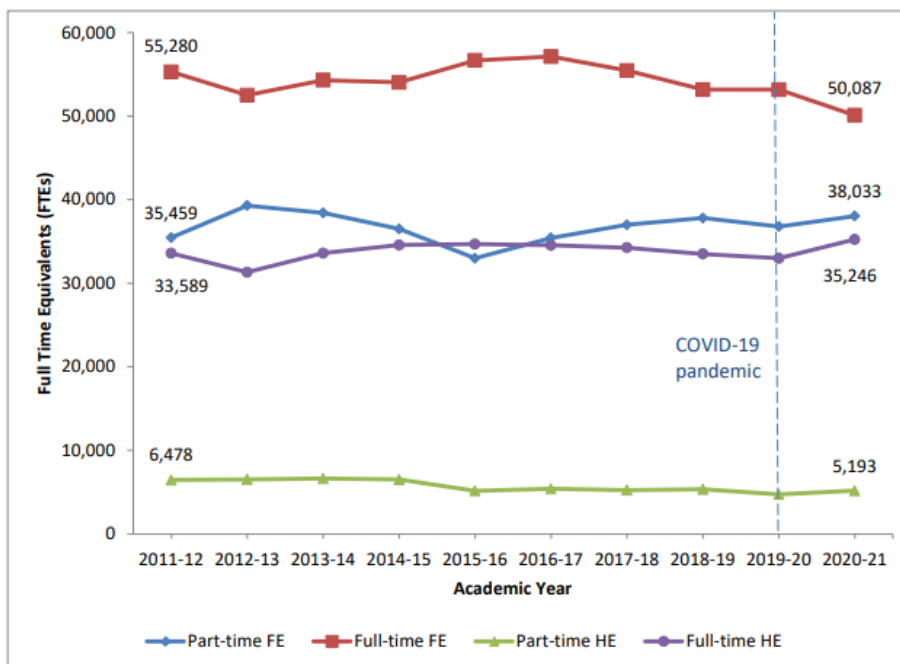
**Figure 4: Number of students, enrollments and FTEs (all funding sources) between 2011-12 and 2020-21**



Source: [SFC College Statistics 2020-21](#)

Figure 5 shows how the number of FTEs by mode and level of study has changed over the last 10 years.

**Figure 5: Number of FTEs by mode and level of study, 2011-12 to 2020-21**



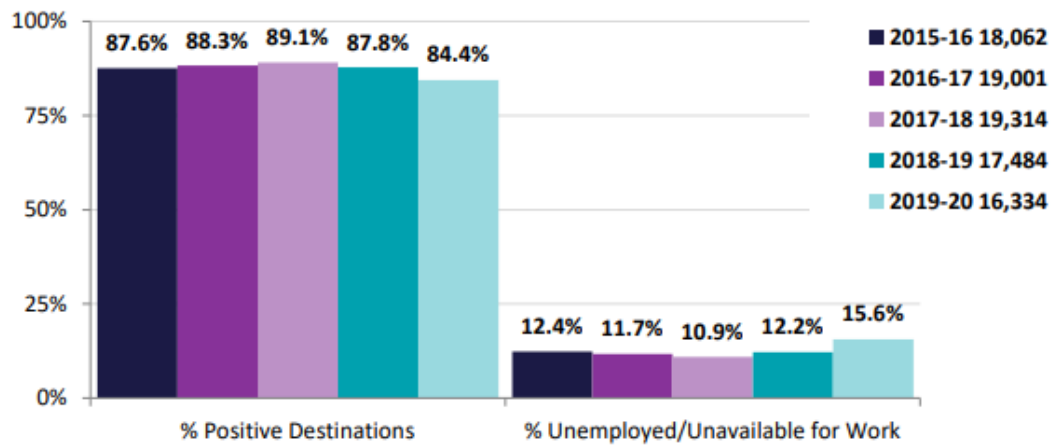
Source: [SFC College Statistics 2020-21](#)

Figure 6 below shows college the percentage of college leavers going on to positive destinations or otherwise between 2015-16 and 2019-20. The figures are taken from the [SFC College Leaver Destination report published in October 2021](#).

The report states the impact of the pandemic can be seen in the reduction in leavers going into positive destinations in 2019-20:

“The impact of the pandemic lockdowns on opportunities for sector leavers is evident, with a decrease in positive destinations to 84.4%, a 3.4 percentage point (pp) reduction compared with last year.” – [SFC College Leaver Destinations 2019-20](#), p8

Figure 6: College leaver destinations 2015-16 to 2019-20



Source: [SFC College Leaver Destinations 2019-20](#)

