



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Education, Children and Young People Committee

**Wednesday 5 October 2022**

**Session 6**



The Scottish Parliament  
Pàrlamaid na h-Alba

© Parliamentary copyright. Scottish Parliamentary Corporate Body

Information on the Scottish Parliament's copyright policy can be found on the website - [www.parliament.scot](http://www.parliament.scot) or by contacting Public Information on 0131 348 5000

---

**Wednesday 5 October 2022**

**CONTENTS**

**Col.**

**COLLEGES REGIONALISATION INQUIRY** ..... 1

---

**EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE**  
**24<sup>th</sup> Meeting 2022, Session 6**

**CONVENER**

\*Sue Webber (Lothian) (Con)

**DEPUTY CONVENER**

\*Kaukab Stewart (Glasgow Kelvin) (SNP)

**COMMITTEE MEMBERS**

\*Stephanie Callaghan (Uddingston and Bellshill) (SNP)

\*Graeme Dey (Angus South) (SNP)

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

\*Ross Greer (West Scotland) (Green)

\*Stephen Kerr (Central Scotland) (Con)

\*Ruth Maguire (Cunninghame South) (SNP)

\*Michael Marra (North East Scotland) (Lab)

\*Willie Rennie (North East Fife) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

James Dunphy (Scottish Funding Council)

Shona Struthers (Colleges Scotland)

Karen Watt (Scottish Funding Council)

Andrew Witty (Colleges Scotland)

**CLERK TO THE COMMITTEE**

Pauline McIntyre

**LOCATION**

The Robert Burns Room (CR1)



# Scottish Parliament

## Education, Children and Young People Committee

Wednesday 5 October 2022

*[The Convener opened the meeting at 09:30]*

### Colleges Regionalisation Inquiry

**The Convener (Sue Webber):** Good morning, everyone, and welcome to the 24th meeting in 2022 of the Education, Children and Young People Committee. Our first item of business is an evidence session with Colleges Scotland and the Scottish Funding Council. The session will inform our colleges regionalisation inquiry as well as our pre-budget scrutiny for 2023-24.

I welcome: Shona Struthers, chief executive, and Andrew Witty, director of sector policy, from Colleges Scotland; and Karen Watt, chief executive, and James Dunphy, director of access, learning and outcomes, from the Scottish Funding Council. It is nice to see you again, Karen.

We have a lot of ground to cover, so I invite Shona Struthers and Karen Watt to make short opening statements before we move on to questions. Shona Struthers, you have up to three minutes.

**Shona Struthers (Colleges Scotland):** I shall speak quickly.

Good morning, colleagues, and thank you for the opportunity to give evidence. Colleges Scotland is the membership organisation for all the colleges in Scotland. I will convey to you three main points.

First, when we look back at the decade that we have just had, which saw the start of regionalisation, we can see that there was a period of huge change between 2013 and 2016. The Post-16 Education (Scotland) Act 2013 moved colleges on to a regional model, making them more accountable and effective through reformed governance. Colleges focused on giving businesses in their regions the skills that they require. The act also led to the reintroduction of national bargaining.

About eight or nine substantial changes took place alongside regionalisation. There was a programme of college mergers, which moved the sector from 40-plus colleges to the 26 that we have today operating in 13 regions: 10 single colleges and three multicollege regions. Colleges were reclassified as public sector bodies through the Office for National Statistics, which meant that

they could no longer carry forward surplus funds, which had to be placed in arm's-length foundations separate from the college. At that point, colleges could also no longer hold reserves or borrow.

College boards also fundamentally changed at that point, becoming more diverse with student and staff representation and with college chairs being publicly appointed and remunerated for the regional colleges and the regional strategic bodies. A new framework was also introduced for student associations. The funding model was replaced. It moved from student units of measurement—SUMs—to a credit model. Colleges became different organisations with new names, new brands and new ways of working.

Around 2014, there were also some big policy changes, with the Scottish Government's new youth employment strategy, the Wood commission report and the reduction in the amount of international work because of immigration changes. All those things together brought about a huge change. At that point, we also saw the first sparks of industrial action because of the introduction of national bargaining.

One positive aspect is that, since regionalisation, we have had nearly 1 million new qualifications, which the sector should be proud of. Colleges managed that enormous volume of structural change alongside the day-to-day work of teaching, supporting students, recruiting, ensuring quality, negotiating with our unions and planning for the future.

My second point is that we are working in a system that is not thriving but still has the potential to thrive. Your colleagues in the Public Audit Committee heard recently from the Auditor General for Scotland about the significant financial challenges facing the sector and you have heard evidence on industrial relations from students and college principals, as well as on attainment and the skills landscape.

The outcome of the Scottish Government's purpose and principles work is due next year. However, we are not standing and waiting for it; we are ensuring that we are working on it.

In the 10 years of regionalisation, we have had underfunding in the college sector—that is now obvious. We need that funding to ensure that colleges deliver for the economy.

Finally, looking ahead, you know about the fantastic work that colleges do, but I want to convey to the committee that our system is threatened if the funding and investment are not available in order for colleges to deliver. We want our colleges to thrive, and we are willing and able to deliver on Government policies, but, in order to

do so, we need to have sustainable and stable institutions.

**The Convener:** Thank you, Shona.

Karen Watt, you also have up to three minutes.

**Karen Watt (Scottish Funding Council):**

Thank you for the opportunity to give evidence to your inquiry about regionalisation and college budgets. I know that you have heard from a number of witnesses and have received written submissions from a wide range of organisations, so I will be brief and focus on just three points.

First, over the years since regionalisation, colleges have demonstrated that they are agile, responsive and flexible. Most recently, in the wake of Covid, colleges showed an incredible amount of determination and creativity, in order to keep students in productive learning as far as possible—in hugely challenging circumstances—and to re-engage the students who chose to defer their studies. In its role as the primary funding body, the SFC supported colleges in their efforts by introducing flexibilities into our funding, including student support funding, and by providing extra money to make sure that students could complete their qualifications during that time.

Secondly, colleges play a huge role in reaching those who are furthest from the labour market and in supporting social mobility. In 2020-21, more than a quarter of all college entrants were from the 20 per cent most disadvantaged communities in Scotland, and just over 40 per cent of Scottish full-time first degree university entrants who came from those disadvantaged areas had progressed from a college course. Of course, we support colleges to do that work: we fund them and their students; we provide more than £100 million of public investment that is targeted at widening access and inclusion; and we also have dedicated initiatives through our tackling child poverty programmes.

Thirdly, colleges are pivotal to delivering the national strategy for economic transformation, and their contribution to skills delivery is unarguable. For example, through the flexible workforce development fund alone, they are already engaging with more than 850 employers and 1,380 small and medium-sized enterprises. Working with the SFC's investment in Scotland's innovation centres and through Interface, they are developing entrepreneurial people and new market opportunities by bringing together lecturers, industry and business and by finding solutions for knotty problems and current challenges.

Convener and committee members, I hope that it is clear from this brief introduction that Scotland's colleges are vitally important for Scotland's economy and social wellbeing. They

are delivering in a very tight fiscal environment, with challenging budget settlements, increased staff costs and inflationary pressures. We will continue to work with colleges to ensure that they are financially viable, that they thrive individually and collectively and that they continue to deliver for Scotland's communities.

**The Convener:** Thank you for that, Karen.

Graham Dey will kick off our questions.

**Graeme Dey (Angus South) (SNP):** Good morning. Before I explore the issue of the funding model, I want to clarify something. The Colleges Scotland submission is very detailed—which we appreciate—and it talks about an effective reduction of £23.9 million in the core budget due to inflation and rising costs, particularly energy costs. That is fine and I accept that. However, the submission also goes on to talk about the Covid consequentials and comes to the conclusion that a further reduction of £28 million has arisen on its baseline budget, which means a total deterioration of £51.9 million in the financial position. Were you ever given to understand that the Covid consequentials would be consolidated in future budgets?

**Shona Struthers:** I do not think that we expected them to be consolidated, but I am happy for Andy Witty to pick that up.

**Andrew Witty (Colleges Scotland):** No, we were never given any reassurance or commitment that they would be recurring. Of course, they were spent on items that were going to be recurring, but we understood the consequential money as being a one-off.

**Graeme Dey:** So, accepting, as you have just recognised, that that was a one-off, is it not inaccurate to talk of a £51.9 million cut in the budget? The £23.9 million figure is much more accurate, is it not?

**Andrew Witty:** As colleges came out of Covid, they found that they were incurring costs around mental health, digital poverty and foundation apprenticeships, which is what the Covid consequential money was used for. There are elements of those things that are on-going and for which the costs need to be covered, and, if that was not done through the Covid consequentials, it would have to come through the core budgets. That would mean that that money was not available to spend on other elements of college provision. That is why we believe that it is right to say that that is, in effect, a cut alongside the £23 million, which is the result of the settlement not including inflation.

**Graeme Dey:** Okay. We probably have to agree to disagree on that point.

Moving on to the college funding model, I am interested in exploring the viability of that model in the long term and just how serious the position is for Scotland's colleges. None of us would want to see the colleges in Scotland get into the financial mess that many colleges in England have got into. How viable is the funding model in the long term?

**Shona Struthers:** The model has developed over the years and additional funding was put into the college sector, both in real terms and in cash terms, up until the year before last. However, at the same time, we have seen our cost base go way beyond our income level. That leaves us running what are, in effect, businesses with less and less flexibility. We do not have enough income to cover our cost base.

