



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

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

**Wednesday 2 November 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 2 November 2022

### CONTENTS

	Col.
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	1
<b>COLLEGES REGIONALISATION INQUIRY .....</b>	2
<b>UNIVERSITIES .....</b>	28
<b>SUBORDINATE LEGISLATION.....</b>	40
Education (Listed Bodies) (Scotland) Amendment Order 2022 (SSI 2022/294).....	40
European University Institute (EU Exit) Regulations 2022 .....	40

---

## EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE

### 26<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:

Pam Gosal (West Scotland) (Con)  
Jamie Hepburn (Minister for Higher Education and Further Education, Youth Employment and Training)  
Stephen Pathirana (Scottish Government)

#### CLERK TO THE COMMITTEE

Pauline McIntyre

#### LOCATION

The Robert Burns Room (CR1)



# Scottish Parliament

## Education, Children and Young People Committee

*Wednesday 2 November 2022*

*[The Deputy Convener opened the meeting at 09:18]*

### Decision on Taking Business in Private

**The Deputy Convener (Kaukab Stewart):** Good morning, and welcome to the 26th meeting in 2022 of the Education, Children and Young People Committee. We have received apologies from the convener, Sue Webber, and from Willie Rennie. I welcome Pam Gosal, who is joining the committee today for the public part of the meeting.

The first item on our agenda is a decision on taking business in private. Are members content to take agenda item 7 in private?

**Members indicated agreement.**

## Colleges Regionalisation Inquiry

09:19

**The Deputy Convener:** Our next items of business are evidence sessions with Jamie Hepburn, Minister for Higher Education and Further Education, Youth Employment and Training, and his officials, who are all joining us virtually today.

The first session will inform our colleges regionalisation inquiry and the second will allow the committee to follow up on issues raised at an earlier meeting about universities.

I welcome the minister and the Scottish Government officials—Stephen Pathirana, the director of advanced learning and science; Helen Webster, the deputy director for reform at the directorate for advanced learning and science; and Jess Dolan, the head of colleges and economic impact.

We have a lot of ground to cover this morning, so I invite the minister to make a short opening statement before we move on to questions. Minister, you have up to five minutes.

**The Minister for Higher Education and Further Education, Youth Employment and Training (Jamie Hepburn):** Before I address the subject matter for today, I thank you and the committee for enabling me to participate remotely in short order. I very much appreciate it. I promise to try not to make a habit of busting my ankle, and I hope to be with you in person the next time .

It has been more than a decade since the Scottish Government announced changes to the college landscape as part of wider reforms introduced by the Post-16 Education (Scotland) Act 2013, which led to college regionalisation. I am happy to be here to talk about college regionalisation with you.

Our colleges are vital not just in the delivery of education, but in addressing some of the greatest challenges that Scotland faces today. Colleges deliver the skilled workforce for much of Scotland's foundational economy, with college graduates becoming electric car mechanics or business owners in the travel and tourism sector, pursuing careers in digital infrastructure, or providing care to people in our hospitals and care homes. Those are only a few examples of the excellence in Scotland's college sector—an excellence that I have been privileged to witness at first hand in my many visits to our colleges. I am sure that that experience is shared by you, convener, and by other committee members when you are undertaking visits to your local colleges.

Scotland's colleges give people who face the greatest barriers to learning the opportunity to fulfil their potential. In 2020-21, more than a fifth—22.6 per cent—of learning hours were delivered to students with a declared disability, 6.4 per cent of learning hours were delivered to those with care experience and 16.3 per cent of learning hours were delivered to those from the 10 per cent most economically deprived areas.

Regionalisation has brought a number of benefits. Colleges are anchor institutions in their local economies and communities, delivering through regional partnerships with universities, schools, local authorities and businesses in their areas. As you have heard directly from college principals, that has led to universities and colleges creating clearer progression routes to higher levels of study, from traditional articulation models to integrated learner journeys.

Of course, I recognise the significant impacts of the pandemic. There was clear adaptability and resilience on the part of students and staff in our college sector in pivoting to digital delivery and the challenge of impacts on mental health and wellbeing. We, as a Government, will continue to address the legacy of Covid-19 and take on board the lessons learned as we plan for the future.

As we continue to move forward from the pandemic, collaborative working to deliver shared outcomes remains essential. Regionalisation has improved the resilience of the college sector, delivering efficiencies and benefits of scale, and putting colleges on a better footing to work with more difficult financial realities that are being felt across the public sector.

We face significant funding pressures and we are thinking carefully and creatively to ensure that we continue to deliver for Scotland's learners. I assure colleges that we will continue to engage with them throughout the budget process.

Despite the challenges that we face—I do not pretend that there are no challenges—we are building on strong foundations. In previous sessions, the committee discussed the development of the purpose and principles for post-school education, skills development and research. That work is about setting the direction for the longer term, aligning and galvanising all actors and supporting reform and continuous improvement to deliver lasting change for future generations, ensuring that we continue to meet the changing demands of Scotland's learners and our future economy.

I look forward to seeing the conclusions from the committee's inquiry, which will help to inform our considerations as we move forward. Along with my officials, I look forward to answering any questions that you and the committee may have for me.

**The Deputy Convener:** We move to questions. I expect that most, if not all, of the questions will be directed to the minister, but should anyone else wish to come in on any question, please put an R in the chat box. The clerks will monitor the chat box and I will bring you in when I can.

I will start off on the purpose of regionalisation, which was to remove duplication and unnecessary competition between universities and colleges, to enable reforms, to provide a rapid response to current employment and skills challenges, and to create more efficiencies. To what extent have those aims been achieved over the past 10 years?

**Jamie Hepburn:** To a large extent, they have been achieved. There has been a reduction in the duplication of course provision; that delivers efficiencies and benefits of scale, which, in turn, positively impact on front-line delivery for students. Since regionalisation, there has been greater agility, flexibility and responsiveness in the college sector to the needs of its learners, employers and the wider communities that it serves.

There has not only been a reduction in the duplication of course provision; it has also been done on a basis that maintains core provision across geographical areas. An enormously important part of the equation is that we have greater clarity on learner pathways and better collaboration and joined-up activity between our academic institutions—for example, between colleges and universities. We also have greater levels of provision of senior-phase school learning in the college environment.

Those positive developments were reflected in some of the evidence that you heard from principals about the pathways that have been created. They articulated that those pathways were probably not possible in years gone by.

**The Deputy Convener:** We know that there are pressures on skills and that we need to respond with the new skills that are required. We heard that in evidence. Are things all right now, or could improvements be made to ensure that colleges can respond more rapidly to fill those skills gaps?

**Jamie Hepburn:** Undoubtedly, improvements can be made. None of us would pretend that there is not still a journey to be made in ensuring that our institutions are ever more responsive to the requirements and needs of our economy and society. The fundamental question is whether regionalisation creates a better platform for that to be enabled. For all the reasons that I have laid out, I believe that to be the case.

Looking across the country and the many visits that I have undertaken to Scotland's colleges, I see that in action. For example, I visited West Lothian College, which has a good tie-up with the Scottish Ambulance Service to support people to

transition from various sectors of the economy into the social care sector. Borders College uses its science, technology, engineering and mathematics centre to better support the upskilling of employers such as electricians to undertake important types of activity for the future response on the green skills agenda—for example, through the installation of ground-source heat pumps.

That is the type of activity that we have enabled to happen through regionalisation, but there is undoubtedly still more to be done. I am up for that challenge and I know that Scotland's colleges are, too.

**The Deputy Convener:** I am finished for the time being, but I may come in later. I bring in my colleague Graeme Dey.

**Graeme Dey (Angus South) (SNP):** Good morning, minister. You used the word "challenge". How big a challenge do you accept has been posed to Scotland's colleges by a flat cash settlement for the coming years?

09:30

**Jamie Hepburn:** I would not pretend that there are no challenges in trying to manage that budget. We will have to work closely with college principals and the wider workforce to work our way through that. In my opening statement, I made the point that I will work collaboratively with Scotland's colleges to respond to that challenge. It is a sincere and genuine commitment.

I observe that some of those challenges are ones that we have to grapple with across the entirety of Scotland's budget. We estimate that the budget position today is worth some £1.7 billion less than it was when we published the budget in December 2021. That is no small challenge, but we are committed to ensuring that, as much as possible, we invest in the front line for Scotland's college sector. I am committed to working with the colleges to do that.

**Graeme Dey:** All of that is entirely accurate but, on solutions to the matter, colleges are restricted in their ability to generate additional income. They have no ability to borrow or hold reserves. Would you be prepared to consider those areas? That takes us into the territory of Office for National Statistics reclassification.

**Jamie Hepburn:** I observe that, to a greater or lesser degree, that is outwith our hands. We cannot direct the Office for National Statistics to determine how it will classify any entity. We did not ask it to reclassify Scotland's colleges. That was a decision that it took.

