

Friday 23 May 2025

Ref: GJ/AW/JJ
Direct: 07712 404406

Dear Convenor (copied to Clerk),

I hope you are well. Colleges Scotland would like to add written views for consideration by the Committee as part of its recent work into Skills Delivery in Scotland. Colleges Scotland has carefully considered the evidence given to the Committee, much of which was relevant to the college sector.

Colleges Scotland, represented by Jon Vincent, Principal, Glasgow Clyde College, subsequently given evidence to the Education, Children and Young People Committee on [Wednesday, 14 May 2025](#), regarding its scrutiny of the Tertiary Education and Training (Funding and Governance) (Scotland) Bill.

As you know, colleges are Scotland's skills engines, educating more than 218,000 people each year, and providing life changing opportunities to people across the country. Scotland's 24 colleges are closely engaged with the Scottish Government, SDS, SFC and employers about the skills needs of businesses locally, regionally and nationally. Colleges are engaged with the Scottish Government and various Committees as they hear evidence and take views on reform impacting education and the architecture and responsibilities of agencies in Scotland.

After hearing the four evidence sessions which have taken place this spring, we would like to offer the following points in case useful to the Committee.

10th Meeting, 26 March: James Withers and Skills Development Scotland

In response to the oral evidence given on 26 March 2024 (James Withers), we can advise the following:

- We agree with the points Mr Withers made at Committee.
- We agree that the current credit-based funding model is impacting on decisions around college activity and capping their ability to be fully flexible, agile and responsive to employer need.
- We agree that colleges need to be clearly recognised in terms of roles and responsibilities within Regional Economic Partnerships and Regional Skills Planning Arrangements.
- We agree that clear leadership is needed from Scottish Government Ministers to truly value Apprenticeships and that there is a need for greater political leadership in the Skills System and that there needs to be a clear, single responsibility for Skills within the Scottish Government.
- We agree that the lack of transparency regarding the Apprenticeship levy has been damaged faith and trust in the Skills Delivery Landscape and that this has to change.

In response to the oral evidence given by representatives from Skills Development Scotland (SDS) we would offer the following points:

Colleges Scotland agree with SDS that almost all key sectors, including health and social care, energy and utilities, engineering and manufacturing and construction report a critical need for workers, something we have heard loudly from employers when we have recently convened industry roundtables. Workforce and skills are widely reported amongst the top issues impacting

business growth, and SDS notes “*Projections suggest that Scotland needs 1.1m workers by 2034 to fill job openings and replacement demand*”, at a time when Scotland’s working age population is declining.

We would suggest that the Committee considers the role of colleges as public bodies offering potential solutions to many parts of this mismatch more closely.

Colleges Scotland also agrees that over the next decade there is a massive opportunity for Scotland. SDS detail billions of pounds to be invested in a range of key sectors, including energy and utilities, offshore/onshore wind (ScotWind), the decommissioning of oil and gas, shipbuilding, advanced manufacturing and construction and these investments represent the best chance for Scotland’s economy to grow alongside the next generation of skilled or upskilled workers. Gaining a lasting benefit for our economy, communities and employers is critical.

We would suggest that colleges could and should be part of the solution for upskilling the required workers to capitalise on this investment. We would suggest that Ministers must also consider a “Colleges First” approach around this investment to provide a strong future for colleges alongside these industries and to help secure the future of communities especially in remote and rural areas. Colleges are community anchors and must be able to survive and thrive as new investment streams come alive.

Action to address workforce demand: Since the publication of the Withers Review findings in June 2023, the Scottish Government has set up a Skills Planning and Policy Unit to take responsibility for national skills planning and to strengthen approaches to regional skills planning. Scottish Government now leads on a number of skills planning initiatives and provides strategic direction to the Scottish Funding Council and SDS via annual Ministerial Letters of Guidance. This combined direction sets key priorities for the Scottish Government’s c£3.4bn investment in skills including;

- c.£1.9bn investment by SFC in Further and Higher Education, and c.£1.4bn investment by SAAS in student support for higher education (97% of the Education and Skills Budget)
- c.£100m investment by SDS in apprenticeships (3% of the Education and Skills Budget).

Colleges Scotland would suggest a national discussion about how, and how quickly, the 17% decline in funding that colleges have experienced over the past three years can be reversed. This could also include a focus on duplication of resource within the existing Education and Skills system. Colleges are an efficient and appropriate vehicle to deliver skills training locally and regionally as community anchors, and at the same time provide life changing opportunities to individuals, families and employers. De-funding colleges is not helping the economy or society, at a time when colleges could do much more to help the Scottish Government achieve its four priorities with sustainable investment. The Fraser of Allander Institute has demonstrated [the excellent return on investment](#) which comes from colleges to the Scottish economy.