One thing that has exacerbated that has been the huge increase in our pay bill, which is a direct result of national bargaining, in which agreements are made between employers and union colleagues. That has meant that our cost base is now predominantly staff, and the bit that we have left to pay our legal bills, auditors and utilities and so on is getting smaller and smaller. We cannot carry on as we are, because there is not enough, especially given the pay awards that we are seeing at the moment. The bit that is left to run the organisation and to get front-line equipment for students to learn from is becoming smaller and smaller. We have to address the issue of the ability of colleges to be innovative and to bring in other income streams while, at the same time, trying to control the cost pressures, which are just growing.

**Graeme Dey:** What is the view of the SFC?

**Karen Watt:** I will pick up the first question, about budgets over time. Since 2014, teaching funding in the college sector has increased by £126 million. In cash terms, that is a 32 per cent increase. In real terms, using a gross domestic product deflator, we would say that that is roughly a £34 million increase, or about 21 per cent, over that time. About half of that increase—about £62 million—is related to the pay harmonisation process and pensions.

I would say that, over that time, there has been additional income and funding in the college sector. Therefore, the price that we have paid—our currency is a credit that we give—has increased by about 29 per cent. Roughly, there has been an increase of that magnitude over that time; very specifically, it was partly for increased places but also for staff costs.

On the funding model, we usually fund using a volume price activity kind of model. We fund for the amount of credits that we are putting into a system. For a short period of time, we almost set that aside in order to pay for the staff costs and

the national bargaining. We now need to look at whether that model is right for the future. That is why we are working closely with the sector, and it is why we did a national review in 2021, which asked questions about whether the funding model was right. It is a complex model. Simple models are better, but we are dealing with a complex environment.

09:45

In our funding model, we have a range of indicators, which, for example, predict how many young people are likely to come out of school in a particular region or how much in-work activity a college might want to do. A range of local, regional and national indicators go into our funding model. I have to say that I think that our model is relatively complex. We are looking at it, and we will consider whether it is right for the future.

**Graeme Dey:** I want to pick up on the issue of pay harmonisation. It strikes me that, particularly in the early days of mergers and regionalisation, a considerable amount of work was done, and a lot of money was expended, on bringing pay levels into line. That legacy issue has had a substantial effect.

To what extent has pay harmonisation contributed to the financial difficulties that the colleges now face?

**Karen Watt:** I think that it has helped significantly in that it has increased the value that we attach to the people who are on the front line in teaching and serving student communities. I think that there has been a parity across the college sector. By necessity, national bargaining has enabled a sense of equalisation across the staff base. I think that the pay harmonisation process has been immensely successful in bringing a range of equitable arrangements across Scotland.

The issue for us is that it is still true to say that most of a college's costs are staff costs. If we look at the situation in the round, it is probably the case that, on average, around 68 per cent of colleges' costs are based in their staff costs. That means that, when budgets get tighter, it is very difficult for colleges not to look at their staff costs as they seek to balance their books and consider their viability in the round.

I think that pay harmonisation has been a success, has helped to bring equitable salaries to a very esteemed profession and has helped to make college jobs attractive and well paid across Scotland.

**Graeme Dey:** I want to follow up on that. In previous evidence taking, we have explored the fact that up to 70 per cent of some colleges' spend is on staff. I want to get the SFC's view on that,

given its overview of educational spend. Do you think that that is an appropriate position for colleges to find themselves in, compared with the position in universities and schools? Is that level of spend on wages justified? Are you comfortable with that?

**Karen Watt:** It is incredibly hard to have an absolute rule on that. The level of expenditure on staff costs is definitely an indicator that we track. In times of significant public spending, it is positive that that level of investment goes into colleges. However, when times are more challenging, the high level of expenditure on staff costs represents a risk.

We do not have a set milestone or benchmark on the issue. We simply watch the situation. As I said, our average hovers around 66 and 67 per cent, but the level in some colleges will be more. The question then becomes how colleges can generate surplus through other activity that might compensate for that or bring in additional funds. As colleges are classed as public bodies, that is slightly more complicated for them. Although they might generate surplus, they cannot always retain it at the end of the year. Therefore, in and of itself, the model does not necessarily lend itself to such surplus-generating activity.

The positive is that the Government has supported the costs of that staff base, but that will clearly be a risk indicator for colleges.

**The Convener:** I think that we need to give Shona Struthers the opportunity to answer some of those questions.

**Shona Struthers:** I will make two very quick points. First, the harmonisation relates to lecturers. A job evaluation programme for support staff is ongoing. When it has been appropriate to pay the same money for the same job, we have done that.

Secondly—this point has been made previously—we need to look not only at total income and the proportion of staff but at the amount of money that is needed to run colleges. Colleges get student funding, for example, but that is money in, money out. We need to consider the amount of money that colleges need to run their operations. In some colleges, the percentage of costs relating to staffing is in the high-70s—it can be nearly 80 per cent. That is far too tight; a business cannot run with that amount of leeway in relation to non-staff costs.

**Willie Rennie (North East Fife) (LD):** I do not recognise what Karen Watt said about there being an increase in funding in recent years. Back in 2011, 2012 and 2013, there was a massive reduction in college funding. What baseline are you using when you talk about an increase?

**Karen Watt:** We could use a number of baselines, but I have used the baseline of 2013-14. That has to do with the transfer of colleges into public bodies, and it seemed a rational approach to use that baseline.

We can also consider year-on-year funding. Over the past few years, there has been an increase from the budget settlements. However, we always face a fairly fluctuating situation. As a funding council, we try to minimise instability in the system. I will set out how we try to smooth things occasionally. Last year, we found an additional £9 million for foundation apprenticeships. That money was not already in the Scottish Government's baseline to us. We decided to not fund some non-core programmes in order to put the money into learning and teaching. Therefore, we can smooth some of the ups and downs.

**Willie Rennie:** In relative terms, that is tinkering. Do you have the comparisons with 2010-11?

**The Convener:** I have the figure. The amount of public money that was spent per college student dropped by 9 per cent from 2010 to 2012.

**Willie Rennie:** I had hoped that the SFC would speak truth to power, because it is the voice of not just the higher education sector but the college sector. Talking about managing slight fluctuations from year to year does not represent the massive pressure that colleges are under.

Two weeks ago, Derek Smeall told the committee that there is "chronic underfunding" and that

"the future includes the potential loss of 25 per cent of my workforce by the end of 2027."—[*Official Report, Education, Children and Young People Committee*, 21 September 2022; c 14.]

Is he right?

**Karen Watt:** Do not misunderstand me—I am not suggesting for a second that the sector is not under significant pressure. My point was about public money coming into the college sector to pay for significant uplifts in colleges' staff pay bills over a particular period, which led to a significant increase in funds.

The question about whether there are pressures in the sector and whether the situation is sustainable is slightly different. I suggest that we look at that in a number of ways. First of all, there are massive pressures. It is extremely difficult for colleges to manage fluctuations in budgets, so, over time, there will need to be reductions in some colleges. That may not just be about public funding, but may also relate to demographic changes, the slightly different demand for further education that we are seeing, or the pressures that are coming from some of the competitive

angles in relation to young people. There are not as many young people as there were and we have seen a growth in the number of people going into higher education and into universities.

When we look at the pressures on the college sector, we are looking at it in the round—staff costs, pensions, inflation and demographic changes—and trying to work with the college sector to determine the level of activity that it needs and the level of funding from Government that we have to distribute to support that.

**Willie Rennie:** We will continue to look at what you call fluctuations, although the big picture is a massive change in the past decade, during which colleges have been diminished significantly. I am not sure that we have voices making the case for further education to be a major part of the education system in Scotland.

You did not answer the question about a 25 per cent reduction at Derek Smeall's college. Do you think that that is right?

**Karen Watt:** Forgive me for not being specific, but we just had projections in from every single college at the end of September and I do not have all of that to hand. I apologise to the committee.

**Willie Rennie:** Do you have any of it? Do you have a rough picture?

**Karen Watt:** I have a rough picture that there will be staff losses in the sector.

**Willie Rennie:** Will it be 25 per cent? Will it be more than that or less?

**Karen Watt:** At this point, no college will be able to predict that accurately, although they may see a general trend. We will see some colleges—and Derek Smeall's college may be one of them—facing significant pressures.

**Willie Rennie:** Do you think that the figure of 25 per cent might be right for his college?

**Karen Watt:** I am not trying not to answer the question, but I do not know. Derek Smeall will have used certain assumptions for his college. We are currently working with colleges to assess a realistic set of assumptions to plan for that far ahead. Right now, we are still working through what the budget will be for 2023-24.

**Willie Rennie:** If I can—

**The Convener:** Mr Witty also wants to respond.

**Willie Rennie:** Let me conclude this bit. I think that you are saying that you do not broadly disagree with Derek Smeall's assumption or the suggestion that there will be significant cuts over the next few years. I think that you do not know what they will be precisely, which is why you do not want to say. I will take your nod as a sign.

**Karen Watt:** There will be a significant challenge for colleges in considering the amount of activity and how they can contribute to that. As I have said on several occasions, I think that the Government has already said that it is likely to be a flat cash settlement over the spending review period. However, that means real-terms cuts and year on year, we will still be looking at whether that is flat cash or whether in practice it will be a smaller budget settlement for us to distribute.

**Willie Rennie:** Can I come back in after, convener?

**The Convener:** Yes, we will hear what Mr Witty wants to say and then you can come back in.

**Andrew Witty:** Audit Scotland's figures show a real-terms cut of 9 per cent going into the academic year 2022-23. Although in some of the past few years we have seen a small real-terms increase on the income side, it is important to look at the whole cost base. We have already touched on some of the pressures of national bargaining and harmonisation costs. That means that the cost base has increased. Although the Scottish Government has put in some significant money, it leaves colleges with a consolidated cost going forward, in relation to both lecturer and support staff costs.