# Annex 3

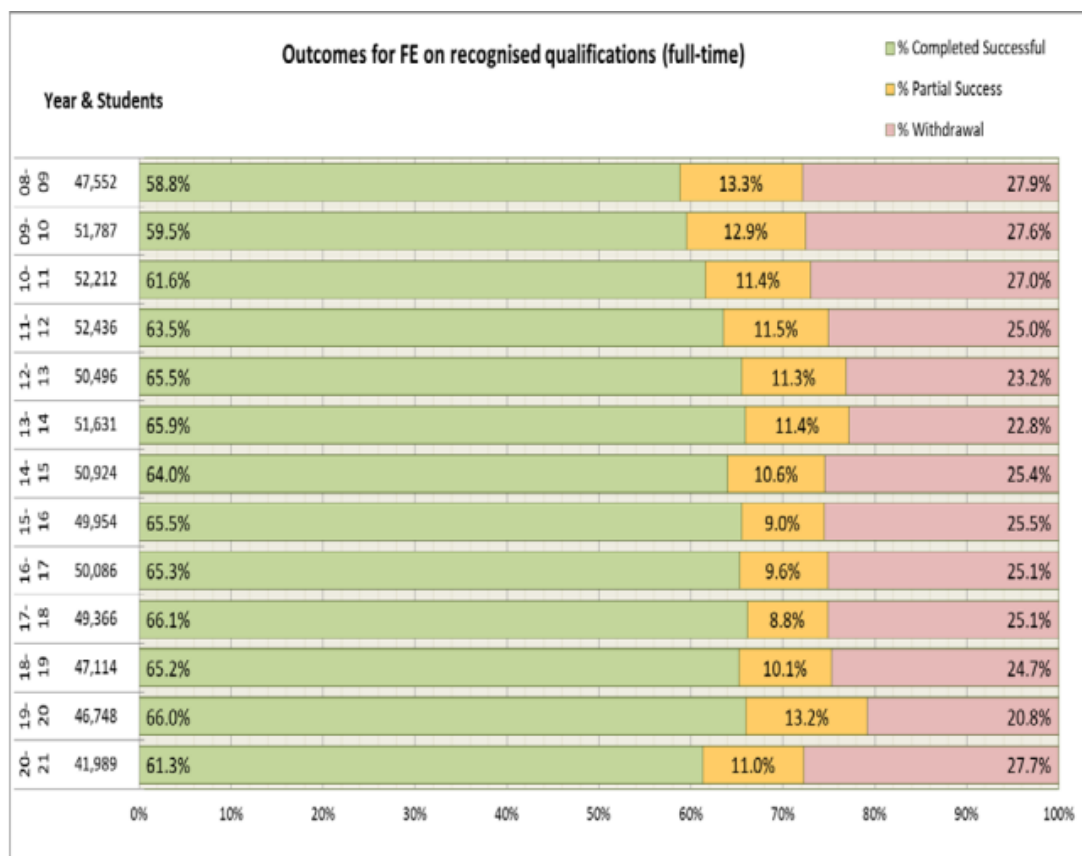
## Student outcomes

The SFC’s [College Performance Indicators 2020-21](#) was published in April 2022, giving an overview of key college performance indicators from 2008-09 to 2020-21. Further detail is available in the publication itself. The tables below look at:

- Outcomes for FE student enrolments on full-time, recognised qualifications (Figure 7);
- Outcomes for HE student enrolments at college on full-time, recognised qualifications (Figure 8).

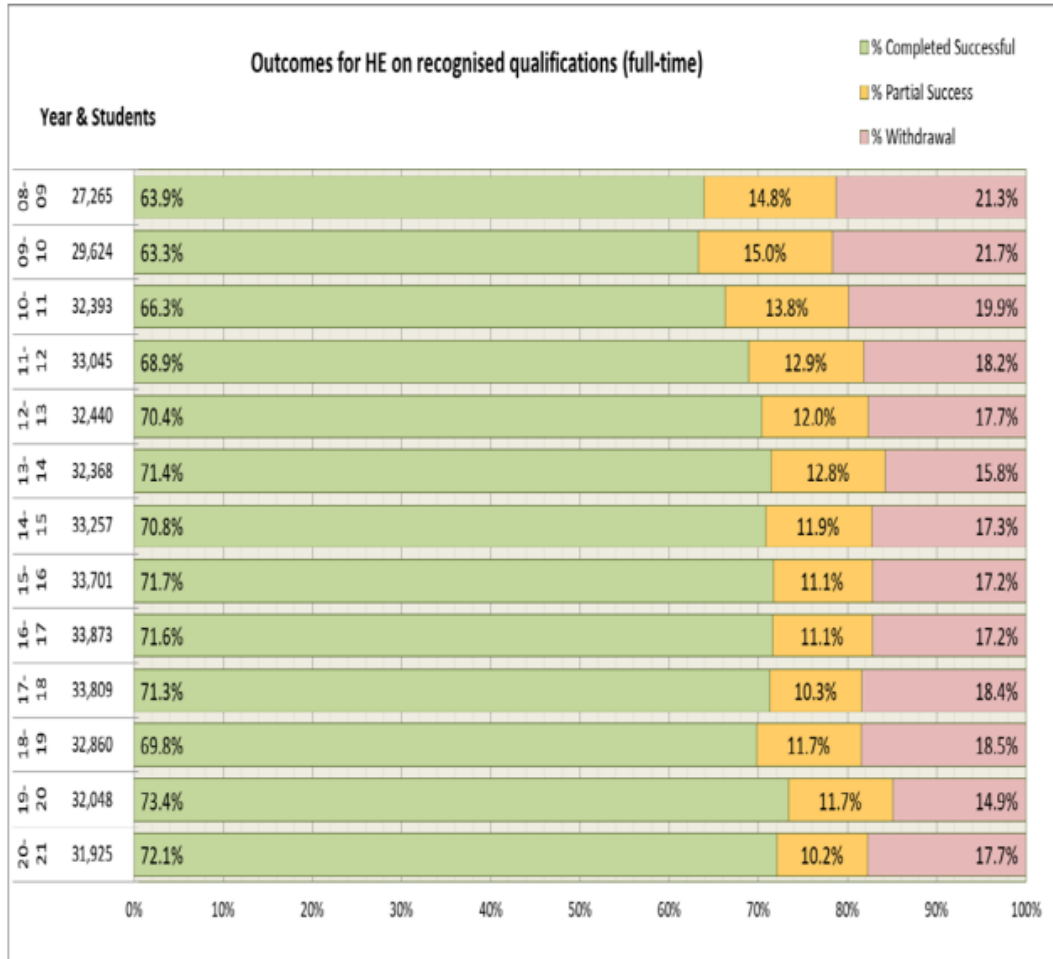
The report states that the COVID-19 pandemic may have impacted students’ ability to complete their qualifications in a number of ways. Colleges were unable to delivering in-person learning and teaching activities and deliver in-person student support services. This resulted in a reduction in reported student outcomes in 2020-21. **This should be taken into account when comparing figures for 2020-21 with other years.**

