OFFICIAL REPORT
AITHISG OIFIGEIL

DRAFT

Education, Children and Young People Committee

Wednesday 1 October 2025

Session 6

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Wednesday 1 October 2025

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EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE
28th Meeting 2025, Session 6

CONVENER

*Douglas Ross (Highlands and Islands) (Con)

DEPUTY CONVENER

*Jackie Dunbar (Aberdeen Donside) (SNP)

COMMITTEE MEMBERS

George Adam (Paisley) (SNP)
*Miles Briggs (Lothian) (Con)
*Pam Duncan-Glancy (Glasgow) (Lab)
*Ross Greer (West Scotland) (Green)
*Bill Kidd (Glasgow Anniesland) (SNP)
*John Mason (Glasgow Shettleston) (Ind)
*Paul McLennan (East Lothian) (SNP)
*Willie Rennie (North East Fife) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Dr Lynne Binnie (Association of Directors of Education in Scotland)
Jacqui Brasted (Scottish Funding Council)
Tom Britton (Educational Institute of Scotland)
Gavin Calder (Scottish Council of Independent Schools)
Amanda Callaghan (Scottish Government)
Maggie Chapman (North East Scotland) (Green)
Mike Corbett (NASUWT)
Stuart Greig (Scottish Government)
Richard Maconachie (Scottish Funding Council)
Ben Macpherson (Minister for Higher and Further Education)
Tiffany Ritchie (Scottish Funding Council)
Dr Pauline Stephen (General Teaching Council for Scotland)

CLERK TO THE COMMITTEE

Pauline McIntyre

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Education, Children and Young People Committee

Wednesday 1 October 2025

[The Convener opened the meeting at 08:30]

Pre-budget Scrutiny 2026-27

The Convener (Douglas Ross): Good morning, and welcome to the 28th meeting in 2025 of the Education, Children and Young People Committee. We have received apologies from George Adam. Ross Greer will join us at the start of panel 2. I welcome Maggie Chapman, who joins us for today's meeting.

Under the first item on our agenda, we will take evidence as part of our pre-budget scrutiny for 2026-27 from two panels of witnesses. I welcome our first panel of witnesses, who are all from the Scottish Funding Council: Jacqui Brasted, who is the director of access, learning and outcomes; Tiffany Ritchie, who is the acting director of finance; and Richard Maconachie, who is the director lead of the Dundee recovery team.

Ms Ritchie has an opening statement, so I will hand over to her.

Tiffany Ritchie (Scottish Funding Council): Good morning, and thank you for inviting the Scottish Funding Council to attend today's meeting. I begin by acknowledging that our chief executive, Francesca Osowska, is, unfortunately, unable to attend today due to a close family bereavement. However, we are joined by Richard Maconachie, the SFC's executive lead for the University of Dundee, who can respond to questions about the university, and by Jacqui Brasted, the director of access, learning and outcomes. We welcome the opportunity to provide evidence to the committee.

Scotland has college and university sectors to be proud of. The institutions play a pivotal role in communities and improve life chances. They are vital to Scotland's economy, delivering a pipeline of skilled workers and undertaking research to address the global challenges around us. There is much to celebrate.

However, it is clear that the institutions are operating in a challenging financial environment. Committee members will be aware that, last week, the SFC published our financial sustainability reports, which transparently set out the financial health of the sectors. This year's reports reflect significant shifts in the landscapes of both sectors. In universities, macroeconomic volatility has impacted the international student recruitment market. In response, universities are reviewing their underpinning structures to enable them to respond with agility to new and emerging issues in a period of relative global instability. Colleges are experiencing the cumulative impact of inflationary pressures in a context of relatively flat budget settlements and are responding by reviewing their business plans, but they are more limited in the range of actions that they can take.

Securing a sustainable tertiary education and research sector relies on how institutions respond to changing circumstances, both individually and together. The SFC helps—for example, through how we distribute funds and by the interventions that we make—to create an environment that supports the sectors as they adapt and transform, enabling those vital institutions to thrive. We are committed to working in partnership with the sectors as we evolve our approach.

We are also taking a partnership approach with the University of Dundee as it works to return to a position of financial health. The SFC has been clear that the university must have an underpinning strategy that ensures that it will continue being a vibrant and successful university, delivering high-quality learning and research for learners, the region and beyond. We welcomed the publication of the report by Professor Pamela Gillies, which includes lessons for the SFC and the wider sector, and our response is under way through our work to enhance governance and institutional scrutiny.

In conclusion, we are committed to working in partnership with the sectors and with the Scottish Government to secure a successful and sustainable tertiary education and research system for the future.

The Convener: Please pass on the condolences of the entire committee to Francesca, who is very much in our thoughts at this time, as is her family.

Thank you for that opening statement. At the tail end of last week, you released a couple of reports that understandably gathered significant interest and whose content has already been raised in a topical question to the Parliament yesterday. They are stark reports about the university and college sectors in Scotland. Who is to blame for the mess that they are in at the moment?

Tiffany Ritchie: We agree that the message in the financial sustainability reports that we published last Friday is stark. There are significant risks both to the sustainability of universities and colleges, due to their operating surpluses or deficits over the medium term, and to their viability, which comes from their cash positions in the near term.