I was going to make the point that Karen Watt just touched on. Looking forward, the flat cash settlement laid out in the spending review in May is an effective cut, because of inflation. However, we are already seeing some of that being revisited—I understand that an emergency budget is due later this month. All the predications are on the flat cash settlement and inflationary impact—which is huge at the moment and we do not know where it is going to go—but, if there are to be further cuts and a revisiting of the budget, it will be very difficult in the future.

The other element is the difference in the funding per head that is awarded for students in colleges, universities and other parts of the education sector, which will you will see in the evidence that the Scottish Parliament information centre produced for the committee's evidence session. College funding per head is the smallest amount that is provided across the education landscape.

10:00

**The Convener:** We have a number of supplementary questions.

**Willie Rennie:** Can I come back to the issue of pace?

**The Convener:** Yes. I will go to the supplementary questions and then come back to your question.

**Stephen Kerr (Central Scotland) (Con):** I will follow on from Willie Rennie's question. My understanding is that skills are key to the future of the economy of Scotland. So, for heaven's sake, what will the impact of what we are discussing be on not just the college sector but also on Scotland's economy?

**Shona Struthers:** The impact will be massive. The Government is looking for our economy to be revitalised. You need a technical, skilled workforce to deliver that, and colleges deliver that skilled workforce. If you do not invest in the college sector, you do not get your skilled workforce and your businesses will suffer. For me, it is really simple and clear: the investment in colleges gives a return, you get your skilled workforce, and Scotland's economy grows. I know that Andrew Witty has some specific detail about some of the opportunities that could be lost if we do not invest in those skills.

**Stephen Kerr:** I certainly want to hear that detail.

**Andrew Witty:** We are all aware of the Scottish Government's priorities around economic growth, a fair economy, dealing with poverty and delivering net zero. Following on from the points that Shona Struthers made, an adequately funded college sector is vital for the delivery of those Government priorities. There are potential lost opportunity costs of not having the capacity to deliver the high-end technical skills that Shona Struthers mentioned.

The figures that I will mention are all publicly available, either from the industry or from the Scottish Government. If we start to look at a net zero economy, the offshore wind industry projects that there will be investment of £6.3 billion per year between now and 2035, which is £95 billion in total, with 40,000 potential jobs. That will deliver 30GW of power. A further 10GW of power is being planned for onshore wind. The Scottish Government predicts that there will be between 10,000 and 40,000 jobs by 2045 in hydrogen. There will be £9 billion of investment by 2026 in transport infrastructure—just in the next few years—and 25,000 skilled workers will be needed just to replace people who are going to retire or leave the industry. That does not include the workers that will be needed to build the industry to where it needs to be. Meanwhile, it is projected that £33 billion of investment is needed for energy-efficient low-carbon heating.

There is a risk that Scotland will not maximise the opportunities from those investments if it does not have a college sector that can provide the skilled workforce that is needed in those areas. The lost opportunity cost of not adequately funding the college sector going forward is huge for individual learners, communities and Scotland's economy. To deliver some of the Scottish

Government's key priorities—net zero and rebuilding the economy—it is vital that colleges have the ability to deliver the skilled, high-end technical workforce that will predominantly be delivered through the colleges.

**Stephen Kerr:** Kate Forbes's economic transformation plan, is, on the face of it, is an exciting prospect. However, both of you are saying that, if the college sector continues to be on the receiving end of cuts, including the flat cash settlement that has been projected, it will be impossible to deliver on the plan without investment, rather than disinvestment, in the college sector, which is what is happening currently.

**Andrew Witty:** That would be my view. When you think about colleges in the context of the five pillars of the national strategy for economic transformation, your eye obviously gets drawn to the one about the skilled workforce, but the fact is that colleges are needed to deliver each and every one of those pillars, not least the one about the entrepreneurial landscape and the one about the productive businesses. After all, 44 per cent of college learners have an industry link as part of their course, and the college sector is important in delivering that link to business and opening up the new market opportunities that are one of NSET's key elements.

**Stephen Kerr:** Shona, do you agree with my use of the word "disinvestment"?

**Shona Struthers:** I think that the Government does invest in the college sector—

**Stephen Kerr:** Negatively, though, apparently.

**Shona Struthers:** The flipside of that—that is, if it does not invest in the sector—is that there will be consequences, and the college sector will not be able to help the Government to deliver its economic and net zero strategies.

**Stephen Kerr:** The current projections are hardly an investment, are they?

**Shona Struthers:** You will have heard some principals talking about reducing their staffing cohort. All colleges are looking at how they can balance their books—after all, they are in the public sector—but, if every college has to look at restructuring and taking out costs and staff, that will impact the curriculum—

**Stephen Kerr:** But that is not investment—it is retrenchment.

**Shona Struthers:** —and it will impact the students.

**Stephen Kerr:** Okay. That is very clear.

**The Convener:** Bob, do you have a supplementary question on this?

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** Yes, convener. Going back to what Mr Witty, I think, said about the disparity of funding between colleges and universities, I note that the discussion has focused on a real-terms cut to the colleges budget, but there is a projected flat cash settlement across the entire further and higher education sector. Universities Scotland came to the committee last week and asked for an additional £171 million, but Mr Witty has already said that he thinks that the funding landscape is not equitable between colleges and universities, particularly with regard to the early years of a university degree, which for 43 per cent of all young people from a deprived background are often spent in a college environment.

**The Convener:** Can you come to the question, please?

**Bob Doris:** This is really important, convener. Those young people who are in universities are going through the college sector, but they are getting less funding for it. Does Karen Watt from the funding council—or, indeed, Shona Struthers or Andrew Witty—want to say more about that? If Universities Scotland are coming here, saying, “Give us £171 million more,” without having any clue where the cash is coming from, and colleges are saying, “We’ll just do our best in a tight financial environment,” should you not be standing up for colleges?

**Shona Struthers:** I do not recall saying that we will just do our best with what we have—the plea that I am making this morning is for the committee to see the great return on investment that the colleges represent and to ask for that investment. That is what I am saying.

I can provide in writing to the committee figures for the funding per head for universities and colleges. It is a Scottish Government table, and it shows that colleges are the least funded per student head from pre-school to university. Why should college students be less funded than anybody else in the education system?

**Bob Doris:** So, with a fixed-sum budget, should money be taken from universities and given to colleges to ensure equity?

**Shona Struthers:** I am not advocating that at all.

**Karen Watt:** There is quite a lot in your question. First of all, I point out that, through us, the Government is still investing £675 million a year in supporting college students and, every year, the college sector has met its target of 116,000 full-time-equivalent students going through and being successful in a variety of ways. I do not want us to lose sight of the fact that a significant amount of public funding is going into

colleges and that they are successful and keep delivering.

That said, parity of funding is a complex question. Let me just take a couple of strands of it. The first thing to say is that when we look at funding for different institutions, colleges and universities, we look at a number of things, including their different cost bases.

For example, a lot of universities have a different cost base and are more expensive to run. They have different kinds of infrastructure, high-cost medical and clinical facilities, larger library collections and—for particular provision—much smaller classes with quite specialist and focused tuition. Therefore, historically, we have compensated differently for that different cost base.

Again, colleges are all quite different. Some colleges have a higher cost base and more technical facilities than others and will run in a different way. However, in general, the cost base is not the same. Therefore, we have a slightly different funding arrangement for first-year undergraduates and, for example, for people qualifying for a higher at college.

In our national review, we explored whether we should change our funding model to, for example, follow Scottish credit and qualifications framework levels. For example, should we fund students who are going through a higher national qualification course at a college at roughly the same level as students on the first two years of an undergraduate course? Again, I think that the question of whether we should do that is part of the conversation for the future. We do not want to pull down the funding from university undergraduates, but it is an idea that we are exploring, and we are willing to explore it more fully as we go through this funding review model.

That being said, we are still probably going to have a smaller pot to distribute, which means that we face a difficult choice about how large an increase we can put into that level of funding per college student, compared with others. However, at the moment, there is a recognition of the different cost bases, and that leads to an efficient use of public funds. It is not the same as the issue with parity of esteem, because those kinds of parity of esteem issues are much broader than the issue of the funding model. However, we are absolutely open to looking at the proposal.

**The Convener:** We will go back to Willie Rennie, as I said that we would.

**Willie Rennie:** We have heard that there are big cuts coming to the college sector over the next few years. However, two weeks ago, Hugh Hall from Fife College told us that colleges are not able, even in those circumstances, to determine their

own future, because the Government cannot make up its mind. He set out his case at that meeting.

In June last year, the coherence and stability report was published, and the minister responded in October last year. However, colleges are going to have to wait until summer 2023 until they get a statement of intent from the Government. Why is it taking so long?

**Karen Watt:** That is probably a question for the Government, to be honest.

**Willie Rennie:** I assume that you speak to the Government about this.

**Karen Watt:** Absolutely. I think that the Government is keen to have enough consultative time to work with the college and university sector on the complexities around how the sector can set out exactly what it wants for the public money that is being invested.

**Willie Rennie:** But does it need two years to do that?

**Karen Watt:** That being said, we published our national review in 2021. It was quite detailed and was based on a lot of insights that we gathered from colleges and universities. We hope that it is useful to the Government as it comes to conclusions about things.

We are not waiting for some of that broader policy and principles work to be done before we continue to implement the review recommendations. I would also argue that some of the recommendations to the Government in our review are utterly germane to the stability of the sector. We were very clear that we think that it matters that colleges have multiyear planning assumptions and some certainty about budget. That, in and of itself, is probably one of the biggest issues about how a college can plan for its future.