**Figure 7: Outcomes for FE student enrolments on full-time, recognised qualifications 2008-09 to 2020-21.**



Source: SFC [College Performance Indicators 2020-21](#)

**Figure 8: Outcomes for HE student enrolments at college on full-time, recognised qualifications 2008-09 to 2020-21**



Source: SFC [College Performance Indicators 2020-21](#)

## Annexe C

# Glasgow Colleges Regional Board

Tuesday 17 May 2022

Dear Education, Children and Young People Committee,

I am writing in response to your letter of 25 April 2022 calling for views into college regionalisation over the past decade and how this might inform future sectorial changes in light of the Scottish Funding Council review of the sector.

In response to the questions posed in your letter, I offer the following:

## **What has worked well in the college sector in the years following regionalisation?**

Scotland's colleges are now more effectively linked to their wider community of stakeholders, working hand in hand with employers, from large organisations to SMEs and sole traders, to provide high-quality Technical and Vocational Education and Training (TVET).

Colleges have consistently proven to be responsive, agile organisations, able to work effectively across various priorities and initiatives while providing life-changing opportunities for our learners at the heart of our communities. In addition, colleges have shown during their pandemic response that they are able to deliver an effective blend of hands-on, practical and experiential learning in world-class specialist learning environments alongside online and blended learning activity to meet different needs.

The role of the Regional Strategic Body (RSB) in this regard has been to ensure a cohesive and aligned approach to this area of work. The SFC's Review of the Glasgow Colleges' Regional Board (GCRB) highlighted the significant distance travelled, concluding that "GCRB is meeting its core statutory requirements and has made good progress in delivering additional benefits expected through regionalisation." This has included the achievement of fundable body status, and the establishment of a coherence governance and executive leadership system founded on a collegiate regional approach, and collaboration and contribution from experienced, expert staff across from GCRB and its Assigned Colleges.

This has enabled GCRB to make, "significant progress in developing the governance, structures, capacity and expertise, and relationships needed to deliver a joined-up college system that offers coherent provision to meet the needs of learners and stakeholders across the Glasgow Region and wider."

## **How might the sector further improve in the years ahead?**

While significant progress has been made in providing a quick and agile response to the demands of the pandemic, a number of areas require additional focus. These include:

- The evolution and continued growth of Scotland's college digital offering, to fully deliver on the *Digital Ambition for Scotland's Colleges*<sup>1</sup>
- Maintaining and enhancing the focus on student wellbeing, including an evolved and coherent long-term offer in support of learners' mental health
- An evolved college funding and reporting model to better capture the full impact of Scotland's colleges, and to promote future planning and stability via a multi-year funding model
- A re-imagining of Scotland's TVET skills education, to ensure parity of value and esteem with traditional degree routes, and to create a new, internationally prized, TVET suite of qualifications, progressing from school through SCQF7-10 to create an enhance TVET learner journey and talent pipeline

In addition, there is a recognition of the continued challenges and required next steps in the evolution of Glasgow RSB model.

SFC's Glasgow RSB review reported significant success and progress, but acknowledged that, "there are still mixed views within the assigned bodies themselves about the additional value being added by the RSB and the cumbersome nature of the four-Board arrangement."

Given that, the RSB structure does require continued improvement and evolution to unlock further benefits of a coherent, high-performing Glasgow region, and our on-going collaboration with SFC will seek to appraise options for doing so.