To be fair, there is a legitimate question as to whether we could adjust the set-up of Scotland's incorporated colleges—not every college is

incorporated, but the vast majority of them are. We could reconsider that proposition, although there would be no guarantee that the ONS would not still say that, under its classification, the colleges are classified as public bodies.

On balance, notwithstanding some of the challenges that we have, it is appropriate and correct that we continue to operate in the environment that we have with regard to how incorporated colleges are structured. It has been in place for a long time. It emanates largely from a piece of legislation from 1993, so it predates devolution, let alone the current Administration. On balance, that is the correct formula for our relationship with them as largely publicly funded bodies.

In response to the Scottish Funding Council's review on sustainability, I have committed to consider whether there can be further flexibilities to help colleges to better address some of the challenges. We are committed to doing that and we are examining it with the SFC. We have made a commitment to Colleges Scotland that we will do it on an expedited basis, because I know that colleges are looking for those measures in fairly short order.

**Graeme Dey:** I will put you on the spot. You are talking about dealing with the matter on an expedited basis. How quickly do you think you will get to the point at which you have identified whether flexibilities are available to you to offer to colleges and whether you are prepared to make that offer?

**Jamie Hepburn:** Some flexibilities are already being extended. There is some latitude for colleges on meeting their credit targets without the Scottish Funding Council implementing clawback.

In the environment that we have, we can operate with some latitude and flexibility. The question that has been posed to us, which is reasonable, is whether we can go further. I am committed to considering that question. It might be possible that we can do something this academic year, but I believe that we might be able to do more in the next academic year.

**The Deputy Convener:** If it is all right, I will stick with Graeme Dey, as he wanted to explore the issue of ONS classification. I think that Ruth Maguire also wants to come in on that.

**Graeme Dey:** I am content with the answers that I have heard already, convener.

**The Deputy Convener:** Okey dokey. I call Stephen Kerr.

**Stephen Kerr (Central Scotland) (Con):** What other flexibilities have already been offered to the colleges, and what menu of possible further flexibilities have you and your officials worked up?

I must ask you to be specific about that, minister, because it would be good to get that information out in the public realm.

**Jamie Hepburn:** Colleges Scotland has asked whether we need such a level of credit-based provision and whether colleges should have increased latitude to be more responsive to, say, local employer demand. I am committed to looking at that, but can I earnestly and honestly say that we have landed where we are going to end up on that? No, I cannot, but we also have a good foundation of learning with regard to what that could look like.

The flexible workforce development fund, for example, enables employers to have a more direct relationship with colleges and to draw down funding that will be quite responsive to their specific requirements, and our national transition training fund enabled colleges to respond very flexibly. In response to the convener's opening questions, I mentioned West Lothian College's work with the Scottish Ambulance Service, and funding for that was drawn down from the national transition training fund.

There is therefore a basis on which we can be informed about the decisions that we might take, but I point out that we are actively engaged on the matter and are discussing it further with Colleges Scotland to see whether we can land somewhere that might enable them to exercise some more latitude with regard to the public resource that we provide.

**Stephen Kerr:** Are we talking about, say, demand-led apprenticeships? I am just trying to work through what you have said, because I did not really grasp it. Are you saying that there will be more demand-led apprenticeships so that businesses can have cash following their apprentices into the college system? Hugh Hall, the principal of Fife College, was very specific about this in his evidence to us, saying that there were "constraints and bureaucracy" that were obviously costly and time and resource consuming. Could there be a reduction in the constraints and bureaucracy that Hugh Hall referred to? Could there even be some latitude in the form of borrowing? Could colleges borrow to support their expansion in order to fulfil the local demand that you have just described? What is your response to those questions and comments?

**Jamie Hepburn:** You have raised a few issues there, Mr Kerr. We will actively consider the issue of borrowing. There are some constraints with regard to ONS classification, but if there is something that we can do in that respect, we will certainly consider it.

As for the issue of bureaucracy, that, as I am sure you will agree, can often be a loaded term. It

is appropriate to ensure that public resources are accounted for, but I certainly do not want anything to be overly burdensome if such a basis is not required. If there is a specific proposition that will allow us to fulfil our fundamental requirement to account for the public purse, but on a basis that might not be felt to be as burdensome for Colleges Scotland, I am, of course, willing to consider it. However, as I have said, it would require a specific proposition.

With regard to your first question, I was not thinking specifically about apprenticeships. By my estimation and in my view, we have a well-established and pretty successful model for delivering apprentices that derives from Skills Development Scotland's relationship with the providers that it contracts with. Of course, Colleges Scotland is involved in that, too.

I was thinking more about aspects such as how colleges can respond to the requirements of the existing workforce. An apprentice who is recruited will ordinarily be a new entrant to the workforce or, at the very least, someone for whom an apprenticeship might be their initial experience of work-based learning. In order to respond to the various social and economic imperatives and issues that lie ahead of us, such as demographic change and the climate emergency, we need to upskill existing members of the workforce so that they do not fall out of the labour market, with all the consequential challenges that that might entail.

How can we ensure that colleges are ever more responsive to those requirements? I am thinking of that kind of territory.

I recently undertook a very good visit to Glasgow Kelvin College. Mr Doris will doubtless have some questions for me, and I know that Ms Callaghan has an interest in community learning and development. Can we facilitate more of that type of activity? We are considering all of those things.

**The Deputy Convener:** Thank you, minister. We now move to questions from Bob Doris, in fact.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** It is almost as if we had planned it, deputy convener.

A student at Glasgow Kelvin College or any other college may be studying for a higher national certificate in social science at Scottish credit and qualifications framework level 7—I will put my teeth in there—which is the equivalent of an undergraduate first-year social science course at university. Why is there more funding for that student if they go to university than if they go to college?

**Jamie Hepburn:** First, I should say that Mr Doris and I did not plan that question—I was not teeing it up for him; it is a mere coincidence.

The arrangements to which Mr Doris refers are of fairly long standing and reflect the fact that provision in different environments does not necessarily look precisely the same. Some of the overheads in Scotland's universities might not be reflected in the same way in some of Scotland's colleges. For example, a greater range of lecturers and tutors might be involved in the experience of a university student relative to that of a college student. We see some of the same interactions in terms of funding per head for school pupils as well. The situation is driven by a lot of those factors.

There is a legitimate question with regard to whether we have got the balance right, and we will always be willing to consider these things. However, that is the background to what effectively drives those differences.

**Bob Doris:** That is a helpful answer. I raised that question with you previously in the chamber, so I am following through on a more general line of questioning. I picked the example of social science deliberately because there are no laboratory or significant infrastructure overheads; the course simply involves young people interacting with a lecturer or tutor. I do not see, therefore, what the additional cost for universities would be, unless the point is that a social science degree can cross-subsidise other activities at university.

I understand that the average student reimbursement rate for college is £5,054, whereas it is £7,558 for a university student. The difference is quite striking. When I raised the issue with you in the chamber, you said that those matters will have been discussed in on-going dialogue—not only through that, I should point out—with the Scottish Funding Council, Colleges Scotland and Universities Scotland. Can you give me any more details on how those discussions are going?

**Jamie Hepburn:** No, there is nothing specific that I can say beyond the fact that those matters will always remain a consideration.

Colleges Scotland made the point in evidence that it is not necessarily about looking for universities to get less money; so, on that basis, additional resource would be required. I go back to the point that I already made about where we are with the budgetary position right now, which is that the Scottish Government budget today is worth around £1.7 billion less in real terms than it was when we published it in December 2021. That said, it is incumbent on us to always consider those things, and we will continue to keep the matter under review.

09:45

**Bob Doris:** I absolutely accept that. When I raised the issue in Parliament, I—

**The Deputy Convener:** Could you be brief? Other members want to comment.

**Bob Doris:** Okay, deputy convener. I want to finish off this line of questioning, which I think is important.

When I raised the issue in the chamber, I added the caveat that we cannot just magic up money to address the funding gap. However, the direction of travel, aspiration and policy are all about working towards ending that divergence. Given that 43 per cent of the young people from the most deprived areas who are doing undergraduate courses at university started their careers at college, we can see that colleges do fantastic work. I do not want that work to be put at risk. As and when resources arrive, minister, do you agree that the desirable direction of travel is towards closing the gap?

**Jamie Hepburn:** We need to be led by the evidence. I made the point that it needs to be done on the basis of the comparative overhead requirements.

I take your point, Mr Doris. You picked a specific course. With a few exceptions to do with protected subjects—primarily, the medicine courses that universities deliver—we tend not to distinguish between courses, not least because we rely largely on our institutions to determine what provision there should be. We would not want to create perverse incentives by offering differential contribution rates that depended on subject matter.

Notwithstanding that point, I understand the point that you are making about the comparative overheads of some courses not necessarily being that different.