We have also made a number of recommendations about engagement with employers. We would like the Government to bring together different strands of programmes and invest properly in a set of employer engagement programmes for colleges. However, I guess that the best answer to why it is taking so long is that the Government is trying to be consultative and open and to listen to a range of views before coming to a decision.

10:15

**Willie Rennie:** You were smiling halfway through your answer. I suspect that there is a bit of frustration on your part. If you can get on and make an awful lot of the decisions following the review, I cannot quite understand why Government cannot, especially when the college sector is under extraordinary pressures.

Therefore, what do we do about that? Why can you not relay to the Government that colleges want to get on and plan?

**Karen Watt:** We are. Collectively, we are working through a range of issues, including the speed at which that intention is articulated and how we can influence it. To be honest, we are also working on a number of other things that do not require that. For example, the college capital programme is subject to co-creation and co-work with the sector. Therefore, we are doing a range of things. We are clear that it would be good to have that intention sufficiently quickly for it to influence spending decisions within the spending review period.

**Willie Rennie:** Shona Struthers, would you like to come in?

**Shona Struthers:** Yes. Last month and this month, we have brought all the chairs and principals across Scotland together for Chatham house discussions about what we can do and how we can come up with innovative solutions. We are working with the Government on the principles and purpose work—of course we are. We are also moving at speed, because it is urgent.

**The Convener:** We move to questions from Michael Marra.

**Michael Marra (North East Scotland) (Lab):** Karen Watt, in response to Willie Rennie's question, you talked about the consultative review. The college principals who have come in front of the committee have said that they do not have a clue what is happening with that. Who is the Government consulting?

**Karen Watt:** Forgive me, but do you mean on the policies and principles?

**Michael Marra:** Who is the Government consulting on the supposed statement of intent?

**Karen Watt:** My understanding is that it is engaging with Colleges Scotland, Universities Scotland and a range of other stakeholders. I do not think that that process has got to the point at which something is written in a form that is being formally consulted on. The Government has some draft material that it is sharing before it is more widely publicised.

**Andrew Witty:** If I may, I will add to that. That is also our understanding. We have had some workshops at vice principal level with Scottish Government officials. We are arranging the workshop with principals and chairs of colleges to continue that discussion. That was due to happen on 12 September but, unfortunately, that was cancelled due to the passing of the Queen.

**Michael Marra:** I think that the committee has had four college principals in front of it and I asked

that question of them directly two weeks ago. They all said that they had had no involvement whatever in that process. It does not feel like proper consultation. Nothing has been written down.

I will move back to the issue of finances. I appreciate your most recent comments and answers on that, Karen Watt, because I feel that, at the start of the evidence session, to an extent, it was being indicated that the challenges seemed to be about national bargaining rather than the overall reduction. I would not like the message that comes out of the committee meeting to be that greedy staff are taking up resources. We must recognise that there has been a significant reduction in resource from Government to colleges over the past decade. That has come out more strongly in your recent answers.

You are being asked to do more. A couple of weeks ago, when the Scottish Qualifications Authority was before the committee, it said that colleges are very well placed to make up for lost learning—the significant lost learning in our schools. Shona Struthers, is that not another headwind for colleges, in the sense of the weight that is being added to colleges at a time when resource is being taken out?

**Shona Struthers:** Colleges are many things to many people, which is part of what makes them unique and so required and necessary in society. They lean in to schools, they work with businesses and apprenticeships, and they encourage people to go on from college to university with articulation and so on. There are many facets to colleges and your point is about just one of those.

We also have a large cohort of students with assisted learning needs. Colleges are quite complicated in that they have many different markets. However, at the end of the day, it is the technical, professional, vocational, skilled workforce that comes out of that system.

**Michael Marra:** Those are young people who have had less learning in school in the past couple of years. The SQA is telling us that colleges should make up that gap. Is that what is being experienced by colleges across Scotland?

**Andrew Witty:** Our members are reporting two things about loss of learning. First, particularly with practical subjects that learners were not able to take part in and might have deferred, colleges have worked really hard to get a high percentage of those college students to return to get their qualifications.

We are also seeing learning loss by school pupils who are coming into colleges. Colleges are reporting increased mental health challenges for some of those pupils. There are also some challenges with social interaction. Some people have missed out on the face-to-face social

element of school. The rise in mental health challenges across society is reflected in colleges.

**Michael Marra:** That adds to what was said in some previous answers about opportunity costs. Other pressures are coming to bear.

We have heard about 25 per cent cuts to staffing in some colleges. I take it that we are not going to get firm figures, but the committee would appreciate some form of feedback based on the written reports that Karen Watt has received from the colleges. In three years' time, given those challenges and the funding cuts that are coming, will the sector look anything like it does now?

**Karen Watt:** I think that the college brand is extremely strong and that there is still an appetite in many communities for kids to go to college. That is a hugely important driver.

If we were to look at a recipe for financial sustainability in the longer term, there might be a number of different things in there. One of the big benefits of regionalisation is that we now have colleges of scale. We have colleges that are around different planning tables and which are involved in different engagements. Our review last year described the possibilities of different relationships, not only between colleges but with universities.

In the next few years, we might see closer collaboration on student journeys, on joining up the curriculum and taking out the duplication that there might be between some courses at the moment and on ensuring that there are better pathways to take people from school, through college and into university. Some very early discussions are taking place about partnerships between colleges and universities. Those are becoming conversations about whether we have the right organisational structure to be viable and strong in future.

**Michael Marra:** You are describing possible mergers.

**Karen Watt:** I am not talking about the M-word.

**Michael Marra:** Why are you averse to the M-word?

**Karen Watt:** I am not averse to mergers. Regionalisation was about successful mergers. I am suggesting that there might be a menu of things that might shape the way in which the college sector works. I think that there will always be vibrant stand-alone colleges in some areas, but I think that differences will emerge in some of the multicollege regions. For example, we are already seeing three colleges coming together of their own volition and merging to create a stronger and more viable entity.

**Michael Marra:** You are describing possible mergers between universities and colleges, are you not?

**Karen Watt:** I am looking at the kind of conversations that we are having just now. Colleges are exploring different kinds of relationships with universities. Those are not necessarily mergers but closer alliances, which involve looking at efficiencies in the way that services are delivered to some students. New kinds of entity might be looked at as part of that work.

It is not really possible to merge a college and a university at the moment, given the statutory basis that we have, but if there was an appetite for that from the sector, we would look at how we might think about that over time. It would challenge the legislation, the funding models and everything else.

**Michael Marra:** It is quite clear—

**Karen Watt:** That would not be appropriate for every place.

**The Convener:** Michael, you asked about what the sector might look like in the future, and I think that that is the avenue that Karen Watt is going down.

**Michael Marra:** It is very useful, though, because this is an area that has not been particularly well explored or exposed. As far as I can tell, there is no appetite in the sector for mergers between universities and colleges, which I think would be extremely difficult. Is the Government keen on looking at such mergers?

**Karen Watt:** No. When I say that we are having some discussions with different stakeholders in the sector, they are taking what we suggested in the review that we published last year, in which we talked about different forms of collaboration along a spectrum. That might involve collaborating on particular projects through which better value for money could be obtained or on innovation projects that involve looking at the flow of skilled talent or equipment, or at better use of the infrastructure that we have already invested in in universities—for example, innovation centres and things such as Interface. It could also involve different kinds of relationships, such as being in a loose kind of federation. In our review, we mentioned a range of different possible options for the future, but it is also based on looking at how we strengthen colleges as they currently stand.

**Michael Marra:** Shona Struthers, may I bring you in on what Karen Watt calls the M-word? Is the M-word being used in the sector? Is it something that the sector is fearful of, or welcoming of?

**Shona Struthers:** I was nodding to the convener to indicate that I wanted to come in.

When I speak to many of the college principals and chairs, I hear about their discussions with other institutions. I know that many of our colleges are in deep discussions with universities about different courses and different ways of working. I think that that is really healthy. If we have the student at the heart of the process and a really clear pathway for a student, they may come into college with an expectation that that will be the end of their journey, but I think that it is really healthy if they then see an opening that allows them to go on and finish their education at university.

I know that a lot of our principals and chairs are speaking to all sorts of institutions, including to businesses about setting up bespoke skills academies and so on. That shows the reach that colleges have and their aspiration for their students to take their education as far as they can in terms of their skills and qualifications.

**Michael Marra:** I know that a lot of that work is going on—for example, in Aberdeen, where the relationship between Robert Gordon University and the local college has been cited, but I know from speaking to both those organisations that merger is very far off their agenda and they see a huge cost in that. Given that theirs is one of the more advanced relationships, where does the merger issue come up? You are shaking your head.

**Shona Struthers:** Mergers cost a lot of money. When you look back at regionalisation, a lot of mergers took place and that cost a lot of money. There is a merger going on in the college sector right now, in the Outer Hebrides, so some changes are still happening. I think that it is really healthy if the college sector evolves and changes, because that means that we are not standing still.

**The Convener:** We move on to questions from Ross Greer.

**Ross Greer (West Scotland) (Green):** I have a couple of questions around industrial relations, which are for Shona Struthers and Andrew Witty in the first instance.

I am sure that you will have seen that, as part of this inquiry, I have asked witnesses in previous sessions why they believe that we have had industrial disputes in the sector in seven of the past eight years when we have not had that in any other sector in Scotland. Would you like to have an opportunity to comment on that, in the first instance? What do you think has brought us to the point at which that has become, in essence, an annual occurrence?