As I said in my opening remarks, a number of external factors are impacting institutions. Those include the global volatility that impacts on macroeconomic trends and on the international income of universities. There are also inflationary pressures, which affect all institutions and have a significant bearing on the current situation for universities and colleges.

The Convener: Could, or should, that have been foreseen before now?

Tiffany Ritchie: It is vital that the SFC continues to work closely with institutions to ensure that we and others have assurance over the quality of their financial forecasting. In particular, we should consider not just the immediate financial measures but the lead indicators. That is where you look to non-financial information to consider where risks may be emerging before they become financial issues. As part of the outcomes framework and assurance model, we work across a broad range of measures to gain assurance on institutions' forecasting and performance. We continue to work to enhance that, based on all the lessons that are being learned just now.

The Convener: Do you think that there has been a lack of quality in the financial forecasting?

Tiffany Ritchie: We take a lot of assurance from the quality assurance that is performed and the regular evolution that we make to our financial forecasting and other institutional scrutiny measures. It is important that we recognise the lessons from the Gillies report, as well as other lessons from the work that we do with the sector, and that steps are taken to ensure that there is enhanced scrutiny going forward.

The Convener: We will definitely get into the Gillies report, and the University of Dundee specifically, later on in the meeting, but, looking at colleges for a moment, some of those colleges are not going to survive. Is that not the warning that you are giving here? Colleges Scotland chief executive officer, Gavin Donoghue, said:

"The SFC is rightly highlighting that most colleges are not financially sustainable within the current level of investment from the Scottish Government."

By 2025-26, two thirds, I think, of colleges will be recording a deficit. That is not sustainable. Are we going to lose colleges in Scotland?

Tiffany Ritchie: I absolutely agree with the significant risk both, as mentioned, to the sustainability—the operating situation of those colleges through the medium term—and the viability of the cash position in the nearer term. As the chief executive of Colleges Scotland rightly highlighted, we identify in our report four colleges that are at risk of having a cash deficit at the end of the current academic year, which is summer next year.

There is a complex set of actions that need to be considered. We recognise that significant efforts and work are being undertaken by the colleges, with the support of Colleges Scotland and the Scottish Government, through the tripartite alignment group, to ensure that necessary transformation activity is undertaken. There is a broad range of measures, including looking at the infrastructure, supported by the college infrastructure investment plan; looking at the curriculum through the college transformation framework; working with us in a short-term way to rephase grants to support liquidity where we can; and engaging with the Government on the budget preparations for 2026-27. That mix is needed. It is a mixture of funding and transformation initiatives. Transformation is vital.

The Convener: Looking at what you highlighted in your report from last week and at the timeframe to take us up to summer next year, which is not a million miles away, do you think that those colleges will fail and we will lose colleges, or is there time for them to recover before next summer?

Tiffany Ritchie: The forecasts suggest that there could be a cash deficit next summer. What is vital is not only that they produce high-quality forecasts, as they do—the accuracy of the forecasting is increasing—but that they acknowledge the risks of the situation and take every measure possible to deliver their own financial sustainability. I recognise colleges' efforts. We work closely with them. College boards and their leadership teams are responsible for the financial sustainability of their colleges. It is incumbent on them to explore all options to financial sustainability, which they are delivering on.

The Convener: However, they are doing that under significant pressures. Moray College in Elgin, in my region, has made significant redundancies and has had to go through a very difficult period. It has not had the capital investment that it needs to bring its buildings up to a reasonable standard. The future is pretty bleak for colleges such as Moray, despite the best efforts of the principal, the board and others, is it not? The only thing that will save them is significant cash injection from the Scottish Government.

Tiffany Ritchie: I believe that it is a matter of providing both: a mixture of funding and transformation mechanisms sector wide, working in partnership with other public bodies to ensure that there is a sustainable future beyond this period. We should assume that the operating environment may continue to be challenging for

some time. Radical and long-term transformation is needed, and the colleges and sector bodies recognise that.

The Convener: That is a long-term issue, and it is recognised. Are you saying that, if the four colleges that you identify are to survive past next summer, it will take cash injections from the Scottish Government to keep them afloat?

Tiffany Ritchie: It is that combined picture.

The Convener: Yes, but, on that combined picture, you have said yourself that the transformational element is long term. The immediate priority is to keep the businesses and colleges afloat, and that can happen only through investment by the Government to ensure that they have the money to keep running their business.

Tiffany Ritchie: Yes. I think that the transformation will support their long-term sustainability. The transformation is needed urgently now, and we are seeing it under way. We have seen colleges and universities respond profoundly in recent years to the changing environment, with different employer needs, different learner needs and a more challenging financial environment. That transformation is under way.

For example, there has already been a merger of three colleges in the Highlands and Islands, and there is partnership working between the University of the West of Scotland and Dumfries and Galloway College. As I say, that transformation is under way, although it requires on-going support, and we need new initiatives—for example, the college infrastructure investment plan and engagement on the funding.

The Convener: How much more money do Scottish colleges need from the Scottish Government to keep them all afloat?

Tiffany Ritchie: It is right to highlight that the quantum of the budget is a matter for the Scottish Government, and it would then be approved by the Parliament. The role of the Scottish Funding Council is to ensure that that funding is allocated transparently and fairly.