In considering this, it is recognised that there was overwhelming support for retaining the unique, individual identities of the assigned colleges, and for enhancing the effectiveness of high-performing local campuses grounded in their communities. Allied to this, there is much appetite for evolution which unlocks further opportunities for effective collaboration and system-wide efficiency and planning to deliver a stable, sustainable and effective system built on cooperation rather than competition. The continued review work in Glasgow seeks to capture, and appraise, various models for evolving the system in pursuit of these outcomes.

### **How might colleges adapt in light of current challenges such as those resulting from COVID-19?**

Adaptations in the college sector should seek to address those opportunities for further improvement set out above, with a clear focus on outcomes which benefit and enhance opportunities for learners and their communities.

It is vitally important that college provides a safe, secure and nurturing environment for learners to flourish; that it articulates its key role as the nation's core provider of outstanding Technical and Vocational Education and Training; that it harnesses the opportunities provided by outstanding learning environments, both physical and digital; and that it contributes to economic regeneration.

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<sup>1</sup> <https://collegesscotland.ac.uk/our-work/publications/our-digital-ambition-for-scotland-s-colleges>

For Glasgow, it will be vital that we focus on delivering an enhanced and effective structure which prizes both local identity and flexibility while delivering greater regional coherence and stability.

### **What should be the priorities of the college sector in the years ahead?**

Aligning local activity with national and regional ambitions while maintaining a core focus on providing benefit to learners and their communities should be considered as a core priority to ensure that unfettered access to high-quality learning, teaching and training meets the needs of learners and industry; doing so in a way which provides greater opportunities and life chances, which effectively aligns with skills needs to support economic regeneration. It will be increasingly important to look after the wellbeing, both physical and mental, of our learners and those providing their education, while unlocking Scotland's potential to become a leading nation in the delivery of TVET education by exploring new qualifications and delivery methods to rearticulate the vital importance of technical and vocational skills education. Colleges are ideally placed to be the core delivery vehicle for qualifications which provide the skills and training for a highly-skilled, agile and creative workforce which prizes lifelong training.

These core priorities could be articulated as follows:

- For **learners**, ensure that they are at the centre of the system, with ensured equality, fairness, lifetime access to learning, skills, qualifications, guidance and information to help find an efficient learner journey with more right turns, effective progression, and appropriate progress.
- For **communities**, ensure that colleges are at the heart of their communities, with effective local decision making, effectively meeting the needs of those most in need to access effective life-changing education opportunities. Colleges will play a key role in strengthening communities and building partnerships that collectively address the challenges and opportunities for economic and social transformation.
- For **colleges**, as anchor institutions at the heart of the Glasgow eco-system, ensure they are enabled to deliver outstanding learning, skills and qualifications at all relevant levels of the SCQF ladder which enhances Glasgow and Scotland's social and economic prosperity, across multiple modes and levels of study.
- For the **Glasgow college system**, our objective is to ensure clear and effective strategic structures, direction and strengthening relationships that deliver enhanced pan-regional planning and collaboration through strategic, coherent, clear governance and management.
- For **Scotland's education system, learners, communities, employers, employees and colleges**, our objective is to ensure that Glasgow's colleges are financially viable for the long term, including through further efficiency gains to secure quality and public value. To ensure the Glasgow college system is affordable, efficient in operating at the right scale, and with others to

minimise unnecessary duplication, optimise digital technology, and tackle the climate crisis. The Glasgow college system plays an active role in working with partners to support economic and social recovery and development.

As part of our commitment to delivering these regional outcomes, we manage an annual Programme of Action, seeking to deliver projects which are of direct benefit to our learners and their communities while promoting collaborative, enhanced working across Glasgow's colleges. This work is often done in conjunction with our Student Associations or cross-colleges working groups and external partners. In recent years, this has included delivery and management of the Glasgow ESOL project, support for care-experienced learners in conjunction with Action for Children, development of entrepreneurial skills in conjunction with Bridge to Business, a regional strategic approach to environment and sustainability work, targeted mental health support, and assistance with digital connectivity for learners during the pandemic.

The SFC review, however, highlighted the challenges of working effectively across, and with, four independent governance structures within the region. It concluded that has in some ways hindered some of the pan regional work that had been proposed within the strategic plan for the Glasgow region.

Thank you for the opportunity to contribute the work of the Education Children and Young People Committee.

Yours sincerely

**Janie McCusker**  
**GCRB Chair and Regional Chair for Glasgow**



# Lanarkshire Strategic Regional Board Response to The Education Children and Young People Committee

## 1. Background

**1.1** As part of its reform of post-16 education, the Scottish Government established a regional approach to further education. The aim was to make the sector more efficient and responsive to the needs of students and local economies. Across Scotland, 13 regions were created. Three of these contain more than one college: Glasgow, Highlands and Islands, and Lanarkshire.

**1.2** The Auditor General's Colleges Scotland 2018 report sets out a summary background to regionalisation. It found that three multi-college regional strategic bodies (RSBs) are fulfilling their statutory duties by setting targets for individual colleges and distributing funding. But the extent to which they are delivering the anticipated benefits of regionalisation varies.