**Shona Struthers:** Thank you for that opportunity, Ross. I hope that my opening statement conveyed to you the very many serious and significant changes that happened simultaneously at regionalisation. National bargaining was not part of regionalisation, but it just so happened to be part of the act and it happened at the same time.

Because all those significant changes happened at the same time, when it came to national bargaining—certainly from the employers' perspective—the planning was perhaps not in place at the very beginning to provide a vision, a strategy, clear funding and clear outcomes. We have evolved as we have gone along. With hindsight, that is probably unfortunate, because I think that the people who suffered the most were the students. The strikes that took place during exam time were very hard on the students, but what we have set up now is a system in which the employers and the unions come together to negotiate.

We try to negotiate with clarity about our funding envelope, because it is important that you negotiate within your means. I think that we now have a healthier position at a national level—I will not talk about the local level because I am not close enough to that, but, at the national level, things are certainly improving—and we have a lot of successes on which we can call, such as negotiated pay agreements and changes to terms and conditions.

We are a few years down the line and the situation is better than it was, but the system is here to stay, so we are working hard to make a success of it.

10:30

**Ross Greer:** On one level, I recognise that things have improved, because I have been involved to a varying extent over most of the years concerned. However, even with improvements, there has still been national industrial action in almost every one of those years—certainly, in every one of the past few years. If things are improving, why is there still national strike action every year?

**Shona Struthers:** Unions and workers have the right to go on strike. You have to respect that. It is also incumbent on employers to ensure that they make offers that are viable. Both sides are coming to the conclusion that you have to consolidate, come together and find common ground, because going on strike and not making offers that are seen to be realistic are in nobody's interests—least of all the students' interests.

There has definitely been learning on both fronts. The Government's Strathesk Resolutions

Ltd report is due out relatively soon. The employers have accepted all the recommendations from that, so we are looking forward to making as much of a success of the matter as we can, while being mindful of the funding envelope within which we operate.

**Ross Greer:** You mentioned the latest lessons-learned report, publication of which is still to come. From that and internal reflections from within Colleges Scotland, are there further changes to the national joint negotiating committee framework that you would like? Is there anything structural about the process that could be improved? Some of the evidence that we have received and a lot of the wider public discussion on the matter comes back to challenging interpersonal relationships between people on the two sides who have been in the room for so long that issues have become entrenched. That is a cultural issue that can be resolved. Are there structural issues in the process that could result in improvement if they were changed?

**Shona Struthers:** On the point about interpersonal relationships, the employers have had much greater turnover of negotiators than our union colleagues have.

One measure that springs to mind is the introduction of an independent chair for the NJNC. We would welcome that. The chair has rotated between the sides, but independence might allow issues to be solved more amicably and, perhaps, more quickly than they currently are. We recommend that as part of the Government's lessons-learned exercise.

**Ross Greer:** On pay, although I recognise that it would not free up the money that would be required for settlements that are claimed by the lecturers or support staff unions, because the scale is totally different, is there an issue with unions urging college staff to show pay restraint, given that some principals in Scotland earn more than the First Minister and quite a number earn more than the Cabinet Secretary for Education and Skills?

**Shona Struthers:** Negotiations in the NJNC are two-way. The employer puts their case, the unions put their case on behalf of the staff that they represent, then we negotiate.

The negotiations are definitely improving. More respect is being shown and we have introduced financial accountability into the discussion to ensure that both sides are sighted on the financials so that, when an offer is made, whether it is accepted or not, it can be seen clearly whether it is affordable.

A national recognition and procedure agreement and negotiating machinery are in place. As time goes on, the system improves each year.

**Ross Greer:** It felt a bit like you sidestepped the issue of principals' pay, there.

**Shona Struthers:** Principals are not part of the negotiating machinery, so we should not confuse the two aspects. The negotiating machinery negotiates on behalf of the staff whom you mentioned. When there was a local level, the matter was negotiated by the college; that was moved to national level. The senior staff are not part of the NRPA and are not negotiated for.

**Ross Greer:** You can surely understand why the workforce find it hard to stomach messaging on pay restraint from individuals who are on more than 150 grand a year, and some who are on far more than that.

**Shona Struthers:** Boards of management have a governance responsibility, and the payments that are made to senior staff are in the public domain. The responsibility lies with the boards, and they take their duties very seriously.

**Ross Greer:** I have a brief question on boards. There is a long-standing Government commitment to enabling permanent trade union representation on boards. Some boards already have that, but there is the Government commitment, for the sake of consistency. Does Colleges Scotland support that? Do you think that it would help to improve things?

**Shona Struthers:** That representation is already in place, to my knowledge. The legislation has not yet gone through, but boards have two trade union representatives, alongside staff and student representation. That makes for healthy boards, because all views are fed in.

**Ross Greer:** I have a final question on boards. Derek Smeall has been mentioned; you might be aware of the evidence that he gave on the Glasgow Colleges Regional Board. Does Colleges Scotland have a view on that? Do you align with the view that has been expressed to us that it is pretty hard to justify why that regional board exists at all?

**Shona Struthers:** Colleges Scotland is the representative body for all colleges in Scotland. We take our members' views and put forward a collective view. Where there are varying views on something, we are not able to land on a specific view. Therefore, we do not have a view on that issue.

**Ross Greer:** I appreciate that. Thank you.

**The Convener:** Well answered, Shona—very good. We will move on to questions on completion rates. Michael Marra will start on this section.

**Michael Marra:** The rate of completions and the number of students who do not get to the end of their courses are a concern not just for this

committee but for the Public Audit Committee, which has expressed its concerns to us. Just under a third of students are failing to complete their courses. The figure is higher among those from deprived backgrounds, higher again for students with disability and significantly higher for students who have been through the care system. Given the financial settlement that we are looking at, how can we improve the outcomes for those young people?

**Karen Watt:** That is an area of constant attention and some concern with regard to college performance. However, it is extremely difficult to look at data around the pandemic. Of course, we collect data on an on-going basis, but some of the figures—although not all of them—relate to the period when we were going into significant restrictions and some practical elements of study could not be completed. There are issues with comparing data from the pandemic with pre-pandemic outcomes. Some of the qualifications that students have achieved are testament to how colleges have worked throughout the pandemic. There were issues with making sure that people who were studying certain subjects, particularly practical subjects, could complete them, and we did a lot with colleges to ensure that that happened. So, even from some of those—

**Michael Marra:** We acknowledge the challenges and the great work that colleges did in that period. However, although the figures are worse for the pandemic period, they were pretty bad before it, as well. I would appreciate it if we could move on to that point.

**Karen Watt:** Of course. In relation to completions and quality, we work with Education Scotland, which looks at the individual performance of colleges. A report should be coming out in the next week or so, which I will make sure the committee gets, on Education Scotland's visits to individual colleges and what it has found. That report will go into issues of what was found on particular performance indicators.

Also, we are about to conduct a thematic study in which we will look at what we perceive to be some of the poorer-performing colleges alongside some of the top-performing colleges, and we will consider the issues that lie behind the figures. We need greater explanatory power around what is going on behind the figures.

**Michael Marra:** There appears to be a significant gap between small colleges, which have better—although not fantastic, by any means—completion rates, and larger colleges, which have poorer completion rates. You have used the M-word. Are you concerned that, if there is a trend towards having bigger institutions, students might be lost in the process?

**Karen Watt:** Of course. I suspect that a more personalised approach is possible in certain college settings. That said, some of the bigger metropolitan colleges deal with communities that have more concentrated disadvantage and might well operate in a context in which there is greater competition for young people—if I may put it in that way. Some students who might ordinarily have gone through a college door might well go to university or go for a higher national qualification. It might be argued that some of the students who come into further education courses might be from more disadvantaged areas. They might have less cultural capital and they might sometimes struggle with their choices.

We need to challenge ourselves about how we collect information. For example, when a young person comes through the door of a college, gets on a course and then, after a few weeks, decides that that course is not for them, our system is good at supporting that person to make another choice. That really matters; it matters that the young person has opportunities after trying something and finding that it is not quite right. The college wraps around them to suggest options that they might think about, to keep them in some kind of productive learning environment.

When such a situation is presented in our stats, it might well look like someone has started a course and dropped out. We will count that in a particular way. Therefore, when I say that we need greater explanatory power, I mean that, through the thematic study, we are challenging ourselves to consider whether we are collecting the right data in the right way, which enables us to get a better handle on whether we are looking at a dropout or at someone who has made a different life choice with help from the college to explore a different and more successful pathway for them.

**Michael Marra:** That is useful. Does Andrew Witty want to comment?

**Andrew Witty:** Let me say, first, that we take the issue really seriously. I think that there are two elements to it. One is the nuance around the statistics: we need to be aware of and careful about how they are collated. I think that you have heard from college principals that if someone attends a course for an hour and then moves on—for example, if they switch to another course or leave for work—the figures are impacted negatively, although there might have been a positive destination. We need to be aware of that. There is work to be done, through the thematic study that Karen Watt talked about. We support the study, because we need to understand what the issue is and what is causing it, so that we can identify solutions.

I want to make the point that, for many young people, it is about the journey that they have

travelled. Whatever policy changes are considered as a result of the study, we must ensure that they do not have the unintended consequence of impacting colleges' recruitment decisions so that colleges recruit only people whom they know will pass. One of the key cohorts that colleges help is made up of the most vulnerable people and those who are furthest from the workforce—people who have taken a step forward on their personal journeys as a result of being at college.

The increase in dropouts was smaller in HE courses than it was in FE courses. There are nuances in that regard, about which we need to be careful as we look at the whole issue. All of that points to the need for a cross-agency solution: the issue is not in the gift of the colleges alone to solve. We need a cross-agency look.