The Convener: Yes, but you have a role to inform us, as parliamentarians, of how much is needed. What is the quantum figure? We have the Minister for Higher and Further Education before us next, so we can put these points directly to him, but we need you to tell us what the colleges need. You have access to all their accounts, and you have told us that colleges are in dire financial straits. It is just a simple figure: how much would they need, in an ideal world, to keep them afloat, particularly given the precarious position that some of them are facing in a matter of months?

Tiffany Ritchie: That is absolutely right. As I think Friday's sustainability reports reflect, we endeavour to provide an honest, transparent and fair reflection of the financial state of colleges and universities. We continue to advise ministers on the budget for 2026-27, although the advice itself is privileged. The reports that we published last week are a vital piece of evidence in that advice, however.

I do not think that there is much about the situation that is "simple"; it is a complex set of issues. Working closely with institutions and the Scottish Government across a range of funding and transformation initiatives will be needed to resolve the situation.

The Convener: I understand that, and I understand that you give privileged information to ministers. Are you telling us that you know a figure, but you cannot tell the committee, or that the Scottish Funding Council does not know how much money Scottish colleges would need to get them over the very difficult period that will come by the end of the 2025-26 academic year, which is summer next year?

Tiffany Ritchie: I would refer you to my previous statements. A mixture of support is needed, and it depends on how—

The Convener: I know that, and you have said that. However, for me, as an MSP who will be scrutinising the budget and questioning the minister in an hour's time, it would be helpful to know whether the Scottish Funding Council has knowledge of or understands the shortfall that our colleges need to overcome by next year. I do not think that that would be difficult, given that you have access to all of their accounts.

Tiffany Ritchie: Considering the mixture of what is required, with support towards the transformation, which is required urgently for medium-term and longer-term sustainability, I would suggest, on the funding side, that, at step 1, we should assume that inflationary pressures will continue to some degree, and that it is necessary to support institutions with that; and, as a second point, that transformation will require some degree of funding. Those two elements would be necessary to consider in providing support to the sectors.

The Convener: But you will not tell the Scottish Parliament's Education, Children and Young People Committee, in our pre-budget scrutiny, how much additional money the Scottish Government should be allocating to colleges to keep them afloat in the next financial year.

Tiffany Ritchie: What I would say is that the risks that we have set out in our financial health and sustainability reports are material, and that is going to require significant support, working

together with the Scottish Government and the institutions themselves, and Colleges Scotland and Universities Scotland, through the coming months to address it.

08:45

The Convener: Okay. I will move to other members, but I find that it is quite difficult—I am speaking not on behalf of the committee, but as a member—for us to do our job if the Scottish Funding Council will not tell us what level of funding is required for Scotland's colleges.

We move to questions from Miles Briggs.

Miles Briggs (Lothian) (Con): Good morning. It has been put to me that the Scottish Funding Council is meant to be almost the canary in the mine to warn the Parliament about the financial challenges. However, I have found, as a member of the committee—I do not speak for other members—that it has not felt like that with regard to the information that we have been getting. The response to the previous question has perhaps demonstrated that.

Do you think that, as an organisation, you have done a good job to warn of the situation?

Tiffany Ritchie: We want to continue to provide transparent, robust, evidence-based reporting to the committee and to ministers and the Scottish Government, and to make it publicly available. The financial sustainability reports that we published on Friday reflected the very latest forecasts available, which were submitted in late June by institutions. We are providing them at this time so that they are publicly available as quickly as possible, in order to enable people to see the sector-wide position and the amount of work that is required to improve that and ensure that we have a sustainable sector as we go forward.

I would say that we are never complacent about our role and our work at the Scottish Funding Council. We have continued to evolve how we manage across the outcomes framework and assurance model, which is itself being embedded. We have ensured that we work closely with other organisations—for example, with the Office for Students and our Welsh counterparts—as well as looking internationally and working with private expertise, including with those who have worked with the Department for Education, to ensure that we have a high degree of assurance that we continue to operate with best practice in all our monitoring, scrutiny and interventions.

Nevertheless, we know that there is always more that can be done. That links to what we have seen with institutions; the operating environment that they are now in is not just materially different from what existed previously—it is more volatile. There is more change happening more frequently now, and it is vital that the SFC continues to adapt and is able to flex and adjust to that environment. That is part of the work that we are doing on enhancing institutional scrutiny and governance.

Miles Briggs: At what point has the organisation warned of an overreliance on international students? All your reports now seem to say that that is where institutions have got themselves into financial problems.

Richard Maconachie (Scottish Funding Council): Can I come in here, if I may? Looking back over the reports that we have been publishing for some years now, we have been warning of overreliance on international students in particular. We do that not only in the published report—of course, Audit Scotland mirrors that in what it publishes—but in our discussions with Universities Scotland and, importantly, with the Scottish Government.

I would say that we have, in effect, been acting as a canary in the mine, but I also echo—

Miles Briggs: Yet the institutions are where they are today, in the current financial situation. We have heard that four colleges are potentially going to the wall.

Richard Maconachie: I have lost the point that I was going to make—I was going to add something else, but I will pass back to Tiffany Ritchie.

Tiffany Ritchie: The exposure to international income continues to be a significant risk factor for universities. That has been reported on for a number of years by us and the Office for Students, as well as by Audit Scotland.

