

PE2200/A: Provide a sustainable funding model for Scotland's colleges

Scottish Government written submission, 8 December 2025

Does the Scottish Government consider the specific asks of the petition to be practical or achievable? If not, please explain why.

The Scottish Government recognises the vital role that all colleges play in education and the economy. We acknowledge recent reports from Audit Scotland and the Scottish Funding Council (SFC) which make clear the challenges facing the sector. As decisions around the Scottish Government's Budget are being considered over the coming months, the Minister for Higher and Further Education will continue to work collaboratively with stakeholders to ensure a sustainable future for our colleges.

The Scottish Government is focused on delivering a fiscal programme that is balanced and sustainable, focused and impactful, and credible to Parliament. Ministers have started engagement with opposition parties on their priorities for the 2026-27 Scottish Budget, which will progress in the coming weeks.

Scottish Ministers are committed to engaging with Parliament and stakeholders to shape our multi-year spending plans. In line with the approach we took last year, we are committed to building as broad support as possible across Parliament for the 2026-27 Scottish Budget. It is important that we listen to stakeholders across our sectors, ensuring their views help inform the development of our spending plans.

Through the Colleges Tripartite Alignment Group, the Scottish Government, the SFC and Colleges Scotland regularly discuss issues in the sector, such as the college funding model.

The Scottish Government is progressing activity to develop a multi-year Scottish Spending Review (SSR), which will deliver on our priorities in a fiscally sustainable way. We intend to publish the results of the SSR alongside the 2026-27 Scottish Budget on 13 January. The Government's core priorities will sit at the heart of the spending review process, and guide how and where we will allocate funding. We acknowledge the importance of more detailed allocations for public bodies and stakeholders when setting out our multi-year spending plans.

The SFC introduced an updated college funding model for Academic Year (AY) 2025-26 in response to requests from the sector to address issues regarding transparency and funding comparability between learners on similar courses and colleges. As advised by the SFC at the Education, Children and Young People Committee on 1 October, they are engaging with Colleges Scotland and the wider college sector on a fundamental review of the funding allocation model.

Further and Higher Education in Scotland is based on the ability to learn, not the ability to pay. Our record on student support is strong – in tough economic circumstances we have continually looked for ways to improve support to students and we will continue to do so. For the 2023-24 AY, we provided an 11.1% uplift to the bursary maintenance rates for Further Education students and similar to AY

2024-25, the student support budget for AY 2025-26 continues to protect this significant increase. For 2025/26 AY, the overall student support budget allocation has been maintained at the same level at £123m.

Every year, Ministers issue a letter of guidance to SFC confirming high level objectives for SFC and for the use of SFC funding to the college and university sectors. Funding allocations to individual institutions are a matter for SFC.

What, if any, action the Scottish Government is currently taking to address the issues raised by this petition and is any further action being considered that will achieve the asks of this petition?

As noted above the Scottish Government intends to publish the results of the SSR alongside the 2026-27 Scottish Budget on 13 January.

Financial Direction and Assurance Unit

Governance and Assurance Division

Directorate for Lifelong Learning and Skills