The overall position needs to be evidence led. Beyond the general understanding that the sector is under financial pressure and is desirous of more resource, we need to consider the rationale for looking at things in terms of cost per head.

**The Deputy Convener:** I want to bring in Stephen Pathirana, who is online. He will be followed by Pam Gosal, who wants to ask a supplementary question.

**Stephen Pathirana (Scottish Government):** Thank you. I want to add to what the minister shared with you, specifically in response to the question about social science degrees. Although the overall funding level for universities is higher, on average, than it is for colleges, for the reasons that the minister explained, there is differentiation within that in how the SFC funds different types of course in universities. Broadly speaking, social

science and arts courses are funded at lower rates, which are probably more comparable to the rates in colleges. There is a lot of nuance and complexity in the system that the SFC deals with, which is hidden if you look just at the average figures.

**The Deputy Convener:** The committee has requested the data on that, which would be extremely helpful.

**Pam Gosal (West Scotland) (Con):** Good morning, minister and officials. My question follows Bob Doris's question about closing the funding gap.

Not only do colleges get less per student than universities, but the Improvement Service's local government benchmarking framework shows that average gross spend per pupil in Scotland in 2020-21 was £9,273 for pre-school education, £5,916 at primary school and £7,657 at secondary school. Why is funding for colleges so much lower than funding for universities and schools? Are university students and school pupils worth more than college students?

**Jamie Hepburn:** I have tried to answer that question already, Ms Gosal. To a large extent, that is driven by the experience of learning and teaching. A school pupil will come into contact with many more teachers than a college student comes into contact with lecturers or instructors. Inevitably, that leads to a higher unit cost per head if we look at it in that way. We are not really comparing like for like. The experience in each phase of a person's journey through education is different—there are different drivers of the costs involved. That is largely what drives that differential.

That does not mean that we value one part of the system less than another but is a reflection of the reality of the overheads involved.

As I said in response to Mr Doris's question, we can always keep such things under review and we will look to do that. However—and you might hear me say this quite a lot today, because it is the reality that we are grappling with—the current budget is worth £1.7 billion less than it was when we published it in December 2021. I am all for people making positive suggestions on the redistribution of resource, but they had better be prepared to come to me to say how we are going to do that.

**Michael Marra (North East Scotland) (Lab):** I would like the minister to reflect on what we are hearing from the sector more directly. He makes the argument that it is about overheads and that it is more expensive to educate a student at a university than it is to educate a student at a college. Does he recognise the feeling in the college sector that colleges are very much treated as the poor relations in the portfolio, not just in

comparison to universities but also in comparison to schools? That is not just about the rate of money per pupil but is also reflected in the capital budget. I have had principals tell me that they are ashamed of the condition of their buildings, because there is no money to invest in them.

We can see the numbers, but do you understand that that is how the leaders and the teachers in colleges feel?

**Jamie Hepburn:** I recognise that that has been said—it has been said to me directly. It is not my view that colleges are second class or second rate by comparison to any other element of our education system. I believe that we have a continuum of education provision and that each element is as important as the others, from early years, through school to community learning and development—I will be candid and say that I have heard them say some of those things, too, as, I am sure, has Mr Marra—to colleges and universities. It is not my perception, and I have gone over in some detail—

**Michael Marra:** I am sorry, minister, but you are telling us that your understanding is not being reflected in your decisions. You say that you have that sympathy, but you are the person in charge, who makes the decisions and sets the priorities. You have to be able to defend that differential.

**Jamie Hepburn:** Yes, and I have laid that out. There is a reason for the differential—I have answered that question more than once.

On your point about capital investment, that is another issue that I understand. One of the current challenges is that, in many parts of the country, the college estate is the same age and is maturing, which brings pressures to bear. I know that the committee explored the issue with Karen Watt when she gave evidence. We have asked the SFC to develop an estates strategy and I am looking forward to receiving that. It will inform how we respond to some of the challenges. I recognise the challenges that are out there and we will seek to respond to them.

Mr Marra will be aware that there has been a significant uplift in the capital allocated to Scotland's colleges this year precisely because we recognise that we need to renew our college estate.

**The Deputy Convener:** Thank you, minister. We are about to move on to a set of questions led by Michael Marra, and he may wish to come back on that last point.

Michael, you are going to talk about completion rates, but you might have a follow-up question on that point.

**Michael Marra:** My understanding of the significant uplift that Mr Hepburn refers to in the

college investment strategy is that it is, in essence, one project, although it is a very valid and worthwhile project in Fife. If the minister feels that there is another large amount of money that we have not seen, he could write to us and tell us where it is, because I cannot see it.

**Jamie Hepburn:** Let me come back on that, because I do not understand the point that you are making. Are you suggesting that it is illegitimate for us to invest in that project? That is something that we are doing, and it is the type of response that you will see from the Scottish Government in investing in Scotland's college estate.

We have seen that in the recent past, with the first-class facilities at Forth Valley College, for example. I am sure that Mr Marra has had the opportunity to visit those facilities, which are a direct result of investment by this Administration. We are looking to do the same with the Dunfermline learning campus, albeit that I am still waiting for the final proposition. We are committed to investing in Scotland's college estate.

To go back to a point that I have made already, there is a significant constraint on public resource right now. That applies not only to our revenue budgets; it is also the case for our capital budgets. Mr Marra will understand that those budgets are under further pressure as a result of things such as inflationary pressure.

**Michael Marra:** If I can, convener—

**Jamie Hepburn:** Again, if Mr Marra wants us to invest more in the area, and if he comes forward with suggestions as to where the money can come from, I am more than willing to listen. We are committed to investing—

**The Deputy Convener:** Thank you, minister.

**Jamie Hepburn:** —and we have put in a significant uplift this year. That is the type of action that we have seen from the Government.

**The Deputy Convener:** Thank you, minister.

**Michael Marra:** That is a clear misrepresentation of what I said. I said that there is a welcome project in Fife. The minister referred to the ageing infrastructure across the country—it is all ageing at the same rate—and then said that he is making significant investment. Actually, the Government is funding one project, although it is a worthwhile project, as I said clearly.

I will move on. In our inquiry, a number of people have raised worries about completion rates in Scotland's colleges. To start off on that, are you concerned at the rate of completion of courses by students in Scotland's colleges?

**Jamie Hepburn:** I would like the rates to improve—I certainly agree with that proposition. In the past couple of years, we have seen inevitable

disruption as a consequence of Covid-19, but we are seeing recovery from that, which is welcome. However, I would, of course, like higher completion rates. I suggest that we still see very positive outcomes in terms of post-study destinations, which is welcome. We want higher completion rates, and I am committed to working with the sector on improving the rates.

**Michael Marra:** What are you doing to make that happen?

**Jamie Hepburn:** We are engaging through the Scottish Funding Council, Colleges Scotland and directly with colleges to see—and this kind of goes back to the point—

**Michael Marra:** Can you tell me anything specific that is not about engagement?

**Jamie Hepburn:** It might be better to allow me to answer the questions that you ask me, Mr Marra.

**The Deputy Convener:** I am all for robust discussion and scrutiny, but it is not helpful to anybody to have two people talking at the same time. Minister, can I take it that you have finished for now? I will allow Mr Marra to come back in.

**Michael Marra:** Thank you.

We have heard quite a bit about engagement and meetings. Like other members, I am interested in practical actions and what is happening. It would be great if you could illustrate some of that, minister, rather than tell us what is in your diary.

Should issues of completion be one of the ways in which we assess what is happening in our colleges? A representative of the SFC said that it is considering using completion rates and ensuring that we have a better understanding of the area. We all have concerns about those statistics and how they are provided. However, we want to know that it is about not just the number of students going in, but how many complete the course, and we want to know whether you would make that a condition of widening access. It is about a policy decision that you might be able to take rather than a meeting that you might be able to have.

10:00

**Jamie Hepburn:** I am sorry, but it is silly to suggest that what I said is just about meetings and engagement that we might have, although I hope that Mr Marra recognises that it is not unreasonable for me to speak with the people who are delivering on the ground to understand how we might go about improving things. Occasionally, that requires the odd meeting or two.

However, the fundamental point that you make, Mr Marra, should be one of the things that we

consider. In terms of the widening access journey, a lot of this probably relates more to the activity. We have a discussion ahead about universities, and colleges are a critical conduit into universities. It is critical that, as a first step, we get people through the door, but that is not the end of the matter. Where people end up in their experience of education, the process to qualification and beyond qualification are all vital aspects of the widening access agenda.

Despite the robust nature of our exchanges, which I am always relaxed to have with you, Mr Marra, we are probably as one on that issue.

**The Deputy Convener:** Quite a few members want to come in with supplementaries. I will take them in the order that I saw them. I hope that we can get them all in, if they are succinct with their questions.

**Stephanie Callaghan (Uddingston and Bellshill) (SNP):** What consideration has been given to improving completion rates for students with additional support needs and disabilities? What impact has regionalisation had on those students?