It is right and proper that universities participate in the international arena. It is part of their global standing and part of the reputation of this country, and it is the reason that we can produce such high-quality research and a high-quality learning experience. The vital aspect is that universities must recognise and acknowledge the volatility of that income stream, and the fact that political decisions that are made elsewhere in the world may very quickly change what might have appeared to be quite a steady income stream. They must be resilient, flexible and agile to adjust themselves to that, and we need to continue to work with them in that area.

Miles Briggs: On the point about income streams, the committee has heard from university principals about the lack of flexibility around funding and, specifically, about how clawback is impacting on the sector's ability to adapt. What discussions has the Funding Council had with the sector, the Scottish Government and others on that specific issue?

Tiffany Ritchie: We very much recognise the importance of supporting institutions with our funding model and our approach to recovery. Recognising the financial sustainability of institutions is vital. We have been working with the sector on the recovery for academic year 2023-24, and I have written to the principals to highlight that we plan to focus our efforts on supporting transformation initiatives to ensure that that funding remains in the sector, thus supporting the change towards sustainability.

Jackie Dunbar (Aberdeen Donside) (SNP): Thank you all for coming along. You briefly answered what I was going to ask in your response to the convener, but perhaps you could expand on that. What actions are you taking to address the immediate issues that the sector is facing, and what further actions are you exploring with the Scottish Government and universities and colleges?

Tiffany Ritchie: I am happy to expand on that. Indeed, the list is long and growing. We work very closely with the universities tripartite alignment group and the colleges tripartite alignment group. That is an opportunity to meet principals of institutions, chairs, ministers, officials and relevant experts to explore how to support transformation.

One measure that we are undertaking is the college transformation framework. It acknowledges that, even in a very tight fiscal environment, we need to support colleges to review their provision—their curriculum—for two reasons: to find efficiencies because of the financial pressures on colleges and to ensure that their provision is meeting, to the best of its ability, the region's or even the nation's economic skills needs. We have a lot of engagement with colleges on the transformation framework, and a number of pilots are being taken forward at pace with colleges for this academic year.

Another measure is the college infrastructure investment plan. We are looking not only at what sort of investment would maintain the status quo, because that will not resolve the situation in the medium term, but at what investment is needed for colleges of the future to address the current and future needs of learners and employers. That is a five to 10-year vision, with huge engagement from the college sector and the Scottish Futures Trust.

We are also working closely with private partners and exploring funding mechanisms such as the mutual investment model. That type of innovation might well be vital as we continue to operate in a challenging financial context.

We have also committed to universities and colleges that we will carry out a fundamental review of our funding allocation models—that touches on Mr Briggs's point about flexibility—because we must ensure that we remain agile and flexible, and that we support the institutions.

Jackie Dunbar: I am smiling because you spoke about private funders. I was privileged to be at the opening of the energy transition skills hub that North East Scotland College has developed in partnership with Shell, the United Kingdom Government and the Scottish Government, among others—I have forgotten who they are—so I absolutely agree with you.

John Mason (Glasgow Shettleston) (Ind): Although this section of questioning was meant to be on universities, we seem to be combining universities and colleges. It is difficult not to refer to the University of Dundee, but we get the impression that some universities and colleges are a bit more aware than others of their responsibilities under your code of good governance, financial memoranda and conditions of funding documents. We had Paul Grice from Queen Margaret University before us. That university seems to tick all the boxes, as far as I could see; however, other colleges and universities clearly do not.

The question has come up about how proactive the SFC should be. Should it believe the form that comes in or should it go out to meet the institutions? You have referred to the external governance effectiveness review—GER—which is long overdue for some institutions. Will you tell us a bit more about how you interact with colleges and universities?

Tiffany Ritchie: I will pass that over to Ms Brasted.

Jacqui Brasted (Scottish Funding Council): On governance, we interact with institutions in a number of ways. We do not routinely engage with the boards and courts; that would be an escalation, but we undertake such an escalation when it is needed, if there are significant risks. The SFC has the power, under the Further and Higher Education (Scotland) Act 2005, to address governing bodies, and we have done so in the past, although we do so sparingly, for obvious reasons.

With regard to governance effectiveness reviews, there are duties on the institutions, under the financial memorandum, to comply with the relevant sector code of governance. The colleges must have external reviews of effectiveness every three to five years; for universities, I believe that it is every five years. They are beholden to do that.

You might have seen in the SFC's publication last week that we are looking to increase our engagement with institutions to ensure that those governance reviews happen, and that we review and pick things up if there are issues and ensure

that institutions are responding to those points. We are being more proactive in that regard.

John Mason: How are those processes different from an audit? Presumably, all the colleges and universities have both internal and external audits, so what is different about the external review?

Jacqui Brasted: Each year, the internal auditors will give an opinion on whether the governance arrangements are effective, based on the internal audit reviews that they have done during the year. Institutions will also carry out annual internal reviews of effectiveness, which would, in general, involve questionnaires going out to their governing body members about what is working well and whether there are any areas in which improvements can be made.

The external governance effectiveness reviews involve somebody who is an expert on governance coming in and taking a look at how governance is working. In general, they will observe meetings and read the papers of the board and committees. They will review the documentation and talk to governing body members; that is a confidential conversation. The review is usually commissioned by the governing body itself, and it can identify issues.

