



The Scottish Parliament
Pàrlamaid na h-Alba

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Public Audit Committee
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Dear Sue,

Scotland's Colleges 2022

At its meeting on [22 September 2022](#), the Public Audit Committee took evidence on the [Scotland's colleges 2022](#) briefing, published by the Auditor General for Scotland (AGS) on 17 July 2022.

The Committee understands that the Education, Children and Young People Committee (ECYP) is currently conducting an inquiry into colleges regionalisation and is due to take evidence from the Scottish Funding Council, Colleges Scotland and the Scottish Government during October 2022. To help inform your scrutiny, the Committee wishes to set out some of the key issues it heard at its meeting on 22 September.

Student outcomes

The briefing highlights the detrimental impact the Covid-19 pandemic has had on learning and student outcomes. Although colleges have adapted and continued to deliver learning, the proportion of students successfully completing their courses has fallen and existing inequalities have been exacerbated during this time. SFC statistics indicate that, in 2020-21, just under one third (31.4%) of students failed to complete their course. For students from the most deprived background, this rate was 35.9% while for students with a disability, the failure to complete rate was 36.2%. For students who have been in care, just over 40 per cent failed to complete their course.

Fewer college leavers went on to a positive destination after leaving college in 2019-20 compared to previous years. The briefing shows that the number of college leavers going into work has fallen 10 percentage points, while the number of leavers going to university has increased by 7%. The Committee is particularly concerned about the percentage of college leavers who were unemployed or unavailable to work in 2019-20, which increased by 3%, to 15.6%.

Surveys carried out by NUS Scotland and the Scottish Government identified student poverty as a possible contributing factor, however, more data and better analysis are needed to determine the reasons behind students not completing their courses. The Committee echoes the AGS recommendation that colleges “look further at that, to better understand the reasons why students have not completed their course or moved on to a positive destination.”

Financial sustainability

Significant concerns were expressed regarding the financial position of colleges, which is forecast to deteriorate. The briefing states that the receipt of Covid-related funding has benefitted colleges and contributed to a “healthier than expected” financial position. This is, however, expected to change drastically for the current and next academic years, with colleges continuing to become ever more reliant on public funding.

The briefing states that change is required urgently to ensure long-term financial sustainability for the sector. Recommendations made by the Scottish Funding Council (SFC) in 2021 are yet to be implemented and the Scottish Government is due to set out the future role of the college and university sectors in 2023.

The AGS stressed in his briefing and during oral evidence that recommendations from the SFC should be implemented “at the earliest opportunity”, and the Scottish Government and the SFC should support colleges to plan now. The Committee supports the AGS in this regard.

Capital funding

Concerns were also expressed with regard to capital funding. The briefing notes that insufficient capital funding has led to a maintenance backlog in Scotland’s colleges, affecting the suitability and safety of the buildings. The estate survey commissioned by the SFC across the sector in 2017 showed a backlog maintenance issue of just over £360 million across a five-year period.

Audit Scotland has previously recommended that the SFC and the Scottish Government “agree and publish a medium-term capital investment strategy that sets out sector-wide priorities”, which is expected to be published in Autumn 2022.

We would encourage your Committee to monitor the progress of this work to ensure backlog maintenance and net zero expectations are addressed.

I hope that the information set out in this letter provides a useful reference point for the upcoming evidence sessions and we would welcome your Committee giving consideration to the above issues as part of its inquiry into colleges regionalisation.

Yours sincerely,

Richard Leonard MSP
Convener