10:45

**Michael Marra:** That is very useful, and my final question is on a related issue. The committee struggled for a little while with comparisons with the rest of the United Kingdom in this matter, and the Scottish Parliament information centre produced some information for us on that. The system in England is very different, but the nearest comparable figure for completion rates there seems to be 89 per cent. Will some means of comparison be included in the methodology that you are talking about? Do you have any reflections on why that gap, whether it is perceived or real, might be so big?

**Karen Watt:** Yes. We will be looking at how to benchmark not just within peer groups, but nationally. As you suggest, we will also look at other indicators across the rest of the UK.

I do not want to get unduly technical, but a range of technical things lie behind how we make up the indicators, including whether we are talking about college leavers as opposed to people who qualify and therefore go on to positive destinations. I think that we need to look at those definitions.

How we set benchmarks will be incredibly important in understanding where improvement really needs to occur and what contextual factors we take into account.

**The Convener:** Thank you. Ruth, do you have questions?

**Ruth Maguire (Cunninghame South) (SNP):** Are we still on the completion rates?

**The Convener:** Yes.

**Ruth Maguire:** I think that you have probably covered that, convener. However, understanding what is happening with students seems to be key. It is troubling that there could be tension between

widening access and adult returners. Surely we have to understand why people do not complete, and whether it is for a reason of success, such as finding good employment or a different course, or because they cannot afford to keep going. I welcome the work on that that is coming.

**The Convener:** Thank you very much, Ruth. We will have questions for you to ask later.

We move on to questions from Stephen Kerr on capital funding.

**Stephen Kerr:** Karen Watt touched on the strategic review of capital investment in the colleges sector. I have a couple of questions on which I am sure you will be able to give me some quick responses. When can we expect to see the outcome of the review?

**Karen Watt:** The autumn.

**Stephen Kerr:** The autumn.

**Karen Watt:** I beg your pardon. Given that we are going into autumn, I should clarify that it will be autumn 2023.

**Stephen Kerr:** That is a huge clarification. I was thinking that it was imminent.

**Karen Watt:** Well, what is imminent is—

**Stephen Kerr:** Why is it coming out in another year?

**Karen Watt:** I apologise; let me clarify. We will publish something soon about how we will go about developing an infrastructure investment plan, and that plan will be available in autumn 2023.

Over the coming period, we will be working very closely with colleges. Every college will need to revise its infrastructure plan. At the minute, we have a baseline going back to 2017. At that time, we knew that there was a funding gap of significant proportions—I think that £360 million was required. That came from an estate survey in 2017. Since then, we have had a capital budget. At the minute, there is about £30 million annually for capital maintenance. In 2022-23, there is £72.6 million overall, which includes capital maintenance and specific funding for the new Dunfermline learning campus and some digital work.

As we put together a more significant infrastructure investment plan, we are looking not just at maintenance but at the whole college estate, including digital infrastructure. We are looking very holistically at what might be required for the college of the future. Where does the estate need to be rationalised? How do we understand now the needs of the college going forward? We are, and already have been, working very closely with colleges on how to understand that. We are working on how we can get new

plans from each college to enable us to understand the nature of the issue now, and then to look at the kind of investment that is required and whether there is a possibility of new types of investment being available to the colleges.

**Stephen Kerr:** I want to come back in on that, because it is an important point. You said that the requirement as it stood in 2017 was £360 million. Do we have any idea what the scale of it is now?

**Andrew Witty:** The 2017 survey identified that £360 million was needed over the following five years, up until 2022. What you have seen from Audit Scotland's reports is that the investment has fallen short of that.

Historically, there has been underinvestment in infrastructure. There are some good examples of colleges—I hope that committee members have had the chance to visit some of them—and significant moneys have been put into the sector for infrastructure, but there are also some very poor examples of estates where there are buckets catching water in areas where learners are being taught.

To be clear, the £360 million that was identified in 2017 was to make buildings wind and watertight. It was not to gold plate them; it was simply to bring them to that level.

**Stephen Kerr:** So, it is pretty basic.

**Andrew Witty:** I would say so, yes. It could be described as that.

**Stephen Kerr:** So—

**Andrew Witty:** Sorry, but I would just like to make the point that we call that backlog maintenance—it is maintenance that needs doing—and we have received a quarter of that £360 million.

**Stephen Kerr:** What is your assessment of where we are now? It sounds as though it will be a much bigger number.

**Andrew Witty:** There is another type of maintenance, called life-cycle maintenance, which is, in essence, that which is needed to maintain a building in its current condition. Over the period that we are talking about, we have had about half the funding needed for that life-cycle maintenance, which means that more buildings have been falling into the backlog category.

There has been no figure since 2017—the £360 million is the latest figure.

**Stephen Kerr:** Do you have any working assumptions about what the number might look like?

**Andrew Witty:** I do not have any assumptions about what that figure is. Given the level of

backlog funding and life-cycle funding, it will have gone up. Karen Watt mentioned the work on the investment plan, and we have been working with the sector on the strategy. One of the next stages is putting the pounds and pence to that in the investment plan. That will be key to allow the Scottish Government to see where the need that colleges have fits within the pressures across the public sector.

**Stephen Kerr:** When will we see that number?

**Karen Watt:** Just to be clear, when we have invested our capital moneys, it has been largely on high-priority maintenance and 50 per cent of the life-cycle maintenance. We distribute our budget to high-priority maintenance and some of the life-cycle maintenance, because that is the money that we have to distribute.

We are working with colleges, which might want to update their infrastructure plans. We want to refresh that information across the board, so that we do not just have the information on backlog maintenance but know what might be required for the next five to 10 years to bring college estates to the level of what a student walking through the doors should expect to get, in terms of being digitally enabled and the net zero strategy.

Every college will need to refresh and expand the information that we get. We will be working with colleges and other bodies such as the Scottish Futures Trust to look at funding models, so that when we put together the investment infrastructure plan it is comprehensive and costed, and it is clear what options the Government and others have to bring that investment into the college sector.

**Stephen Kerr:** Should what you have described not be done annually? Is it not good housekeeping for colleges to do an annual inspection of what they have and what they would like to have so that they can spec it up and put a number on it? You make it sound as if they have not looked at the issue since 2017, but surely that cannot be right.

**Karen Watt:** No, that is not right. Some colleges do on-going survey work, for example, on particular buildings or to ensure that their life-cycle maintenance is being prioritised in the right way, but we need to take a more fundamental look at the infrastructure that goes over and above a yearly look at how to keep what they have got in the right frame of reference. We are not talking about replacing like for like or simple maintenance. Instead, we are looking strategically at an investment plan across the college estate that involves working with partners and, where a college is already part of a community plan, local authority plan or school plan, we are considering what that means for net zero targets, digital and

the infrastructure across all the capital investments involved.

**The Convener:** We are hearing about all these wonderful things that you want to do for students, but, if the buildings are not wind and watertight, we are at a critical moment. If £360 million is needed to make them wind and watertight—

**Stephen Kerr:** That figure was from five years ago. We do not even know what the number is.

**The Convener:** So, we do not know how much is needed now. I am concerned that the lack of capital funding that is being provided to our colleges means that safe and warm wind and watertight buildings are not being provided for students to learn in. Should we not provide that first, before we invest in net zero and all those other things? I am trying to figure out what is being prioritised, so will you comment on that?

**Karen Watt:** Of course. Every year, we spend our capital budget on high-priority maintenance. That includes when a building is not in a fit state or when urgent repairs are required, and it also includes critical infrastructure or repairs that a college has identified. However, because we have a fixed pot of money—

**The Convener:** I get that. We know that you are spending money on those things. All I am saying is that, clearly, your capital budget is nowhere near enough, and we need to be much more critical about that element. The learning environment is key to course completion rates, businesses working with colleges, investment and communities seeing colleges as anchor organisations. It is about far more than just wind coming through the windows.

**Karen Watt:** I completely understand that point, and it is true to say that there is a massive mix of quality in the estate. Our issue is that that is not equitable for every student. We distribute the money to address key priorities, and we have some amazing buildings and wonderful investments, but we would like to see that replicated across the country.

**The Convener:** Those amazing buildings are the ones that members get taken to for visits.

**Stephen Kerr:** That is a very good point, convener.

To be able to make those judgments, which you do with a finite amount of money, you must know the current value of the maintenance backlog; you must have a universal view of what that currently looks like. What does it look like?

**Karen Watt:** Apologies, but I cannot give you an absolute figure. As Andy Witty said, it is very difficult to do that without some new information. I

hope that we will be able to refresh the view of how much is needed.

**Stephen Kerr:** Can you share with us the information that you worked from when you made your previous set of allocations? If you do not have that information today, maybe you could write to us with it.

**Karen Watt:** Of course.

**Stephen Kerr:** Surely, that would show us, very transparently, what we are looking at.

I will move on. You have mentioned options for finance to deliver the strategy several times. What are you thinking of specifically?

**Karen Watt:** As colleges are public bodies, they are reliant on Government funding and cannot build up the kind of reserves that they might need to reinvest in their stock and consider capital requirements for the future. Therefore, when it comes to investment, the first responsibility must be a Government one. That means that we are looking at other strategies that the Government has on its Scotland-wide infrastructure. Where we can, we are trying to dovetail with other parts of Government to see whether the budgets that are in place for improvements such as digital improvements can be used for the college estate.