**1.3** In these three multi-college regions, RSBs oversee the assigned colleges. The 2013 Post – 16 Education (Scotland) Act sets out that they are responsible for:

- strategically planning college education across the region
- allocating funding to assigned colleges
- monitoring how their assigned colleges perform
- overseeing the delivery of the regional outcome agreement, which sets out what colleges in a region will deliver in exchange for funding.

**1.4** All three RSBs in the three multi-college regions are structured and operate differently:

- The Court of the University of Highlands and Islands (UHI) existed before regionalisation but was established as the RSB in August 2014. The RSB function within the university requires a small number of dedicated staff and its operating budget in 2017- 18 was around £325,000.
- Glasgow Colleges' Regional Board (GCRB) was established in May 2014. GCRB has three assigned colleges: City of Glasgow, Glasgow Kelvin and Glasgow Clyde Colleges. In 2017-18 it employs three staff and its operating budget for RSB activities was around £430,000.
- The Lanarkshire Board is the board of the New College Lanarkshire (NCL) as well as the RSB. It secured operational fundable body status in August 2016. With no separate regional governance arrangements or additional staff, the RSB incurs relatively little additional cost. This is estimated to be in the region

of £50,000 a year and is shared between the two colleges, with NCL funding 60 per cent and South Lanarkshire College 40 per cent.

**1.5** To operate fully, RSBs in multi-college regions had to meet the SFC's requirements to be 'fundable bodies'. The creation of multi-college RSBs has led to a change in the financial and accountability relationships between the SFC and the assigned colleges in these regions with the RSB's being responsible for the functions set out at paragraph 1.4 above.

**1.6** The arrangements in Lanarkshire pre - 2013 were for 4 Colleges covering the "County" of Lanarkshire, one each in the towns of Coatbridge, Cumbernauld East Kilbride and Motherwell. Discussions on the government proposals led to broad based discussions about a merger to form a single College serving the region. Motherwell and Cumbernauld Colleges quickly embraced the proposal and announced merger plans within a swift timescale however Coatbridge and South Lanarkshire College (East Kilbride) were opposed to the idea and declined to join the merger discussions at that time. Subsequently, some issues in Coatbridge College led to a review of that initial decision and Coatbridge belatedly joined the discussions. The 3 Colleges merged in 2015 and became New College Lanarkshire. The legislation was subsequently approved, identifying NCL as the Regional College for Lanarkshire, while SLC retained its independence out-with the merger to serve the town of East Kilbride but for administrative purposes was "assigned" to NCL as the Regional College and the RSB.

## **2. Benefits of Regionalisation**

**2.1** The Auditors General's report stated that the benefits of regionalisation in Lanarkshire have come about mainly through the merger of three of the four Lanarkshire colleges (Coatbridge, Cumbernauld and Motherwell colleges) to create New College Lanarkshire. For example, it has been able to review and rationalise the courses provided by its predecessor colleges and harmonise policies and ways of working. New College Lanarkshire provides courses across the Lanarkshire region, including in South Lanarkshire. In overall terms the merger of the 3 Colleges has been successful and provided a basis for regional discussion and planning.

**2.2** Both colleges work together to meet core statutory requirements, such as having and delivering a Regional Outcome Agreement (ROA), there has been collaborative working on specific activities, a regional strategy and a collaboration plan and there has been membership and attendance at the Lanarkshire Board committees and Board. The RSB has recently given key support and advice to the SLC Board and moved to do this in the context of the responsibilities of the RSB. However, significant cooperation or integration between the colleges has been limited and a reluctant partner in the assigned college has played a part in this. The Auditor General's report states that South Lanarkshire College performs well, has a relatively healthy financial position and its board members see no additional benefit to be gained from any changes across the region.

**2.3.** There have been ongoing issues with the status of the assigned college and a lingering resentment that the regional administration was the same as the governing body for NCL. This unusual arrangement was, in retrospect, always likely to provoke

feelings of dissatisfaction with the smaller institution and has led to occasional problems as SLC was identified as a “reluctant partner” in the regional set up. However, notwithstanding these issues, the operational people at both the regional college and the assigned college, usually eventually found a way around any difficulties and driven by a desire to deliver the best outcomes possible for the students of Lanarkshire, essential cooperation was secured when it was needed. The impact on the administration and management of the occasional friction and conflict did unfortunately present major headaches from time to time. On one hand SLC felt diminished and unreasonable interference from the regional set up, while NCL often felt that an imbalanced arrangement for representation, had meant the “tail was often wagging the dog!”.

**2.4** Legal opinion has recently highlighted that where any issues are not related to financial matters the role of the RSB and its Chair is constrained to advice and support as the assigned college is a separate legal entity and charitable body in its own right. The responsibilities and authority are left unclear in the legislation and the subsequent operating arrangements. The SLC Board has sovereign status and sole responsibility for its own governance, while the RSB is expected to scrutinise and oversee without having any real power or rights to impose or instruct solutions.