**Jamie Hepburn:** On the latter point, we have seen progress in the participation rate for some of those groups. That is welcome and it is down to the fact that our regionalisation processes enables colleges to be more flexible and responsive. That is an important part of what we seek to do.

In effect, the answer is the same as the one that I just gave to Mr Marra. Getting people through the door is only one part of the equation. There is more to be done on thinking through how we can better support people to ensure that they can complete their journeys through college. That remains the subject of discussion with the sector.

**Stephanie Callaghan:** Are students with additional support needs and disabilities able to have enough influence on college decision making—for example, at the college board level? Having that influence can help to improve the conditions for them and make it more likely that they will be able to succeed and complete.

**Jamie Hepburn:** Certainly, the evidence that was given to the committee by the student representatives who came to speak with you was that the ability for the student voice to be heard in the college environment is real. I know that you spoke with Micole Cochrane from West Lothian College Student Association, who talked about that and said that students have the ability to interact. Al Wilson at Edinburgh College Students Association said the same. Amy Monks from Dundee and Angus College Students Association talked about the ability to influence service design methodology. The organisation of student associations was a positive consequence of

regionalisation. Many of the pre-existing, smaller colleges did not have that infrastructure at all.

I expect every college to ensure that the student voice is heard and to reflect on how the student body is constituted, to ensure that every element of it is heard. That goes back to my earlier point about whom Scotland's colleges are supporting. In 2020-21, more than a fifth of learning hours were delivered to students with a declared disability. That is a substantial proportion of the student body. Their voices should, of course, be heard, and, if I had any suggestions that they were not being heard, I would have no hesitation in picking up that issue.

**Bob Doris:** Derek Smeall from Glasgow Kelvin College and others told the committee that they were concerned about how we estimate completion rates in Scotland's colleges. For example, if a young person starts a course for a few days, does not like it and switches to another course, or if a college student gets offered a well-paid job in a sector in which they are already trained, that might count as non-completion. In Scotland, we gather the statistics in a very different way from how it is done in England. Audit Scotland has also raised those concerns. Although I absolutely agree that we want to improve the current non-completion levels, we need to ensure that those levels consistently reflect what is actually happening in colleges and that we are measuring positive outcomes, because we should not use arbitrary data that might not be relevant. Will you take that on board?

**Jamie Hepburn:** That is right in two senses. First, comparisons with England must be viewed with caution, because the measurements are taken in a very different way and the sectors are very different in that Scotland's colleges deliver far more higher education than English colleges do. Therefore, I would always be cautious about drawing conclusions from such comparisons.

However, there is a legitimate question that we need to consider about how we view completion rates. Derek Smeall has articulated that point clearly. Indeed, when we visited his college, he discussed the issue with us, and I am more than willing to continue to reflect on it.

We absolutely want more students to complete their course, but, in many instances, students are not completing their course because they are moving on to another positive destination. We need to be cautious about drawing the conclusion that non-completion equals failure, because that is not the case. Can we better reflect that in how we monitor and measure things? Yes, I think that we probably can. We need to reflect on that.

**Stephen Kerr:** Bob Doris's point is that we do not know. Why do we not know why the figures

are reported in that way? Why can we not drill down to find out the details at line level? Surely you, as the minister, are exercised by the fact that we have a reported number that everybody says is not actually the real number. Why is that still going on? Why has the issue not been fixed? Why is that not a priority for you and those who work with you?

**Jamie Hepburn:** I have not said at any stage that it is not a priority for me, so I do not know how you have drawn that conclusion.

**Stephen Kerr:** When will the issue be fixed, then?

**Jamie Hepburn:** We are actively looking at the matter. The SFC spoke to the committee about it. We cannot magically resolve the issue overnight, but we are looking at it and are determined to resolve it satisfactorily. We are trying to get the balance right, and I have spoken about some of the inherent challenges involved in doing so, but we are looking at the issue, and I hope that the committee welcomes that.

**Stephen Kerr:** I am sorry, minister, but, in any other environment, the answer that you have given would simply not be acceptable. I would not like to hear that you are reflecting on and looking at things; I would like to hear you say that we will get a proper analysis of the completion and drop-out rates, that you will look at every reason why people apparently do not complete the courses that they register for and that that will be done within the next month.

**Jamie Hepburn:** As, I think, Mr Kerr knows fine well, I would be leading the committee astray if I were to say that I would be able to resolve the issue in a month.

**Stephen Kerr:** How long will it take, then?

**Jamie Hepburn:** I cannot sit here and say that. What I can tell you is—

**Stephen Kerr:** What is your ambition, then?

**Jamie Hepburn:** I am telling you, if you will let me answer.

**Stephen Kerr:** Okay.

**Jamie Hepburn:** My ambition is to do it as soon as possible, to resolve some of the issues that have been raised—by Mr Doris, primarily, and by Mr Marra before for him, and now by you, Mr Kerr. I recognise that we can improve these things, and I am committed to doing that. We will look at it.

**Stephen Kerr:** You cannot improve anything if you do not know where you are starting from.

**The Deputy Convener:** Thank you, Mr Kerr—that is sufficient. I think that we have explored that issue as far as we can.

I will move us on to talking about the college estate. What is the Scottish Government's response to Audit Scotland's report, which highlights that, since 2018-19, college capital funding has fallen £321 million short of the amount required for the lifecycle and backlog maintenance?

**Jamie Hepburn:** That reflects the scale of the challenge that we are trying to respond to. We have to respond to it on the basis of all of the constraints on public finance that I have referred to. That is a challenge in terms of not just revenue budgets but capital allocation. What I have asked for, and what I have discharged SFC to come back to me and lay out, is a plan to respond to some of those challenges. What are the priorities for the coming period? I know that the committee spoke to the SFC about that. The SFC will take that forward and will make a series of recommendations to me, and it will be incumbent on the Government to consider them.

I recognise the scale of the challenge. It is not something that I am pretending is not there. There are various reasons why it exists. The primary one, by my estimation, is that we have a series of buildings that were built around the same time and, as a result of that, are maturing at the same time. I go back to the point that I made in response to Mr Marra. We have a track record of investing in the college estate. I have already laid out our commitment to what Mr Marra rightly referred to as one project. I was not shying away from its being one project, but it is one very important project, and it is a serious financial commitment from the Scottish Government to continue to invest in and improve the college estate in Scotland. However, I am looking forward to the SFC informing us how we should respond to the significant challenges ahead of us, and we will then need to consider how to respond to its recommendations.

**The Deputy Convener:** Do we have a timescale for that?

**Jamie Hepburn:** I am looking to provide that next year.

**The Deputy Convener:** Thank you. I have a follow-up question. What support is the Scottish Government offering to colleges to enable them to achieve their net zero targets?

**Jamie Hepburn:** That is all part of the same equation. To do that realistically will require capital investment, and I am not going to pretend otherwise. Again, I expect that to be part of the considerations of the SFC's report, which will inform the decisions that we take.

**The Deputy Convener:** Ross Greer will lead on a few questions around staffing.

**Ross Greer (West Scotland) (Green):** In the first instance, I would be interested in your thoughts on the level of pay in Scotland's colleges, specifically at senior management and principal levels. Do you think that it is justifiable that there are multiple college principals in Scotland who earn more than the First Minister?

**Jamie Hepburn:** That is something that colleges themselves would have to speak to and justify. We do not direct or dictate. We are not involved in the process of pay settlements in the college sector. I think that it is right, though—you will see this reflected in our own public sector pay policy—that, particularly where we are dealing with constraint in public finances, the people who are at the bottom of the salary scale should be prioritised ahead of those at the top of the scale, if I can put it in that way.

**Ross Greer:** Thank you. I certainly agree with that sentiment. If you look at pay growth in the sector over the past 30 years, you see that pay growth for senior management, and in particular principals, has completely outstripped, by a huge margin, that for lecturers or support staff.

10:15

I appreciate that you shared with the committee the lessons learned report that Strathesk recently completed. However, I got a distinct sense of déjà vu when reading it. The report notes that the most consistent theme is the crushing lack of trust between the parties in the National Joint Negotiation Committee negotiations. In fact, it refers to it as a

"debilitatingly low level of trust".

The report also observes the fact that that conclusion is not new—it was the key conclusion in the similar review that was conducted by John Sturrock five years ago. Why has no progress been made on resolving the core issue that is resulting in such regular industrial action?

**Jamie Hepburn:** There is a role for us to play in encouraging constructive engagement by both management and unions. I do that, and I am committed to continuing to do that. From my own position, I certainly perceive positive engagement with both. I hope that it is felt to be trying to demonstrate some form of leadership that I engage with both parties on a positive basis to urge them to come together to negotiate in a similar vein.

I cannot drive or determine what the relationships between those parties might be. All I can do is engage with them on that basis, to urge them to have dialogue on a basis of respect and of trying to come together to resolve some of the

undoubted challenges that exist, and, where there are differences of opinion, to try to bridge them.