We are aware, from the work that we did earlier this year, that there is a heavy emphasis by some institutions on development rather than assurance. We are looking to rebalance that, which is one of the reasons behind what we published last week.

John Mason: You say that some of that is confidential, but do you see a report from those reviews?

Jacqui Brasted: We see the reports. The individual conversations between a governing body member and the reviewer will be confidential, but the information will then be synthesised into the report.

John Mason: Does that help you to pick up if there is a problem at a particular institution?

Jacqui Brasted: Indeed—it should help us to do that. As I said, however, we are looking to rebalance the level of assurance and development in those reviews, because although some provide a lot of assurance, some do not provide as much because the focus is on development.

John Mason: That has not been happening at all in some cases, by the sound of it.

Jacqui Brasted: Some reports are delayed. Sorry—I will just check my notes; I have the numbers written down, if that would be helpful for the committee.

At the time of our review, which was back in March, we pulled the governance effectiveness review reports and saw that there were delays with four colleges and two universities. At that point, the reports were due more than five years previously. We are aware that some of those reviews will have taken place since then. Just because the reports were overdue then does not mean that they still are; nevertheless, we are encouraging all institutions to ensure that they stick to the timescales that are set out.

We have quarterly meetings under the outcomes framework and assurance model with institutions. At quarter 3 meetings, which are happening at the moment, one of the elements of focus is good governance. We are raising with institutions comments and feedback on their governance effectiveness review reports. Where those are overdue, we will be seeking an update as to when the reports are due; when the reviews are taking place, we will be seeking assurance that they are on schedule.

John Mason: The SFC says that it will more closely monitor governance going forwards. Is that something that the SFC has not been doing, or is it more the case that the institutions have not been doing it?

Jacqui Brasted: That is about the SFC getting more assurance that institutions are doing what they are supposed to have been doing—and many of them have been doing that throughout.

John Mason: The committee has been looking at the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, which affects the SFC, your responsibilities and even your powers. My feeling is that, with regard to looking at the institutions, your position needs to be strengthened. Are you happy with what is in the bill, or do you think that you could do with more powers?

Jacqui Brasted: We are mindful that we do not want to ask for or have powers that we will not use. The powers in the bill codify things that we are doing anyway and give us a bit more statutory backing for that, which is helpful.

We continue to consider whether additional powers would be helpful, particularly following the parliamentary debate at stage 1, and we are working with stakeholders. We would welcome engagement with members of this committee, and, if there are amendments at stage 2 that you want to discuss, we would be very happy to feed back.

09:00

John Mason: I would be open to hearing about amendments that you think might be helpful.

In the paper that you submitted, you say:

"We increase our levels of engagement and monitoring activity for any institutions facing significant risks to their financial health."

What does that mean? Is there a range of input or monitoring activity that you carry out?

Jacqui Brasted: Yes.

John Mason: To go back to the colleges again, your submission says:

"Twenty-two ... are forecasting ... operating deficits"

this year, and four

"are forecasting a cash deficit".

Does that suggest that there is a range, and that you look at those 22 colleges and the four colleges in different ways?

Jacqui Brasted: Under the outcomes framework and assurance model, a number of outcomes run across all the activities that institutions do and that we have statutory duties in relation to. All institutions will have quarterly meetings on the specific outcomes in the outcomes framework with our outcome managers. In addition, within Tiff Ritchie's teams, there is regular dialogue with the finance teams. That happens with all institutions. If an increased risk is identified, we will increase our engagement with that institution, which will be bespoke and depend on the risk and on the particular outcome that is impacted.

On financial health, which you specifically asked about, Mr Mason, we might ask for monthly management accounts or a recovery plan. We will certainly have more regular engagement with those institutions and we might increase the seniority of the engagement. We might have discussions with chairs, if appropriate. The amount of engagement that we have reflects the risks.

Tiffany Ritchie: I will just add to Ms Brasted's comments. I think that you are right that the sustainability issues—those adjusted operating profits or deficits—are a significant risk indicator. The liquidity position is also a significant risk indicator, because you can have a university, for example, that looks fine in the medium term but has a cash crisis right now; alternatively you can have an institution that looks relatively cash rich but that we can see is heading into a difficult position in the next year or two.

A range of primary and secondary financial health indicators beyond that would all apply, including the level of borrowing, the level of gearing, the level of unrestricted cash reserves and the exposure to international income, as we have previously discussed.

Your initial comment was about how institutions respond. That is also a vital risk indicator. It is not just that they need to forecast with accuracy, but that they then take proactive steps to manage the risk and get behind the numbers; for example, by meeting the chair of the finance committee and asking for its views on the management accounts. That approach would elicit not just how things are looking on paper but whether they are working on the ground in practice.

John Mason: It is helpful to hear that you look at different institutions differently. You say that four colleges have a cash deficit and 22 have an operating deficit, but their positions could vary hugely. If they already have deficits and a lot of borrowing, that is a problem; if they have reserves or they do not have much borrowing, it is not a problem.