**2.5** In conclusion, therefore, there has been identifiable progress against the ambitions for regional delivery from the Colleges in Lanarkshire being reorganised as described but the present model could be better and in learning from the difficulties experienced over the last 7 years, there would undoubtedly be benefit in giving more thought to the administration arrangements before committing any proposals to legislation. There is a structural problem in the Lanarkshire RSB model and this is subject to current discussion with the SFC and the regional partners. However, there are clear planning, curriculum development and regional partnership advantages to the regional model.

### **3. Response to the specific consultation questions**

#### **3.1 What has worked well in the College sector in the years following regionalisation?**

The increased scale of a merged College in Lanarkshire (NCL), has led directly to a number of definable benefits;

- Delivery of high-quality skills education by being able to invest senior staff time and expertise, evidenced by the past four years outstanding performance at the World Skills Championships and other UK Skills Awards.

- The establishment of an award-winning business hub which provides a platform for improved employer and stakeholder engagement at NCL
- Improved engagement with the Local Authorities in Lanarkshire, enabling improved focus on addressing community economic development, local deprivation and widening access opportunities to further and Higher education

### **3.2 How might the sector further improve in the years ahead?**

Continued strengthening of the regional model will allow Colleges to take a more meaningful place amongst the other regional stakeholders and make a greater contribution to addressing economic and social imbalances in our communities.

### **3.3 How might Colleges adapt in light of current challenges such as those resulting from Covid19?**

The enforced issues arising from Covid and the resultant lock down and social distancing requirements, forced colleges to respond quickly, imaginatively and effectively to ensure students were supported and that disruption to their education was minimised. The shift from face to face teaching to a distance learning platform was one of the real triumphs arising out of the adversity of the situation. Much of the success of this initiative was down to the increased size at NCL affording the opportunities arising from the benefits of scale from the 3-way merger.

### **3.4 What should the priorities of the College sector in the years ahead be?**

A regional College structure should be aligned as far as possible with other major stakeholder's boundaries (especially Local Authorities and NHS) 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. In the past colleges have often been excluded from those forums involved with regional strategic thinking and it is only in recent years that this has changed as education and training have been more recognised for their wider impact on local economic performance.

In general terms colleges need to strengthen partnerships with universities, the business community and employers and schools.

Having said that, the principal purpose of Colleges is to provide good quality education opportunities and the focus must always remain on the functions that contribute to that purpose.

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An t-Ionad Fiosrachaidh

## **Education, Children and Young People Committee**

### **College regionalisation: Summary of Call for Views**

#### **Introduction**

The Committee will begin taking evidence as part of its inquiry into college regionalisation ten years on.

Ahead of the inquiry, the Committee issued a call for views on college regionalisation. This asked respondents:

- What has worked well in the college sector in the years following regionalisation?
- How might the sector further improve in the years ahead?
- How might colleges adapt in light of current challenges such as those resulting from COVID-19?
- What should be the priorities of the college sector in the years ahead?

The [Committee received 20 responses from a range of organisations](#) and individuals. This paper provides a summary of the responses and an overview of the themes arising from them.

#### **What has worked well in the college sector?**

The Royal Society of Edinburgh's submission suggested that the process of regionalisation and the subsequent operational and cultural shifts had taken place over several years, and therefore, "it may be premature to gauge its success or otherwise". The RSE also placed regionalisation alongside several other changes in the sector, such as national bargaining, changes to funding and reclassification as public bodies. These other pressures, the RSE argued, have undermined the some

of the potential benefits presented by regionalisation. The RSE noted, however, that—

“Regionalisation did afford colleges with a greater scale of economic and social influence than they had previously held. Many institutions now have a significant presence across several local authorities, which has in turn encouraged more collaborative working between different councils, such as in response to school education.”

A number of respondents mentioned that regionalisation of the college sector had improved curriculum planning and delivery at a regional level, enabling colleges to effectively coordinate a regional curriculum. Many organisations responding stated that the changes had improved outcomes for learners and improved partnership working between local authorities and schools on learning pathways and articulation.

The joint submission from City of Glasgow College, Glasgow Clyde College and Glasgow Kelvin College (Glasgow Colleges) stated:

“Working through the framework provided by the Glasgow Colleges Group (GCG), the three colleges work in close partnership; through their Principals and Boards, they have successfully collaborated to create a single Glasgow curriculum reflecting a current regional labour market analysis, and comprising a broad range of provision that serves learners from access to graduate levels, and supports businesses from sole traders and SMEs, to multi-nationals.”

The Scottish Funding Council (SFC) submission stated that colleges had delivered the aims of regionalisation and were now more resilient and sustainable for the future, with a landscape more suited to collaborative working.

Audit Scotland’s response observed that student satisfaction rates since regionalisation had been generally positive and targets on student numbers were being achieved. The response also noted that Audit Scotland’s most recent report covering 2019-20 found:

“Overall, the sector has managed to maintain a relatively sound financial position each year since regionalisation, despite some challenging financial settlements.”

The Construction Industry Training Board (CITB) stated that the sustainability of construction courses has improved as a result of regionalisation:

“Construction courses are expensive to deliver, however, as the number of courses became concentrated in fewer colleges, overhead costs of delivery were reduced.”