**Ross Greer:** I accept that the relationship that union and college management have individually with the Scottish Government is better than the relationship that they have with one another. However, given that this conclusion was exactly the same one that John Sturrock came to five years ago, what specifically has the Scottish Government done in that intervening period to play a constructive role in facilitating a better relationship between unions and management, rather than your direct relationship with each of them? What role have you played in this period of time to try to resolve what John Sturrock concluded about their relationship with one another?

**Jamie Hepburn:** I think that the role that I have talked about is, in and of itself, a manner of responding to the lessons learned exercise. With respect, the lessons learned exercise should be lessons that each party involved has to learn, reflect on, and respond and adjust to. With the greatest will in the world, I cannot compel other parties to act in a particular fashion. We will look at the exercise and reflect on what we might need to do, but it is for the other parties to do that as well.

I will continue to engage with the unions and management on a bilateral basis. There have also been some forums where unions and management were in the same room along with the Scottish Government, although I readily concede that they are not specifically on this subject matter. However, that has not been with me, and I want to be very clear on this: I am not looking for the Scottish Government to become a direct party to pay negotiations. We set the structure, and I saw that the union perspective is that the structure is right. Our role is to make sure that the parties involved in the negotiation can get round the table and enjoy the benefits of the structures that have been established to try to resolve any differences between them.

**Ross Greer:** Will the Scottish Government issue a fuller response to the exercise? I accept that it is primarily for the unions and college management to respond to, but there is a role for Government here, and there are conclusions in relation to the Government. Will there be a fuller response from you on the contents of the report?

**Jamie Hepburn:** Yes, there will be. I am sorry if I was not being clear. I was not saying that the primary responses are just those from unions and management; we are also part of the wider process of engagement and of the process of assessment of the lessons learned exercise. I am not seeking to distance us from that at all. We are party to the consideration of the report, and, yes, we will respond to it in fuller detail.

**Ross Greer:** Thanks for that, minister. Can I clarify on what timescale the committee should expect to see the Government's response?

**Jamie Hepburn:** I think that it will be in fairly short order, but I am also keen that other colleagues have the chance to reflect on it.

**Stephanie Callaghan:** Minister, I took all of that on board, and there are some good examples of progress, such as at New College Lanarkshire, which has built strong relationships and trust across its team of 1,000-plus employees, running through from janitorial to teaching staff. It has food pantries and free breakfasts, and it has created a culture of good will and mutual respect, with a joint focus on prioritising learning. There are still very challenging conversations to be had, but that certainly makes it a lot easier for that college. What further opportunities can the Scottish Government take to help to create good leadership practice and ideas for successful learning and to share that across Scotland's college sector?

**Jamie Hepburn:** Where any good practice exists, both management and unions should recognise it, because they will be involved in the process. I am all for good practice being drawn on to inform the wider process. Again, where there is a role for it and where we are aware of an example, I will not hesitate to point to it as a good, positive example for the wider consideration of the whole sector.

**Stephanie Callaghan:** Could the Scottish Government take any steps to create more opportunities to share good practice across colleges?

**Jamie Hepburn:** I beg your pardon, Ms Callaghan, but I missed the start of your question.

**Stephanie Callaghan:** I am wondering whether there is anything you feel the Scottish Government can do to support further sharing across the college sector to embed good practice widely.

**Jamie Hepburn:** Simply put, that can be done through regular dialogue. I am happy to provide detail of the frequency with which I speak with Colleges Scotland and all the different unions in the college environment. That is an opportunity for representatives in the college sector to raise any issue that they want to raise with me, but also for me to reflect things back to them. So, if you—or any other members of the Scottish Parliament—want to make me aware of things that should be highlighted, I am more than willing to hear them. I am also willing to hear directly from individual colleges and to urge others to reflect on those examples.

**The Deputy Convener:** Ruth Maguire will ask questions on articulation.

**Ruth Maguire (Cunningham South) (SNP):** Good morning, minister. Articulation is an important tool in widening access. Four out of 10 Scottish index of multiple deprivation entrants to university come through the college route, and, during evidence sessions, principals told us that that is a reflection of the additional credibility that regionalisation has given colleges. The other figure that we were given is that 58 per cent of articulating students are granted advanced standing, which means that they go into the second or third year of their course. One principal said that that would have been impossible 15 years ago, before regionalisation, so it is obviously a success, but do you think that enough is being done, and what more can be done to encourage further progress?

**Jamie Hepburn:** First, I heard that evidence and I agree with what was said to the committee by college principals—and not only college principals, because you also heard from other folk from the business community and from elsewhere who said that similar relationships have been established that might not have been possible in days gone by. The figures that you quoted are a very positive indication of the benefits of regionalisation, and I continue to see more being done in that regard.

I recently had a very useful visit to Queen Margaret University, on which I was told about the clear pathways that have been established in conjunction with various colleges, which mean that a student who enters the college environment will understand at the outset that that pathway is available to them, rather than having to think, on getting their higher national certificate or higher national diploma, "What next?" Such students are aware at the outset that that opportunity exists. I want there to be more of that type of activity, and I want the sector to lead on that.

The positive news is that I think that that is happening in an enhanced way in a number of locations. These are not exclusive examples—there are others—but Forth Valley College has a good set-up with the University of Stirling when it comes to articulation pathways, as does North East Scotland College with Robert Gordon University. However, I would like there to be more of the advanced articulation that you referred to. The numbers that have been mentioned are welcome, but I would like there to be more cases of people who have acquired qualifications at college being able to go on to university and to enter it in second or third year. Through our learner journey activity, we want to work with the college and university sector on that.

Having said all that, I want to make the important point that, although colleges are a valuable means of articulation, we should

recognise that HNCs and HNDs are very valuable qualifications in their own right, the gaining of which should be celebrated. If someone wants to take one of those qualifications and enter the world of work on that basis, that should be celebrated and welcomed, too.

**Ruth Maguire:** In a number of evidence sessions, my colleague Bob Doris has raised the importance of the work that colleges do for those people who are furthest away from education. You have just made the point that colleges are not just for feeding students to universities.

That work requires quite a bit of investment. Graeme Dey covered the topic of flexibility around college budgets. Do you agree in principle that, because the funding for more expensive—but high-value—work of that nature can be cut in times of challenge, it is crucial that, in the climate that we are in, in which all budgets are constrained and tested, every flexibility is given to public bodies to deliver those important but often costly services to our citizens?

**Jamie Hepburn:** That takes me back to the discussion that we had earlier and a response that I gave to Mr Dey. I made the point that, right now, we probably could be considering the degree of latitude that we give to colleges to be more creative in their responses to the needs of their local community.

I think that you have given a very clear example of that. You mentioned Bob Doris. I referred to the visit that I undertook with him to Glasgow Kelvin College, where we saw some really good examples of what I would broadly describe as community learning and development activity. Although that activity might be less focused on credit-based funded activity, it is of enormous value. I go back to the point that Mr Marra made about widening access. That could be the gateway to further study for the people who interact with that type of provision.

Therefore, I view such work as being very important, and I think that we could support it better. That takes us into the territory of some of the considerations that we need to undertake in relation to whether we should give colleges a bit more latitude in how they use the public resource that we provide for them, while at the same time—I always have to make this point—still accounting for the utilisation of public resource to demonstrate that it is being used for public benefit.

**Ruth Maguire:** Thank you. I appreciate those answers. I would just say that it feels like the citizens who would use those services are going to be in for a really hard time, so a bit of urgency around that would be appreciated.

**The Deputy Convener:** Thank you, Ruth—

**Jamie Hepburn:** Can I respond to that point quickly, deputy convener?

**The Deputy Convener:** Yes—you have a minute.

10:30

**Jamie Hepburn:** We are looking at that aspect now, so it is not going to take for ever and a day. I was in dialogue with Colleges Scotland about it just last week.

**The Deputy Convener:** Thank you, minister.

We will move on to look at the future, and I will bring in Bob Doris.

**Bob Doris:** Again, the evidence session has progressed quite appropriately for the direction of my questions. We have been looking at the future of colleges more generally, but I will refer specifically to the situation in Glasgow.

When college regionalisation first happened, there was concern that community-based colleges and very localised provision such as the pre-employability work that Ruth Maguire and I highlighted in previous sessions would be squeezed out. However, regionalisation has not made that happen. There has been a flourishing of community-based, grass-roots development to enable those who are furthest away from education to get involved in college, including in Glasgow Kelvin College—I thank you for the visit that we have spoken about, minister.

However, there are further reforms down the line. Last year, the Scottish Funding Council spoke about the need for Glasgow's colleges to work closely together. At that time, there was concern that that could mean a further merger in the Glasgow region—something that I have consistently opposed and that I think would be a negative thing.