Tiffany Ritchie: Absolutely. We look at the degree of assurance that we have on the quality and robustness of their recovery plan and at their experience and leadership capacity to deliver and implement that recovery plan. Many have already started on that journey and we can see whether they are hitting the milestones within that recovery plan. It is therefore about those financial risk indicators and about how they are managing that financial risk. It might be that you have an institution that is facing a material deficit—cash or operating—but we can see that it has a clear and robust path to recovery, which might mean that we focus our engagement on the one that is struggling even to identify that trajectory.

John Mason: That is very helpful. Thanks.

Pam Duncan-Glancy (Glasgow) (Lab): Good morning. Thank you for engaging and for sending in the information that you have.

I will start with a general comment. You have two core statutory duties, as you have set out in your submission to the committee. One is to secure coherent provision and the other is to secure the undertaking of research. The report that you published at the end of last week and what we are hearing from colleges suggest that neither is really happening to the extent that it should. How do you respond to that?

Tiffany Ritchie: I agree with you on the importance of delivering those two statutory duties. On the point about investment in research, significant work is on-going in the SFC to support the research activities of the university sector. We recognise the value of that, not just for responding to things like the Covid-19 pandemic but as a driver of economic growth for the country. For example, our shared services collaboration fund is ensuring that we find ways to find efficiencies in the operations of universities and their research departments or practices.

In relation to coherent provision, we have assurance and will continue to seek assurance that all institutions continue to protect learners and

the learner experience, despite the financial challenges—

Pam Duncan-Glancy: But the number of learners who are being taught is going down and the number of college staff is vastly shrinking.

Tiffany Ritchie: Institutions are making very difficult decisions to ensure their financial sustainability.

Pam Duncan-Glancy: Financial sustainability is your statutory responsibility.

Tiffany Ritchie: Our statutory responsibility is to ensure that there is coherence in provision and financial sustainability across the sector. That is where we are looking to institutions to make those difficult decisions. We do not underestimate the human impact of the decisions that they are making. However, where it is necessary, we recognise that college boards will have to take those challenging decisions.

Pam Duncan-Glancy: Universities Scotland said that the research funding that universities access only covers—if I remember correctly—69 per cent of their costs.

Tiffany Ritchie: We work very closely with the Universities Scotland on the need to ensure that the cost of activities is fully recognised. We also engage with the Scottish Government on the quantum of funding, because the SFC's role is to ensure that we distribute and allocate funding transparently and fairly. A significant amount of funding comes from engaging with UK Research and Innovation and the UK Government. We recognise that there are challenges for universities in Scotland because of the impact of some decisions and the direction of travel regarding the UK Government.

Pam Duncan-Glancy: How can coherent provision be offered when colleges are having to get rid of campuses and asking staff to take voluntary severance? That is not necessarily happening in places where it would make sense in relation to the protection and delivery of courses; it is happening because colleges have to take decisions on the basis of their not having enough funding to sustain themselves. Some courses that might cost a bit more to run, particularly courses for students with additional support needs, are having to be cut. How is any of that coherent?

Tiffany Ritchie: It is absolutely right to reflect the risks and the impact of the decisions that are being made by institutions just now. We have been working closely with the college sector to ensure that the credit threshold that we hold them to is flexible, so that they can best meet the needs of the community in relation to social deprivation and students with additional needs, while continuing to maintain their financial sustainability.

Pam Duncan-Glancy: In some places, that is driving decisions that are not protecting those courses.

Tiffany Ritchie: I agree that very difficult decisions are being made. We look to college boards to ensure that they continue to protect learners, support the community and deliver financial sustainability. We will continue to work with them on all the initiatives that we can—for example, as I discussed, the college transformation framework—to support change in their curriculums to best meet the needs of their community and student cohorts.

Pam Duncan-Glancy: Colleges have lost their transformation funding, so how can you expect them to make the transformation that you say that you expect of then?

Tiffany Ritchie: The transformation framework is a flexibility within existing budgets and colleges are undertaking pilots through that. As discussed in relation to the college infrastructure investment plan, we are also considering how to ensure that there are private partners to support the funding mechanisms going forwards, which feels vital in a highly challenging financial context.

Pam Duncan-Glancy: Okay. Thank you.

I will move on, if that is alright, convener, to the Tertiary Education and Training (Funding and Governance) (Scotland) Bill—

The Convener: First, I will bring in Miles Briggs to ask a supplementary question.

Miles Briggs: I want to pick up on the point that Jackie Dunbar touched on in relation to the opening of the energy transition skills hub in Aberdeen. It is a fantastic example of a college moving forward in a time of skills shortages. However, NESCol warns of a key problem, as do many colleges, with college credits: indeed, it will get no credits for those additional courses and places and it will have to flex—hairdressing might have to be cut to have those potential courses delivered. What is your view on that? If we are to meet the challenge of those skills shortages, we need a different system for credits.

Tiffany Ritchie: We very much agree that the example of North East Scotland College is fantastic, and we recognise the amount of effort that it requires in such a challenging financial context to continue to be able to identify those sorts of routes to innovation and growth.