A number of responses highlighted funding constraints as a potential threat to collaborative working. The Open University in Scotland response stated:

“...in pursuing deeper and more complex partnership opportunities, such as development of collaborative provision, the greater scale and breadth of

provision offered by larger institutions is beneficial, however funding mechanisms continue to constrain potential for more progress in this area.”

Borders College highlighted they did not spend money competing with other colleges in the same region and had built partnerships with colleges and universities. Their response also stated that the uniqueness of the Borders had allowed the college to develop programmes that are attractive nationally, such as HND Down Hill Mountain Biking (Performance).

The submission from EIS-FELA commented on the introduction of national bargaining saying that it is “a significant point of progress for the further education sector”. However, its submission stated—

“EIS-FELA believes that a culture exists amongst college employers that defaults to confrontation with unions, as opposed to collaboration and collegiality. Despite a stated desire to subscribe to the Fair Work agenda of the Scottish Government, there is little evidence of this in existence in the sector.”

## **How might the sector improve in the years ahead?**

A key theme raised by respondents to this question were around the need for improved financial sustainability in the college sector.

A number of respondents including Colleges Scotland, the Glasgow Colleges, SFC and Audit Scotland highlighted the growing financial challenges faced by colleges. Audit Scotland’s submission stated:

“Although the sector has reported an underlying financial surplus since 2016-17, the gap between colleges’ total income and expenditure has continued to grow. The sector faces increasing cost pressures and pre-Covid increases in funding have primarily covered additional costs from harmonising staff terms and conditions. Current Scottish Government capital funding falls short of the estimated costs of maintaining the college estate.

Audit Scotland went on to state the need for colleges to identify ways to generate income:

“Around three-quarters of the college sector’s income is from SFC grants. Colleges need to identify opportunities to diversify income sources and maximise non-SFC income. This is challenging and has been made more difficult by the impact of Covid-19 on potential income sources.”

Colleges Scotland’s submission stated:

“As highlighted by Audit Scotland in its Scotland’s Colleges 2020 report the deficit gap between colleges’ total income and expenditure has grown to £54

million. This is forecast to continue because of costs outwith the sector's immediate control, such as pensions and depreciation of assets. Robust long-term financial planning by colleges will be critical to achieving financial sustainability and auditors have highlighted a significant number of colleges that need increased funding, cost cutting - or both – to deliver balanced budgets in the future.”

Colleges Scotland also highlighted that work on college infrastructure, including backlog maintenance, is expected to be taken forward later in 2022 when SFC publishes its infrastructure strategy.

The City of Glasgow College submission highlighted the “freeze” to the Scottish Government and SFC’s Full Time Higher Education course fee for colleges, stating this had remained at £1,285 since 2008/09, representing a real terms cut of 32%.

The City of Glasgow College and Glasgow Colleges’ submissions called for the SFC review recommendations to be implemented urgently. Both submissions called for the abolition of the Glasgow Colleges Regional Board and the reestablishment of a direct funding relationship with SFC.

The submission from Borders College also 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:

“Edinburgh & South East a good example of 4 universities and colleges working together on joint innovation projects, course development and delivery. This model could be developed further. Collaboration around back office technologies to reduce cost through procurement and duplication of corporate services across each organisation.”

The RSE argued for colleges to have greater autonomy to respond to allow “greater flexibility in order to be responsive to differing - and indeed shifting - economic and societal needs and priorities”. The Glasgow Colleges’ submission also called for more strategic direction from government, stating:

“The college sector needs a refreshed and current mandate from Scottish Ministers, reflecting the post-COVID environment, the climate challenge, and the priority to secure a just transition to net zero.”

EIS-FELA’s submission expressed concern about the quality of governance in colleges. It said—

“College governance remains a key concern of the EIS-FELA moving forward, indeed there have been a number of EIS-FELA branches that have, since regionalisation, instigated votes of no confidence in their boards. The relationship between college boards and principals, despite a Code of Good Governance, can often appear to lack the accountability that would be expected. It is apparent that, across the sector, college principals can and do exercise a disproportionate level of decision-making power, without adequate levels of scrutiny or accountability from the boards of management in their



college.”

The need for colleges to improve on equality and inclusion was also highlighted by some respondents, with Audit Scotland highlighting an attainment gap continues to exist for students from deprived areas, disabled students and Black and minority ethnic students.

The National Down Syndrome Policy Group’s response focused on the need to include students with Down’s syndrome in mainstream educational settings at college. The Group stated this should become an aim of regionalisation going forward, and research had shown there are benefits of this. On inclusion of students with Down’s syndrome in Scotland’s colleges currently, the Group said:

“No real evidence of the aspiration to include students with Down syndrome in mainstream can be found in College Equality and Diversity policies.”

Audit Scotland highlighted attainment rates for full time students are not meeting the SFC target of 75% by 2020-21.

Lantra, the CITB and the National Federation of Roofing Contractors (NFRC) all stated concerns about provision of small and specialist courses. NFRC stated that there was a need for more provision of roof training courses in general and where courses were provided, not all offered training on all types of roofing. CITB stated SFC’s funding model should recognise the additional costs of running small and specialist courses.