The Glasgow Colleges Regional Board has been described as “transactional” and as a duplication of the work of the Glasgow colleges group, in which the college principals get together as a senior team to get on with the job of delivering for Glasgow and beyond. What assurances can the minister give that Glasgow's three highly successful colleges are secure in their future and that their grass-roots work will continue? If any reform is needed in Glasgow, despite the good work that has been done so far, perhaps it is the GCRB that, although it has been doing a good job up to now, may have served its purpose.

I know that my question is lengthy, but this may be worth noting. I understand that the Scottish Funding Council has asked the Glasgow Colleges Regional Board to decide what future reform may

look like, including whether there is a future role for the GCRB. That is pretty unfair on the regional board, which may potentially have to decide on its own future.

There is a lot to unpack there, minister. Given the time constraints, I will not come back in—I wanted to throw all of that in at the same time, because I was not sure whether I would get a supplementary question.

**The Deputy Convener:** There you go, minister—there is a lot for you to unpack, but I am sure that you are up to it. Off you go.

**Jamie Hepburn:** I will certainly do my best. I admire Mr Doris's methodology of asking his supplementaries in one question.

There are a few things at play there, and I will take the last point first. I do not think that it is unfair—it is certainly not meant to be—to ask the board to consider various propositions in order to inform SFC's considerations of what it might recommend to me. To be clear, the regional boards will not make any specific decision on what the structure might be, but it is appropriate that they are asked to consider various issues and to be involved in any process.

On the fundamental question—to which we have returned a number of times—of guarantees for the colleges in Glasgow, all that I can guarantee is that I am not driving any particular process of merger in the city of Glasgow, and I am not aware of there being such a process under way at all. Any proposition would need to emerge from the institutions themselves. We can look at what has happened in other parts of the country—for example, in the Highlands and Islands, where colleges themselves are in dialogue. Neither I nor the SFC made that request; we want to empower institutions to make decisions for themselves. I can certainly give Mr Doris the reassurance that I am not going to drive that particular agenda.

However, it is important—and I hope that you would agree that it is not unreasonable—to have a forum in which the three colleges in Glasgow can have dialogue. We need to maximise provision across the city as a whole, reduce duplication and, if there are any gaps in provision, work through them to make sure that they are filled between the three colleges. Trying to get that balance right is, of course, appropriate.

The SFC is considering what the structure might look like in Glasgow, and it will make a recommendation to me. That is appropriate, because—frankly and candidly—we have only three multicollage regions. One of those is based on its also being a university institution, so I think that people understand why that is in place. The other two are Lanarkshire and Glasgow, and it is

appropriate to consider whether that is still required.

**Pam Gosal:** We discussed the high drop-out rates in colleges earlier. Would the minister consider changing how data is collected, so that, when people switch colleges or courses or transfer to other colleges, that does not count as a drop-out?

**Jamie Hepburn:** That is the point that I was trying to make in response to Mr Kerr, although I was clear that I could not do it in a month. I do not think that that would be a reasonable timescale in which to do the issue justice. However, what Ms Gosal raises is a perfectly legitimate thing for us to consider, and I am absolutely committed to doing so.

**Pam Gosal:** Lastly, I speak to a lot of businesses, and colleges are vital for businesses' journey to getting the right skills. As a visitor to the committee, I cannot emphasise this enough: please think about all the questions that have been asked today by colleagues. We need to invest in colleges; we need to help them, whether through capital funding or pupils; and we need to do much more. I cannot emphasise enough how often colleges speak to me about funding cuts. You talked earlier about where to get the funding, but you are the minister, so you should be telling us where you can move money around—I do not mean by making cuts. We need to consider what is best for colleges, because businesses are crying out for those skills.

**Jamie Hepburn:** I will respond to those points. Of course, I will listen to what the committee has to say; this is a very valuable inquiry, and it is for the committee to determine what it does at the end of the inquiry. I presume that some form of report with recommendations will be pulled together, and I will, of course, consider them.

Let me be very clear with Ms Gosal. She says that colleges come to her regularly for discussion. It might not be a surprise to her to learn that they do that with me, too. So, I maintain regular dialogue with them.

On Ms Gosal's final point, it is incumbent on me, as the minister with responsibility for higher education and further education policy, among other policy areas, to consider how we deploy public resource, but we all have a leadership role and we are all elected representatives. If she or any other representative wants to come forward to say that there should be additional resource in any particular area of Government expenditure, I would respectfully say that we could take such a proposition a lot more seriously if where that resource should come from was identified. Yes, Government has a primary leadership role, but it is not an exclusive one—it is one for us all, as

elected representatives, because, after all, the budget process is subject to parliamentary scrutiny.

**The Deputy Convener:** We have come to the end of our time on the colleges regionalisation inquiry. I thank the minister, all those who have contributed to our evidence sessions and my committee colleagues.

I will suspend the meeting for five minutes to allow for a change of witnesses, before we move on to our next item of business, which is on universities.

10:39

*Meeting suspended.*

10:49

*On resuming—*

## Universities

**The Deputy Convener:** Welcome back. We will now have a short session about universities. I welcome back the Minister for Higher Education, Further Education, Youth Employment and Training, Jamie Hepburn, and Stephen Pathirana, the director of advanced learning and science at the Scottish Government. I also welcome Shazia Razzaq, strategic lead for university policy, governance and equalities, and Roddy MacDonald, head of the higher education and science division, who join us from the Scottish Government.

As with the previous panel, I expect that most, if not all, of our questions will be directed to the minister. However, anyone else who wishes to come in on any of the questions should put an R in the chat bar. The clerks will monitor the chat bar and I will bring you in whenever I can.

Members and witnesses should be aware that there is an active case in court relating to the Universities Superannuation Scheme and that, therefore, the case is sub judice. I ask members and witnesses to refrain from referring to matters relating to that case.

We will begin with questions about student accommodation from Graeme Dey, and I will also come in on that topic.

**Graeme Dey:** Good morning again, minister. As you are well aware, there have been some localised but significant issues with access to student accommodation at certain universities this year. When such situations arise, to what extent does the Government record or monitor the availability of student accommodation in those localities, and to what extent does it enter into dialogue with those universities in seeking to achieve an outcome?

**The Deputy Convener:** Mr Hepburn?

**Graeme Dey:** I do not think he is here.

**The Deputy Convener:** Did you hear the question, Mr Hepburn?

**Graeme Dey:** Clearly not.

**The Deputy Convener:** It looks as though Mr Hepburn did not hear that question. I believe that the technical team is working on that issue at the moment. There will be a short suspension to allow them to deal with our technical difficulties.

10:52

*Meeting suspended.*

10:53

*On resuming—*

**The Deputy Convener:** Minister, can you hear me now?

**Jamie Hepburn:** I can hear you now. Forgive me, convener: I could not hear to the extent that I did not even realise that the session had started until I saw a very confused-looking Mr Dey.

**The Deputy Convener:** Welcome back, after a short suspension while we sorted out our technical difficulties. I will take the liberty of repeating the introduction so that we can make a fair start to the session.

I welcome back Jamie Hepburn, the Minister for Higher Education, Further Education, Youth Employment and Training, and Stephen Pathirana, the director of advanced learning and science at the Scottish Government. I also welcome Shazia Razzaq, strategic lead for university policy, governance and equalities, and Roddy MacDonald, head of the higher education and science division, who join us from the Scottish Government.

As with the previous panel, I expect that most, if not all, of our questions will be directed to the minister. However, anyone else who wishes to come in on any of the questions should put an R in the chat box, which will be monitored by the clerks, and I will bring you in when I can.

Members and witnesses should be aware that there is an active court case relating to the Universities Superannuation Scheme, so that is sub judice. I therefore ask members and witnesses to refrain from referring to matters relating to that case.

We will move to questions, starting with Graeme Dey.

**Graeme Dey:** Good morning again, minister. As you are well aware, in recent times, we have had issues in specific localities with university student accommodation. What is the Government's role in that regard? What is the position on recording and monitoring the availability of student housing in relation to each university? When an issue arises, what dialogue is there and what role do Government officials have in engaging with individual universities in seeking to achieve an appropriate outcome?

**Jamie Hepburn:** I am glad that I can hear you now, Mr Dey. I apologise for any confusion.

I perceive there to be a role for us in that, but it is not the leading role. We are not a direct provider of student accommodation and never have been—there has never been a role for Government in that regard, and I do not detect any sense that that should change. However, that is not to say that the

issue is not of substantial concern to me in my ministerial role. I have engaged directly with specific universities on the issue, particularly the University of Glasgow, which had a situation that was widely reported. At that stage, I got a degree of reassurance that the university was taking every step possible to work through the remaining issues that it had.