We continue to ensure that our funding model offers the flexibilities and support that institutions need. In 2023-24, we flexed the credit threshold while maintaining funding—so, to Ms Duncan-Glancy's point, there was a greater investment per student for the colleges so that they could continue to meet the needs of students. We also

adjusted some of the thresholds, for example, where we looked to recover from a college, to ensure that colleges had more certainty over their funding. In 2025-26, we made changes to the funding model so that it better reflects the activity that is undertaken. For example, colleges can flex their provision where they have identified the specific areas of economic growth or economic demand in their region. That is reflected in the funding model and the credits that they receive.

However, we recognise that more is needed, which is why we have committed to working with both Colleges Scotland and Universities Scotland and the wider sectors on the fundamental review of the funding allocation model, so that it is fit for purpose for the future and can continue to meet those sorts of demands.

The Convener: We will go back to Pam Duncan-Glancy.

Pam Duncan-Glancy: Before I move back to the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, I want to pick up on that point. When colleges came before the committee, one principal said of the flexes that were offered:

> "our whole funding system is based on full-time qualifications, activity, teaching hours and bums on seats, and that does not lend itself well to the responsive, agile and bespoke provision that is often needed."—[*Official Report*, *Education, Children and Young People Committee*, 5 February 2025; c 19.]

Another college said that it is doing industry economic growth collaborations

> "at the side of a desk."—[*Official Report*, *Education, Children and Young People Committee*, 18 June 2025; c 14.]

Therefore, the approach is not working.

Tiffany Ritchie: We very much recognise the need to ensure that we continue to support colleges and, through a fundamental review, that the model is fit for future demands. The credit model is designed to enable innovation in course provision. A very short course, perhaps focused on working with employers, would be one credit, whereas a more recognised, more traditional qualification could be two credits. The idea of a credit model is to have flexibility in the provision.

We recognise that the withdrawal of the flexible workforce development fund had a huge impact in that area. Part of the work that we have already discussed with colleges is about ensuring that the flexibilities in our model continue to support what was achieved under the flexible workforce development fund.

Pam Duncan-Glancy: I am hearing language around review and transformation but, as you have concurred with committee members this morning, it feels as if you—as the canary in the coal mine, as it were—should have done that far sooner; I feel that it is a bit late to start reviewing things. Colleges need action in specific areas in order to be able to deliver a coherent provision.

Tiffany Ritchie: We recognise the urgency of the current situation, and we share your view on it. In January 2025, Colleges Scotland wrote to us and reflected our views of the situation about the importance of a fundamental review of the funding allocation model and some of the principles that it was looking to. We then incorporated some of those principles around equity, fairness and parity in funding in our 2025-26 funding allocations, as well as committing to a fundamental review, to meet the demand from the sector, which you have highlighted.

Pam Duncan-Glancy: I want to briefly touch on the tertiary education bill. In evidence to the committee, Colleges Scotland said that, under the current model of funding for apprenticeships, only 40 per cent of the Scottish Government funding reaches colleges in some apprenticeship frameworks. How will that change as a result of the bill, and what actions will you take to change it?

09:15

Jacqui Brasted: On the quote from Colleges Scotland, we recognise that managing agents take a proportion of the funding under the current model. Managing agents do a huge amount of work to support apprentices, and some colleges have fed back to us that they value that work and that, were it not provided, they would have to provide the services themselves. There is a complex picture in terms of how much money could be made available, and we will not want to rush to any decisions on that. We will certainly want to look at the issue and understand it properly in order to make sure that there are no unintended consequences. We are mindful that smaller colleges are particularly reliant on those services. In addition, some colleges are managing agents themselves, so any changes would potentially impact their income.

As part of the review of funding, we are looking at how apprenticeships could be funded in future. If the bill becomes an act, as I hope it will, such funding arrangements would not take effect for a number of years. We would implement change following that. In the short term, there is not much relating to modern apprenticeships that is within the gift of the SFC to do, but we hope to look at the issue in due course. We are aware that it is a concern for some colleges, and we want to understand it more fully. We are engaging with stakeholders to make sure we understand what

the issues are with regard to managing agents for both colleges and independent training providers.

Pam Duncan-Glancy: Just to be clear, if the responsibility is transferred from Skills Development Scotland to the Scottish Funding Council, will the circumstance of only 40 per cent of the funding going to colleges change?

Jacqui Brasted: We cannot make a commitment at this point, as we have not worked through the issue, but we recognise that some things about the existing funding model do not work for all parties. We will look to understand what those things are and to develop a funding model that is fit for the future.

Pam Duncan-Glancy: My final question is on governance. In response to the bill, the University and College Union said:

> "The move to outcome frameworks, and subsequent new guidance, makes no mention of consultation with trade unions and, as result, trade union branches have lost an important ability to contribute to the main agreement universities have with the SFC."

It says that it has raised the issue directly with the SFC. Are you able to comment on that? As part of the scrutiny, would you agree to a direct line of communication between the SFC and the trade unions?

Jacqui Brasted: We—I personally—meet the trade unions twice a year in formal set-piece meetings, in which all the trade unions and I, and other staff, depending on what is on the agenda, discuss our respective concerns. We have discussed the issue with them. We also meet trade unions on an ad hoc basis if they want to discuss particular issues, especially if they relate to institutions. It is not appropriate to discuss commercially confidential matters in the larger forum, so, in such cases, we have follow-up meetings or other meetings.