11:00

**Stephen Kerr:** Are you thinking of investment through, for example, the Scottish National Investment Bank?

**Karen Watt:** Exactly so.

The problem is that it is clear that the kind of investments that are going into some of the loans in question are not the kind of investments that are well suited to public bodies. Therefore, we plan to work with the Scottish Futures Trust to establish whether there are investment models that would allow a different form of investment that could be repaid over a long period of time. We want to refresh our approach and see what those models might be. At this point in time, I am not absolutely sure what the shape of the models might be, but I would say to the committee that I think that we need to explore all possibilities.

**Stephen Kerr:** I have a quick final question.

**The Convener:** It must be very quick, and the answer must be very quick.

**Stephen Kerr:** There was controversy about the Organisation for Economic Co-operation and Development report on curriculum for excellence and the fact that ministers had received it before its publication. It was suggested—although this was disputed—that they had materially interfered with the delivery of what was in the report.

**The Convener:** Mr Kerr, this section of questioning is on capital.

**Stephen Kerr:** I am coming to the point, convener.

Will a copy of the review that the Funding Council is preparing come to us without having first been put through the filter of the Scottish ministers?

**Karen Watt:** I suspect that we will work with our board, the sector and the Scottish Government along the way in creating that document. We will be relying on their sense of what investment might be possible and what the Government's commitments will be. However, I am very comfortable about sharing material with the committee as we develop it.

**Stephen Kerr:** That is reassuring.

**The Convener:** We move to questions from Stephanie Callaghan on community learning.

**Stephanie Callaghan (Uddingston and Bellshill) (SNP):** Earlier, Andrew Witty mentioned cross-agency work; perhaps James Dunphy or someone else would like to come in, too.

I think that we can all agree that community learning is of great importance in widening access, but there has been a shift towards encouraging students to take up full-time college places. Is that the best way to improve outcomes for young people from deprived backgrounds and young people with additional support needs? A range of training providers that work with young people who are furthest from the labour market, who often face significant personal challenges in their lives, focus on the softer outcomes of confidence, motivation, self-belief and self-worth, but they also deliver SQA qualifications, and many of those young people progress to college.

Are there too many students who are struggling to maintain full-time college places because they need a bit more preparation before they can sustain a full-time college place?

**Andrew Witty:** Every college works with community learning and development partners in its area to help those people to develop those softer skills, which are also skills that college learners will learn as they go. Earlier, I talked about the distance travelled. For some people, picking up those softer skills—those life skills and employability skills—is a positive route for them, as it gives them the confidence and the ability that they need. Colleges will work with community learning areas on that.

The full-time equivalent training that is delivered in colleges has been maintained—indeed, it went up slightly in 2021. Although we have seen a drop in the headcount, the FTE number has been

maintained, which is related to an increase in longer-duration courses. A few years ago, the Government responded to the high youth unemployment rates with policies that focused on young people and asked colleges to focus on delivery that led to recognised qualifications. We were supportive of that response, and the impact thereof was an increase in full-time learners.

However, although they were supportive of the focus on young people, colleges never stopped wanting to ensure that they delivered lifelong learning to people of all ages during that time.

**James Dunphy (Scottish Funding Council):** In relation to widening access, as Stephanie Callaghan said, colleges play a critical role in supporting students from a wide range of backgrounds, including those that are furthest from the labour market. Over the period since regionalisation, we have seen colleges become more significant regional players that can form not just relationships at the level of provision but strategic partnerships with local authorities, private training providers, universities and employers.

Interestingly, there were almost as many part-time learners under 24 in the college sector in 2021 than there were learners in FTE arrangements. Many of those part-time learners were under 16, so they would have been engaging in college while engaging in other learning, through school or other arrangements.

Colleges have played a significant role in supporting our overall ambition for widening access at the tertiary level. As Karen Watt said in her opening remarks, 40 per cent of the students from Scottish index of multiple deprivation—SIMD—20 areas who go on to university have done so having progressed from a college course, which is a fantastic illustration of the college sector's success in widening access.

**Stephanie Callaghan:** You have picked up on what I was going to ask next about part-time courses.

I am interested in what you said about community learning and working with training providers, which is on-going with people in the college. What is different with those partnerships is that there is activity-based learning, group work, outdoor education and a focus on those kinds of things. What kind of joint work are you doing on that?

**James Dunphy:** As you might expect, much of that work takes place in the region, in those spaces between institutions and local authority partners. Community learning is at its heart about providing what people need locally in order to be successful in their lives and careers. Much of the scoping of the college sector's contribution takes place in partnership with local authorities through

community planning partnerships and other spaces.

The college sector also has a role in providing continuing professional development to staff who work in community learning, which is an important part of the system's contribution at that level.

More generally, we are interested in the extent to which the provision that we fund is coherent. Through our national review, we committed to not only consider the matter nationally but to pursue a set of regional tertiary provision pathfinders. One of those pathfinders is in the north-east and the other is in the south of Scotland. In both cases, they consider the range of pathways that are available to learners of all ages and stages. As Andy Witty mentioned, it is about not just young learners, who have been a particular focus during the period since regionalisation, but learners who need to upskill and reskill to be successful in their lives and careers.

**The Convener:** Would Shona Struthers or Andy Witty like to comment quickly on any of those questions?

**Andrew Witty:** Through regionalisation and the interaction between the economy of scale and community planning partnerships and other bodies, as James Dunphy said, colleges are in a strong position to be able to help. Each college will work with the partners in community learning and development and do what is required for their region. Regionalisation has helped that process because of where it has positioned colleges.

**The Convener:** I will shamelessly plug West Lothian College, which I visited last Friday. It is an excellent example of community anchoring and community learning.

We will move on to questions on reclassification from Ruth Maguire.

**Ruth Maguire:** In her opening remarks, Shona Struthers mentioned some of the major changes that the sector has seen, one of which is ONS reclassification. Will you please tell the committee a bit more about the longer-term impact of colleges being classified as public bodies?

**Shona Struthers:** Colleges were reclassified by the ONS as public bodies at round about the same time as all the other changes that I mentioned in my opening statement were made. What has that done? Many colleges tell me that that has constrained how they operate. They are required to balance their budget, for example. Some of them had reserves before they were moved into the public sector, but reserves must now go to arm's-length foundations. Those reserves might have been used for capital investment, for example, but they have gone, so colleges are very

reliant on the Scottish Government providing their capital plan for them.

With reserves, colleges had the ability to speculate business-wise and to seed and grow investment in different international markets and products, for example. Much of that investment has been constrained, because colleges are literally struggling to balance their books right now.

All the headroom that reserves and the ability to borrow might have given colleges has been taken away. That headroom allowed colleges to be slightly innovative, to be more entrepreneurial and to bring in other income streams. Colleges still do that—no college is 100 per cent funded—but the ability to be and do those things has been constrained and their headroom has been reduced.

Our sector is aware of the classification. Through the Scottish Funding Council's review, we asked for that to be reconsidered, but the Government's answer to that is clear. The college sector continues to work within the constraints of the ONS reclassification.

**Ruth Maguire:** Other public bodies have flexibilities. One of the college representatives—you will have to forgive me, because I cannot remember who it was—spoke about the potential of carrying forward budgets. Other than the ability to use reserves, what flexibilities do other public bodies have that you might want to use, recognising that the status might change between—

**Shona Struthers:** There are different classifications, and the classification in which colleges sit does not allow that flexibility. However, I am happy to defer to others on that issue.

**Karen Watt:** Shall I pick that up?

**The Convener:** Please do.

**Karen Watt:** The reclassification brings constraints, such as smaller cash reserves and the inability to borrow, which make it harder for colleges to maintain and reinvest in their estate in the long term. However, we should not lose sight of the fact that colleges are also at lower risk, so they are less likely to suffer significant financial losses. They also have access to funds with which to manage their cash flow. We manage that with colleges on an on-going basis.

I also do not want to lose sight of the fact that, through our review, we received very strong representation about colleges being subject to democratic accountability through ministers and this Parliament. However, because of the nature of their public body status when it comes to flexibility, we recommended to the Government that it explore giving colleges more flexibility or that it

push the boundaries of those flexibilities where it can.

We were very keen to look at flexibilities around the March financial year end, so that we could support more reprofiling towards the end of July. That is because the college year is longer and does not fit neatly into public body classifications. It also does not fit neatly into how the Government manages its books and therefore with how we need to work with colleges.

The Government is looking at those flexibilities at the moment. I understand that it has prioritised the issue for consideration as part of the recommendations of our review. I am hopeful that we will have greater clarity for colleges on that in the near future.

I will make one other small point. In England, we are watching carefully how the ONS is looking at the status of colleges. A number of colleges in England have gone bust, have had forced recovery or have faced other issues because they are not public bodies but are designated as non-profit-distributing, charitable or other such organisations. The ONS is now considering whether to give colleges in England public body status, and we are watching very carefully to see whether they get any further flexibilities that we, in Scotland, can explore if the move goes ahead. We are looking at flexibilities across the piece.

11:15

**Ruth Maguire:** That was helpful.

I appreciate and do not want to diminish in any way the financial challenges that we are all operating under, but can you set out how helpful those flexibilities might be and what they might mean for colleges? It would be helpful to get that on the record. Who would like to respond?

**Karen Watt:** At this point in time, any flexibility for a college would be very valuable. It will probably not have the gamut of flexibilities that it might like, but any flexibility would make a difference.

**Ruth Maguire:** Forgive me for interrupting, but I think that it is always helpful to know specifics. We can all say in general terms that flexibility is helpful, but what would this kind of flexibility look like? What would it mean? What more could be done with it?