We are committed to introducing a student accommodation strategy, which will be informed by the purpose-built student accommodation review that is under way. We recently commissioned evidence from the UK Collaborative Centre for Housing Evidence. That evidence is now with us and will be considered by the purpose-built student accommodation review steering group. We will then publish that evidence—at that juncture, I will be happy to write directly to the committee. That will inform the consideration of what we might be able to do to ensure better provision of housing for students.

Of course, the issue is part of a wider challenge of pressure on the availability of housing. We have done work on, for example, short-term lets to better enable local authorities to regulate that market and ensure a wider supply of housing for other groups who require it, including students.

There is action that we can take, although we cannot take it alone. We have to work with the sector to ensure that it lives up to its responsibility for ensuring that the students that universities recruit are adequately housed. We will continue to work through that with our student accommodation strategy.

**Graeme Dey:** I have one follow-up question. Obviously, I welcome the actions that you have identified, but, given what happened this year, how optimistic are you that the work can be progressed, in conjunction with the universities, at sufficient pace to ensure that there is no repetition of the issue in the next academic year, as we hope will be the case?

**Jamie Hepburn:** Work is under way, and I certainly want to have it substantially advanced before the next academic year. It would be disingenuous to suggest that some of the wider pressures that we are seeing will go away any time soon. For example, the University of Glasgow told me that it has plans to increase the amount of its directly provided student accommodation. That is the type of response that I hope to see in the sector. I recognise that that will not be achieved readily and that it requires lead-in time for planning applications, construction and so on. However, that activity has to start sooner rather than later, as do our actions in the student accommodation strategy.

**The Deputy Convener:** Mr Hepburn will be aware that I am very concerned about the issue, given that my constituency includes not only the University of Glasgow but eight institutes of higher and further education—nine including the Open University. That puts particular pressures on the area and means that, as well as the area being welcoming and accommodating towards students, there can be tension with the resident population. It is a complicated picture. I am aware that the minister has been working closely with the University of Glasgow, as have I.

11:00

It might be useful for us to understand the bigger picture. Can the minister give us an indication of the pressures on student accommodation across Scotland and how that fits in with the picture across the United Kingdom? I am trying to get to the bottom of whether it is a uniquely Scottish issue, a Glasgow issue or a university town issue, or whether the pressures are being felt up and down the country.

**Jamie Hepburn:** On the last point, it will be particularly acute during the university term. It is not a Glasgow-specific issue—other locations in Scotland report similar challenges. It is also not a Scotland-specific challenge, as we see similar challenges in other parts of the UK, such as in Manchester and in other cities and communities where there are higher education institutions. It is not specific to Scotland by any stretch of the imagination.

We have to work with partners to respond to that reality and ensure that there is sufficiency of supply of accommodation, recognising that there are other pressures, too. We all represent regions and constituencies in which there are many constituents who are not students who are also looking to be housed.

We have a role not as a direct provider of housing, but in setting the strategic direction in conjunction with the sector. We will do that through the strategy that I mentioned. We need to work with other partners, too. I have already referred to the fact that we have empowered local authorities in respect of the regulation of short-term lets.

Local authorities also have to consider how to balance the various requirements in relation to their own populations' housing needs. You have referred to some of the tensions that can exist, and I recognise those. They have to be managed carefully by any local authority to ensure sufficiency of supply for the various housing requirements in the locality.

**The Deputy Convener:** We will move swiftly on to cover university finances. It is a short session,

but I am prepared to allow a wee bit of time for this. Ruth Maguire will kick off and Michael Marra will come in after that.

**Ruth Maguire:** Although my question is about university finances, it is more from a student perspective. I believe that I have raised this issue in writing directly with you, minister, and I also raised it in a previous evidence session.

An educational psychology student who does a work placement with a local authority is not classed as a student during that placement and therefore does not have access to council tax reduction or other benefits that the university might provide, such as in relation to a welfare fund or childcare assistance. We are pretty short of educational psychologists. I will not go over all the details—the minister can read the *Official Report* of the previous session. Is there anything that the Scottish Government can do in respect of students such as the educational psychology students? There are other professions in which a grant is given—I am thinking of midwives and some nurses—so the issue may well affect more than that specific cohort. I am interested in hearing the minister's views on that.

**Jamie Hepburn:** That is a very specific example. I recognise the importance of recruiting into that profession. Those are long-standing arrangements and are designed in such a way as to ensure that any individual should be able to draw down other forms of support that would not be available to them if they were still classified as a student.

I am conscious that the issue has been raised with the Government, and we are, of course, happy to reflect on that. However, I observe that the arrangement has not been introduced recently; it is quite a long-standing arrangement that is very much designed to reflect the fact that, during that period, the person is not in a classroom environment and they are not undertaking any form of study but they are in the workplace. As I said, we are more than willing to look at such things.

**Ruth Maguire:** The fact that an arrangement is of long standing does not mean that it should remain unchanged. I know that that is not what you are implying, but I thought it important to make that clear. The matter feels important, as those individuals are studying for a profession in which there are shortages—there is certainly a shortage of psychologists in Ayrshire and Arran. We know that meeting the demand for mental health support for children and young people is a challenge, particularly in relation to the provision of educational psychologists. Thank you for noting my comments.

**Michael Marra:** I am keen to focus on the impact of long-term financial trends on the university sector. We have already had exchanges in the chamber on the research excellence framework. The latest REF results indicate that universities in the rest of the UK are improving their performance at a faster rate than those in Scotland are. Although the set of results for Scotland are great, there is a worrying trend in comparison with the rest of the UK, and I know that the sector shares our worries. I am keen to get on record your views on the long-term strategic approach for the university sector and what that might mean for Scotland.

**Jamie Hepburn:** First, I hope that we will all reflect on the position of higher education research and development right now. If you look at the percentage of expenditure across public and private resource on higher education research and development, you will see that we are ranked seventh among Organisation for Economic Co-operation and Development countries and that our spend as a percentage of gross domestic product is above the OECD average, the EU27 average and the UK average. It is important that we reflect on that.

On what we are seeking to do, we increased the baseline grants for university research and innovation this year. At this point, I must refer back to the challenging budgetary context that we are in. However, we will leverage in additional resource where we can, and the increase in the baseline grants is a demonstration that we have done so.

Of course, I want to maintain the position whereby Scotland's universities are doing comparatively better in drawing down existing funding, such as UK Research and Innovation funding. We are still outperforming the UK as a whole in terms of the population average—the most recent figures show that 13 per cent of UKRI spend was drawn down to Scotland, which is well ahead of our population position. I will engage with UKRI to understand how we can continue to maintain that position.

**Michael Marra:** The position is not being maintained, minister. The gap is closing and our comparative capture of UKRI spending is declining. However, you are right to say that it is a good thing that we are outperforming the rest of the UK. We, as taxpayers, make a significant investment in our universities, and we want to see them continue to improve their performance.

I understand your points about the short-term budgetary considerations and the real pressure that is being faced. However, for 13 years there has been no increase in the unit of resource that is paid to Scottish universities for Scottish students. That is the key driver in terms of the business

model that universities operate under, so is there not a long-term issue?

I am keen to get your personal thoughts on how important the sector is to the economic performance of the country in the long run. Whatever the constitutional settlement is in the future, which we may disagree on, how important is the sector? We have to maintain that advantage and increase it. What is being done by the Government to ensure that that can happen?

**Jamie Hepburn:** My personal reflection on the importance of the university sector is that it is of the utmost importance to our standing in the world because of the world-class research that we see across all our institutions. If we look at the results that Mr Marra referred to a few moments ago, we see first-class research right across every institution. We should celebrate that and shout about it. If I have any mild critique of the sector, it is that we could do a better job of shouting about the activity that is happening here, in Scotland. There is a role for us as well.

Clearly, the sector is also an important driver in ensuring that we are responsive to the various skills requirements that we have in Scotland, and universities are, of course, important as economic anchors in their own right and in their own communities. The university sector is of the utmost importance; I do not want there to be any sense that I do not recognise that.

In terms of the resource that we invest, we continue to put more than £1 billion into the university sector every year. That is a substantial investment by any reasonable estimation. Do we need to look again at the unit cost—the cost per head? I am afraid that I am bound to say that it will be difficult to do that in the context of where the budget is just now. There is no point in pretending otherwise.

**Michael Marra:** Universities Scotland has written to the committee and has told us that we have now reached what it describes as a significant tipping point. In 2023-24, the amount of money that is brought into universities by international student recruitment will, for the first time, outstrip public funding. We could talk about the rights and wrongs of that in terms of the budget process, but does it worry the minister that we are open to external shocks? There is a vulnerability in our institutions—as you rightly put it, our vital public universities—to a shock in international relations and the recruitment market for international students that we are now so reliant on. Is that a concern for the minister, and what can we do to ensure resilience against that?

**Jamie Hepburn:** I take the point and will come on to it. However, in the first instance, it is important for us to reflect—collectively, I hope—on

the fact that international students are very welcome in Scotland. They play an important part in our university communities and, indeed, in our wider society.