The Open University in Scotland suggested there should be further funding incentives provided for collaboration between universities and colleges, particularly to support the development of further learning pathways.

Other areas for improvement highlighted included: a need for further progress on curriculum mapping at lower levels of study; recognition of the need for meaningful relationships and partnerships in local economic regions and a call for this to go beyond administrative regions; further investment in technology to improve delivery of blended learning; and greater recognition of work-based learning.

## **How might colleges adapt to current challenges?**

A number of responses mentioned colleges were adapting to current challenges but highlighted the difficulties of this in a challenging financial environment.

Lantra stated that funding for changing and updating the curriculum should be provided and a lack of funding may slow the pace of change.

A number of responses also stated that there needed to be recognition of the disruption students had faced to their learning, with the response from Perth College UHI, the National Down Syndrome Policy Group and SFC highlighting the need to ensure support for learners is provided. SFC’s response stated colleges were

provided with additional funding for student support during the pandemic and will need to decide what aspects of these services they wish to retain.

SFC, NFRC, OU in Scotland, Perth College UHI, Borders College and one of the individual responses highlighted blended learning, with Perth College UHI stating the digital capabilities of institutions should continue to be built on. Borders College predicted colleges will move away from theory classrooms to provide independent learning spaces. Such spaces could be shared with partners such as the Open University.

The response from the University of the Highlands and Islands Applied Life Studies Subject Network stated that the College Development Network's delivery of online resources has been very successful.

The Open University in Scotland said that colleges had been provided with access to free OU online learning resources, including micro credentials courses designed to help educators deliver online teaching:

"The coronavirus pandemic has seen a strengthening and deepening of our relationships with colleges at what has been a challenging time for everyone. The OU in Scotland supported colleges ambitions to pivot quickly to online delivery models..."

SFC stated that blended learning must be developed to meet learners' needs and work to address digital poverty must also be carried out to ensure access to online learning. EIS-FELA's submission stated that it had called for a "sector wide reflection is required on the lessons from the pandemic, including flexible approaches to teaching and learning."

The responses from the City of Glasgow College and the Glasgow Colleges both focused on the need for the recommendations of the Cumberford-Little Report: One Tertiary System: Agile, Collaborative, Inclusive and the recommendations of the SFC review to be implemented as soon as possible in order to help the college sector implement a:

"...skills-led response to the damage wrought by COVID."

Colleges Scotland also stated colleges are best placed to deliver a skills-led recovery, delivering upskilling, reskilling, career improvement and support and helping workers and apprentices keep pace with skills and labour market changes.

CITB stated that colleges could consider flexible delivery models to give more learners access to courses. One suggestion was to allow courses to run in the evenings and at weekends for apprentices who cannot attend during working hours. NFRC suggested transport links should be looked at to ensure courses are accessible to all learners.

Audit Scotland's response stated that transformation of the sector would require a longer-term view to be taken, as set out in the SFC review. The response also highlighted the opportunity for the sector to collaborate across regions and with the

wider public sector.

SFC stated that the sector also had work to do to improve the diversity of its staffing as a [recent SFC report for 2020-21](#) shows that:

- Black and minority ethnic staff made up 2.3% (318) of all headcounts.
- Those with declared disability made up 6.7% (950) of all headcounts.

## What should be the priorities of the sector in the years ahead?

The need for colleges to ensure sustainability was mentioned by Lantra, Audit Scotland and Perth College UHI. Audit Scotland highlighted financial sustainability as the “most significant challenge” facing the sector:

“The Scottish Government, the SFC and colleges will need to make difficult decisions to ensure the sector can continue to operate effectively within available resources, over the long-term.”

Audit Scotland, City of Glasgow College and the Glasgow Colleges all stated that the implementation of the SFC review recommendations are an important priority, with Audit Scotland stating the introduction of multi-year funding allocations will help support more effective financial planning in the sector. SFC stated that assuring stakeholders of delivery of best value for public funding would also be important in the years ahead.

A number of responses also highlighted the need for colleges to work closely with employers to ensure their needs were aligned with training provision. CITB and NFRC both highlighted there is often a gap between the needs of learners and the expectations of employers and this could be addressed with closer collaboration. CITB stated there is a need for data on college leaver destinations to identify how many learners transition into the construction industry, adding that such data exists in England.

NFRC also stated that college provision should reflect the need for green skills, as this was an area of growing demand.

City of Glasgow College highlighted the role of colleges in providing lifetime learning, training and business support.

SFC also highlighted colleges’ role in tackling child poverty; supporting the digital revolution for learners and developing micro credentials.

The Open University in Scotland, SFC, Perth College UHI, Borders College and the University of the Highlands and Islands all highlighted the need to ensure closer collaboration within the college sector and with universities and the wider public sector.

The National Down Syndrome Policy Group stated that equality progress reports should monitor improvements on equalities, including for people with Down's syndrome. Assessments for those with Down's syndrome should be carried out to determine their support needs and with a view to inclusion on mainstream courses.

**Lynne Currie, Senior Researcher (Further and Higher Education), SPICe Research**

**28 April 2022**

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