**Andrew Witty:** The ONS designation is constraining—it constrains revenue and infrastructure. I do not want to go back to the discussion that we had a few minutes ago, but not being able to build up reserves limits strategic planning. The areas that we want to get to are what can be done within that envelope. Could any changes be made that would allow colleges to

have the ability to plan strategically? I suppose that it is all about trying to find a structure that gives colleges the maximum flexibility to deliver on all the priorities that we talked about earlier.

As I have said, this is about looking at and exploring what might be possible within that envelope. The issue has been looked at over the years. As Shona Struthers said, the specific designation of colleges is limiting, but I agree with Karen Watt that we need to keep a close eye on what is happening in England, how they tackle the issue down there and whether there is anything that we can learn from that.

**The Convener:** I have a question on articulation. Has enough progress been made on articulation from college to university, and what might be done to encourage further progress?

It looks as though James Dunphy is going to respond.

**James Dunphy:** Articulation has been a key area of national policy over the past decade, and the SFC, in particular, has worked with colleges and universities to drive a focus on it, including through the funding of articulation hubs across the regions of Scotland for a number of years. Those hubs were collaborations between colleges and universities to drive a focus on, in particular, advanced standing from higher national qualifications to degree-level study.

In our review, we heard a range of voices from colleges and universities that suggested that, although that work had been hugely positive for learners and the system, we needed to think again about the range of ways in which students access provision and become successful through the system. Actually, that links to the earlier question of community routes into and through the system. We also recognised that the qualifications landscape was changing, so our review recommended working with students and institutions on a refreshed set of access pathways as well as on a refreshed set of institutional expectations to deliver them.

The work will take account of feedback from Sir Peter Scott, the first commissioner for fair access, who will shortly demit office, and it will engage with the work on qualifications and assessment that is being led by Professor Hayward. The point of it is to bank the progress that has been made in articulation without losing sight of the range of qualifications that learners use to access and progress through the system. Our broader set of fair access pathways will present us with that opportunity to set expectations across the qualifications landscape, instead of focusing on the HNC/HND to degree-level route, as we have seen in the context of articulation.

**The Convener:** If no one else wants to comment, we will move on to questions from Bob Doris on Glasgow. I ask you to be concise, please.

**Bob Doris:** The Scottish Funding Council has made recommendations about how the Glasgow colleges regional board and its three assigned colleges could work together more closely and about how structures could be changed. When Derek Smeall gave evidence to this committee a few weeks ago, he said that the board's activity is "highly transactional" and "massively duplicates" the work of the Glasgow colleges group. I think that he feels that the colleges are in lockstep in their thinking and that the colleges group provides a much more effective and strategic way of taking forward themed activities in the Glasgow colleges sector.

Does the Government accept the SFC's recommendations? The view of the three Glasgow college principals is out there. What is the future of the GCRB? There is duplication, albeit that it might be well intentioned. We talked earlier about mergers. Perhaps there would be a cost saving if there were no Glasgow colleges regional board.

**Karen Watt:** We made recommendations to the Government on all three multicollege regions. On Glasgow, we said that, although huge progress has been made and there has been a lot of good joint work, there are mixed views about how well the GCRB has worked as an overarching board and the time is right to look at that again. In the months between making our review recommendations and now, the GCRB has been looking at a number of options.

We decided to draw a line under that and to work with the GCRB on a smaller number of options. We are appraising those at the moment and will make a recommendation. One of the options might well be that the GCRB does not exist going forward. If it did not exist, we would still want a number of important principles to pertain. We would still want one-door access for students, so that access to college provision in Glasgow is uncomplicated; we would want really strong collaboration across the three colleges; and we would want to ensure that, ultimately, a regional perspective is taken, jointly.

That is one of the options that we are looking at. It is a little early to say anything at this stage, but by the end of this year we will make a recommendation to ministers about next steps for the Glasgow region.

**Bob Doris:** Where does the Glasgow colleges group sit in the process? There are representatives of the colleges on the regional board, but it is unclear whether principals are members, although they attend meetings. There is a grey area when it comes to the influence that

each college has within the board. How can colleges influence the process?

**Karen Watt:** We have heard a number of strong views about how that should work. There is a view that not having the college principals on the GCRB is a difficulty. Principals observe, and their chairs are part of that, so the colleges are represented in the overarching board.

That is another thing that we need to look at. What will make for better outcomes, and what is the best governance arrangement in that regard? The colleges group—in which the three colleges come together—is a principal-led group that looks at the detailed operations of the three colleges. Some college principals feel that it is a good springboard for considering a different option for how the three colleges operate.

**Bob Doris:** You said that some of the principals thought that that was a good springboard, but I asked how the Glasgow colleges group was specifically involved in that process. What is their input and how can they influence that discussion?

**Karen Watt:** I understand that they will be very involved. Not only have they been involved all the way along in the GCRB's review, but we will engage with the group as we look at the final options, before we make a recommendation. We will make a recommendation with the involvement of the key players. That might not be easy, because there are different views among the GCRB, the principals and the other stakeholders, but we need to get to a point by the end of the year where we make a clear recommendation about how we move forward with the right kind of governance for the future.

**Bob Doris:** Will Glasgow MSPs know by Christmas what the outcome is?

**Karen Watt:** We will be engaging with all stakeholders, including Glasgow MSPs.

**The Convener:** Willie Rennie has a supplementary question on this topic.

**Willie Rennie:** I am intrigued by some of your language. It sounds as though you are delegating to the regional board the responsibility for leading the reform. Tell me that that is not the case. Are you leading this work or is the board leading it?

**Karen Watt:** We are now leading the review of options.

**Willie Rennie:** Okay. Thank you.

**The Convener:** Bob, are you finished on that point?

**Bob Doris:** Yes. I just wanted that helpful clarification.

**The Convener:** We have a couple of sweep-up questions—one from me and one from Graeme Dey. This goes back to evidence that we have already heard, but we need to ensure that we get coverage for our inquiry and budget scrutiny. Previous evidence on funding explained that colleges are continuing to deal with the impacts of Covid. Would you have expected the funding to carry on for a bit longer? I am looking for comments on the fact that that funding has been cut off and will not continue.

**Shona Struthers:** For a sector that is struggling to balance its books, sustained additional funding would have been very helpful. Many of the things have been embedded. For example, the mental health counsellors in colleges were paid for by specific mental health funding and there is no clarity on the future of that programme. That is not Covid funding, but is just one aspect of the issue.

Digital has also changed the way in which the colleges run. A lot of the Covid moneys were used to assist with that through colleges handing out laptops and ensuring that students had data allowances. Some of those things have carried on as colleges have developed their offering post-Covid.

There are additional costs, and it would be helpful if we had the funding to continue those programmes.

**The Convener:** Is that detailed and mapped out in the specifics? Has it been made quite obvious? For example, you referred to data allowances and, as you say, there is not a one-off fixed cost for those.

**Andrew Witty:** The specifics around mental health and digital poverty were included in our submission to the spending review ahead of the May announcement. I would not be surprised if they feature in our draft budget submission, which is currently going through our governance process.

**The Convener:** The £5 million investment for digital for colleges, universities and community learning providers—it is not just for colleges—is there to address the current digital divide. Do you think that that is enough?

**Shona Struthers:** No.

**The Convener:** I like a yes or no answer—it is good to be concise.

**James Dunphy:** You asked about the additional funding that flows into the system, but there is also a point about learning loss, which is a topic that members picked up earlier. This year, we have allowed colleges to claim additional credits from their core funding to ensure that they are able to direct additional support to learners who have had their learning experience disrupted due to learning

loss elsewhere in the system. That is not additional money, but it aims to ensure that learners at the front end who need additional support are able to get it and that colleges are able to claim that against their credit targets from the SFC.

**The Convener:** That goes back to some of the questions that we asked about lost learning and about how colleges are expected to take up the slack.

**Graeme Dey:** I am seeking to get two points of clarification from Karen Watt.

First, you indicated earlier that, in determining the level of funding that universities enjoy, you take account of the additional overheads—their cost base. Do you also take account of their ability to generate income from other sources? I see that you are nodding your head, so I will take that as a yes. I am sure that you see the point that I am getting at: colleges do not enjoy the same opportunity.

Secondly, if you were to arrive at a decision that the funding per student should be the same for colleges as for universities where there is like-for-like provision, what would that be worth to colleges? Can you give us a ballpark figure?

**Karen Watt:** Crumbs—not off the top of my head. I apologise, but I would not be able to give you that figure quickly.

**Graeme Dey:** Could you write to us on that, to give us a sense of what difference that would make?

**Karen Watt:** Of course.

**James Dunphy:** We can do that, but it is perhaps worth saying that, for 2022-23, the average level of SFC funding per place was around £7,500 for universities and around £5,000 for colleges.

**Graeme Dey:** I am talking specifically about where there is like-for-like provision. There would be a multiplier attached to that £2,500.

**Karen Watt:** If it would be helpful, we could look at how many higher national students and how many undergraduates there are and provide the committee with some additional work on that.

**The Convener:** Thank you for that. My goodness—look at the time. Thank you all for your time today.

We will now consider our final agenda items in private.

11:31

*Meeting continued in private until 12:17.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

---

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

---

All documents are available on  
the Scottish Parliament website at:

[www.parliament.scot](http://www.parliament.scot)

Information on non-endorsed print suppliers  
is available here:

[www.parliament.scot/documents](http://www.parliament.scot/documents)

For information on the Scottish Parliament contact  
Public Information on:

Telephone: 0131 348 5000

Textphone: 0800 092 7100

Email: [sp.info@parliament.scot](mailto:sp.info@parliament.scot)

---



The Scottish Parliament  
Pàrlamaid na h-Alba