Apprenticeship demand from both individuals and employers continues to outstrip the funding available. There were around 34,000 apprenticeships starts in 2024/25. Employer demand in a range of key sectors, including engineering, is significantly outstripping supply. The level of awareness and interest amongst individuals looking to undertake an apprenticeship remains higher than available starts - UCAS estimate that 3 in 5 people in the UK do not pursue apprenticeships because of a lack of availability. SDS notes that for its 2025 intake BAE Systems Naval Ships received 4,268 applications for 124 apprenticeship roles, a 22% increase in applications vs 2024. SSE highlight on average they receive 60 applications per apprenticeship place. Similarly, the position in relation to demand for Foundation Apprenticeships within local authorities, schools and pupils indicates that demand outstrips supply, with evidence of potential for significant expansion.

The college sector, as part of the Scottish Government's Education Reform Agenda, is seeking to become the leading provider of the apprenticeship family and implementing authority for skills planning and delivery, which would support the 'Think Colleges First' principle.

The college sector should be given a leading role in supporting the transition from the existing system to a new one for the delivery of the apprenticeship family and skills planning. Colleges have the knowledge and expertise of leading this at an operational level, by being connected, networked and an existing part of regional economic development and employer ecosystem, and also have the ambition to deliver the apprenticeship family and skills planning more effectively and at greater value for the public purse. The opportunity to provide a coherent training and skills offer through college regions is a key output, in collaboration with national and regional skills planning through the Scottish Government.

As Colleges Scotland advised to the Education, Children and Young People Committee when giving evidence in May 2025, the level of funding provided to support Modern Apprenticeship starts and places is not sufficient against industry demand, and there needs to be sustained investment to enable the skills system to fully respond to the needs of industry. There are enormous opportunities for Modern Apprenticeships, but demand is outstripping supply and there needs to be a review of the current funding rates given the cost of delivery for providers including colleges, and the establishment of greater system flexibility in order to meet learner and employer needs as opposed to merely meeting Scottish Government set targets.

SDS also referenced a figure of c. 20% of college leavers going into the workplace. The Committee may wish to consider the most up-to-date figures from the [SFC for 2022/23](#) as per Annex 1. This table evidences that 48.4% of college leavers moved into work in 2022/23.

11th Meeting, 02 April: Skills Delivery

In response to the oral evidence given at this session can we offer the following points:

- We would agree with Ian Hughes from CITB that there is a conversation to be had around the maintenance of the funding model for Construction Apprenticeships and its affordability for the future. The existing funding model is not covering costs in a sustainable manner and is becoming increasingly unaffordable and loss leading for colleges to deliver, even at a time of significant industry demand for Construction Apprenticeships. We need to collectively ensure that every public pound of investment in this provision is maximised.

13th Meeting, 30th April: Skills Delivery

In response to the oral evidence given at this session can we offer the following points:

- We would agree with Jack Norquoy from Scottish Renewables that the Scottish Government and stakeholders create an education and skills system that is more agile and more responsive to our economic priorities and that there is absolutely a need for the education and skills system to better take into account the needs of industry into account better.
- We would agree with Paul Campbell from the Scottish Apprenticeship Advisory Board that there must be good alignment between higher and further education to ensure that they are meeting the demands of industry.

Sincerely,

Graeme / Andy

Annex 1

Academic Year	FE to University (%)	HE to University (%)	FE/HE into work (%)	Positive Destination (%)	Unemployed (%)	Unavailable for work (%)	Other Destination (%)	All Qualifiers
2015-16	5.7	34.0	47.9	87.6	8.3	4.1	12.4	18,062
2016-17	6.6	34.6	47.1	88.3	7.8	4.0	11.7	19,001
2017-18	6.6	33.2	49.3	89.1	6.8	4.2	10.9	19,314
2018-19	6.6	33.3	47.9	87.8	7.4	4.8	12.2	17,484
2019-20	10.2	36.7	37.5	84.4	9.7	5.9	15.6	16,334
2020-21	7.7	34.0	49.3	91.0	5.0	4.0	9.0	16,653
2021-22	8.0	28.5	49.6	86.0	8.7	5.3	14.0	15,469
2022-23	8.0	30.2	48.4	86.7	8.2	5.1	13.3	14,301