I am alert to some of the challenges that Mr Marra refers to. I take those challenges seriously, and we have to be cognisant of them. We are committed to developing our international education strategy, and a core part of that has to be how we make it clear that the sector can be resilient in the face of any particular type of shock that you may refer to. We are alert to and conscious of that, and we want to work with the sector to ensure that that resilience is embedded within our institutions.

**Michael Marra:** I have one more question to ask on the issue, if I may.

**The Deputy Convener:** I will allow you a small bit of leeway.

**Michael Marra:** Thank you. I think that it will be appreciated by the committee.

Can we have a date for the international education strategy? Can we have any details of what you mean when you say that you are cognisant of the issue of external shock? What is being done to make our institutions and the sector more resilient?

A colleague on the committee suggested, at a previous meeting, that the idea that there might be different fees in different parts of the university sector—different rates per unit of resource—has created real concern within the sector. Perhaps the minister will take the opportunity either to dismiss that or to confirm that it is under active consideration by the Government.

11:15

**Jamie Hepburn:** That is not under active consideration. It is not something that we are specifically looking at. Various things can be considered as we move forward, but that is not something that I envisage us looking at, because it would immediately embed an additional layer of complexity and unintended consequences. I hope that that provides some reassurance.

You asked me to explain what I mean about being cognisant of some of the challenges. I do not know how to explain that any more specifically. I am conscious of, and understand, the challenges. We have seen a very real shock to the international order this year, and that continues to have a wider influence on global affairs. It does not particularly affect this area of life in Scotland, but it demonstrates that events come along and can change things. What I mean by that is that we must work with the sector to recognise that events like that can happen. Where that might have a

particular impact on the sector as a whole or, as is more likely, on specific institutions, how do we deal with that? How do we ensure that institutions can continue to undertake their work if such an event comes along?

Regarding a timescale, I am happy to follow that up with the committee and give you some more detail of the work that we are undertaking on strategy.

**The Deputy Convener:** Thank you, minister. Any follow-up regarding a timescale would be very helpful. Stephen Kerr wants to come in.

**Stephen Kerr:** I will be brief. The minister suggests that the sector has not suffered from the geopolitical shocks of the events of this year and the consequences of the supply chain crisis at the end of Covid. I suggest that the sector is suffering, as all sectors are suffering, because of the impact of global inflation and increasing international uncertainties.

Minister, Universities Scotland said something specific that I would like to read to you so that we can get your view.

“Even without the perpetual risk of a geopolitical shock, the extent of cross-subsidy now jeopardises the quality of education, experience and support that universities are able to offer. When that happens, international students will exercise their choice to go elsewhere.”

What are your thoughts on that?

**Jamie Hepburn:** On your first point, I was not suggesting that there has been no impact. If I picked up Mr Marra’s point correctly, I was referring to the fact that there are particular markets and that a number of students are attracted to Scotland. That has not been substantially disrupted by the events of this year.

Clearly, in common with every sector—which adds to the budget pressures that we face—there has been an impact resulting from the wider geopolitical situation that we have seen this year.

Mr Kerr made a point on behalf of Universities Scotland. I am more than willing to get into that with Universities Scotland and to look at the detail. We have not done that so far, and Universities Scotland has not come to me to say how that might manifest itself. I would be interested in understanding how it would negatively impact the educational experience. I have certainly not perceived that having international students come to Scotland has had any particularly negative impact.

If there is an issue with potential impacts on the sector caused by other international events, I go back to the answer that I just gave Mr Marra, which is that we need to take account of that in the international education strategy that we have committed to taking forward.

**Stephen Kerr:** [Inaudible.]

**Jamie Hepburn:** I cannot hear you, Mr Kerr.

**Stephen Kerr:** Sorry. Can you hear me now?

**Jamie Hepburn:** I can hear you now.

**Stephen Kerr:** Here is another quote from Universities Scotland's submission to us. It says that the funding model that we now operate "bakes in a structural reliance on international fees".

It is saying that, even without the potential for a geopolitical shock, the level of cross-subsidy is going to erode the quality of the education and the experience on offer in Scotland. I am actually shocked, convener, that that has never been discussed between Universities Scotland and the minister, because it seems to me to be a huge existing and known threat.

I will make one more point, if I may, convener. The possibility of further geopolitical shocks is obviously very real, particularly in relation to the share of international students who come to Scotland from China, which was 17,165 in 2020-21. Of course, we welcome all the international students who come to Scotland—

**The Deputy Convener:** Do you have a question, Mr Kerr? I am just keeping an eye on the time.

**Stephen Kerr:** My question is about the cross-subsidy and the vulnerability in relation to that particular block of students. Also, does the minister agree that

"The Chinese Communist party is using all the instruments of its international architecture, including the Confucius Institutes, to harass, intimidate and track down people"?

That, by the way, is a quote from Stewart McDonald, the Scottish National Party defence spokesman.

**Jamie Hepburn:** The first point is a fairly fundamental one that I have to respond to. I am not suggesting that these matters have not been discussed in the round with Universities Scotland; of course, they have been. I was referring to the very specific point that was made in the letter that you have quoted. I am more than willing to pick up on that point with Universities Scotland.

On Mr Kerr's specific point about that particular market and that particular cohort of students, I guess that that would be reflected in the answer that I have already given, in terms of how we work with the sector to enable it to be resilient to any particular shock that may come. However, let us not talk up the prospect of a shock in the first instance; rather, let us ensure that the sector can be resilient to that possibility.

On the latter point, about Confucius institutes, I have no direct control or say in the relationship

that any individual institution might have with such organisations—that is for the universities to account for. What I can say is that the Higher Education Governance (Scotland) Act 2016 is very clear about what should be undertaken in relation to academic freedoms in our institutions, and I expect that to be taken very seriously.

**The Deputy Convener:** Thank you, minister. We are heading into our final few minutes. I will bring in Stephanie Callaghan.

**Stephanie Callaghan:** I have a couple of questions that I will roll into one.

Wellbeing has rightly been a key priority, with the Scottish Government funding 80 additional university mental health counsellors. First, is adequate support available for students who are struggling with their mental health? Secondly, we heard in evidence about the positive impact of the additional mental health counsellors and about the possibility of funding them from budgets other than the education budget; can you say anything further on that just now or offer an idea of the timescales and the decisions around continued funding for mental health counsellors?

**Jamie Hepburn:** We are looking at that just now, and it is an inextricable part of the budget process.

We made certain commitments, through our manifesto and through our programme for government, and I am very clear that we need to meet those commitments in the first instance. What we might do beyond that must be informed by our engagement with the sector.

I understand and recognise that the sector sees value in the investment that has been made in mental health counsellors. However, we also have to be informed by the student mental health action plan that we are going to introduce in conjunction with the sector.

We have a student mental health and wellbeing working group, which rightly involves the National Union of Students and other representatives of the sector, to make sure that any decisions that we make are made on an informed basis and that we are responding to what I recognise are significant challenges in terms of the mental wellbeing of Scotland's student population. It has been an enormously difficult period, through Covid-19 and now with the cost of living crisis, and that will bring its pressures to bear on the student population and their sense of wellbeing. Our strategy is going to be well timed in that regard. How we resource and structure it thereafter is a matter for wider consideration in line with the ordinary budget process that we have in place.

**The Deputy Convener:** Stephanie Callaghan, have you finished your questions?

**Stephanie Callaghan:** Yes, thank you, convener.

**The Deputy Convener:** I am mindful of the time. I allowed an extra few minutes to compensate for our technical difficulties, but we have reached the end of our brief but productive session. I thank you all for your time.

## Subordinate Legislation

### Education (Listed Bodies) (Scotland) Amendment Order 2022 (SSI 2022/294)

11:25

**The Deputy Convener:** The next item on the agenda is consideration of a piece of subordinate legislation, Scottish statutory instrument 2022/294, which is subject to the negative procedure. It seeks to modify a 2018 order by correcting the names of two listed bodies in the schedule to that order. Do members have any comments to make on the SSI? As there are no comments, does the committee agree that it does not wish to make any recommendations in relation to the instrument?

**Members indicated agreement.**

### European University Institute (EU Exit) Regulations 2022

**The Deputy Convener:** Our next item of business is consideration of a consent notification relating to the European University Institute (EU Exit) Regulations 2022, which is European Union exit legislation. I refer members to paper 6 in their packs. Do members have any comments to make on the notification? Are members content with the Scottish Government's decision to consent to the provisions that are set out in the notification being included in United Kingdom rather than Scottish subordinate legislation?

**Members indicated agreement.**

**The Deputy Convener:** The public part of today's meeting is at an end. The committee will consider its final agenda items in private.

As that was the first time that I have substituted for the convener, I thank everyone for their help and support. I wish Pam Gosal, who also attended, the best with the rest of her day.

11:27

*Meeting continued in private until 12:13.*

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