For example, I met the trade unions in Dundee on several occasions in recent months to discuss where we are on various things. We are always open to having such meetings. We are aware of their concerns in that regard, and we have committed to taking forward a discussion with them about how we can address their concerns in the new model.

The Convener: I will continue on the topic of the tertiary education bill. You will have heard this morning that there is some concern across the committee about the SFC's ability to perform its current functions in relation to foreseeing problems in the university and colleges sector. Witnesses who participated in the committee's scrutiny of the bill and some committee members are therefore worried about the SFC's capacity going forward, given the added responsibilities. What is your response to those concerns?

Jacqui Brasted: It is important to recognise that, if the bill becomes an act, responsibilities for modern apprenticeships will not be transferring to the SFC as such but moving to a new single funding body that will include valued staff who are experts on modern apprenticeships. Those members of staff will also be transferring over to create the new funding body. Therefore, our capacity will not be as it is now. It is not that the SFC, in its current shape and form, will be taking on those additional responsibilities on funding. Rather, we will have the staff who have the relevant expertise and knowledge and relationships with the independent training providers—

The Convener: So why not just leave the staff where they are at the moment?

Jacqui Brasted: Coming back to the coherence of provision, I think that there is a benefit in bringing everything together and having it all in one place in terms of understanding how everything works and having a connected education system. There might be opportunities to remove duplication in the system, which would be of benefit to colleges in particular. Further, having more investment in one place would be beneficial.

Richard Maconachie: One of the things that I think is a benefit is that, if we move to the new set-up, we will have transparency on the end-to-end funding of modern apprenticeships. Let us not forget that the SFC expends about £50 million to £60 million on credits to support modern apprenticeships, so aligning that with the money that Skills Development Scotland invests in them will give end-to-end transparency and enable us to look for better value for money. That is one thing that will help us give matters greater scrutiny.

The Convener: If the bill becomes law, modern apprenticeships—apprenticeships in general—will make up a fraction of what the SFC will do compared to what you will be doing with regard to colleges and universities, given the funding that you will control in relation to them.

Richard Maconachie: Yes, but, as Jacqui Brasted said, we will bring in the expertise of the people who are working in SDS.

Jacqui Brasted: Another area where I think that there will be a benefit from having greater cohesion is in bringing skills development together with research and innovation through the modern apprenticeships. That is easier to do within one organisation.

The Convener: How are the relationships between the Scottish Funding Council and Skills Development Scotland?

Jacqui Brasted: We have a good relationship with SDS. The senior teams of the two

organisations worked productively together on the revised costings in advance of the stage 1 debate on the tertiary education bill. In addition, there have always been very good and close working relationships at the officer level.

The Convener: Really? You think that? Did you watch the meeting that was attended by one of your colleagues from the SFC and a representative of SDS?

Jacqui Brasted: Yes, I did.

The Convener: Watching that, did it feel to you like there were good relationships between the two bodies?

Jacqui Brasted: There have been some challenges, but I think that we are working well together now, and I am optimistic that we can maintain that good working relationship.

Tiffany Ritchie: A large number of people across SDS and the SFC are working together highly effectively on this transformation.

The Convener: How confident are you in the updated figures that Parliament received a couple of weeks ago, ahead of last week's stage 1 debate?

Jacqui Brasted: We are confident in the range of those figures. There are details that will need to be worked through in terms of the number of staff who are in scope, and we need to do more work on some of the details around things such as pensions, which will influence where in the scale the figures end up, but we have confidence in what we have submitted.

The Convener: In that case, why did you not raise concerns with the original financial memorandum for the bill? The cost of the bill has been chopped by a third. That has been hailed by ministers but, to me, it suggests that there must have been some pretty shoddy work in the beginning in order to come up with a figure that was so clearly wrong and which ministers had to quickly change. We heard concerns from SDS when the bill was introduced, but we heard none from the SFC. Why not?

Jacqui Brasted: I think that those numbers were put together in a process that was based on the information from each organisation, and we recognised our portion of that information in the financial memorandum. I cannot speak for SDS in terms of what it could see and what it submitted, but we were comfortable with what we submitted.

The Convener: Did your figures not change between the time that the financial memorandum was published and the point at which the total cost of the bill was reduced by a third?

Jacqui Brasted: The assumptions are now much more grounded in what is happening. Bear in mind—

The Convener: So your figures changed.

Jacqui Brasted: I am afraid that I would need to come back to you on that, because I cannot remember all the details. We are happy to write to the committee on that.

The Convener: That would be helpful, because I think that there is a feeling in the debate that this is an area that Parliament will want to scrutinise a bit more. It is welcome that there is a change in the overall cost, but that has to be scrutinised.

Tiffany Ritchie: I will just add to what Ms Brasted said. I am very happy to write to the committee. There was no material change to the SFC's own numbers. In a number of vital areas, SDS and SFC colleagues were working together to further refine the financials: for example, by looking at scales of transformation on the operational side—the system side—and, vitally, by seeking quite a range of professional advice to ensure that we had a robust evidence base on pensions. That was one of the material changes, and that information was not available at an earlier stage.

John Mason: Just to follow up, one of the changes between the financial memorandum and the letter from the Government was £4 million for information technology. That was not there at all in the financial memorandum, and then it suddenly appeared. Presumably, that is joint between the SFC and SDS? I know that that is not our main subject today, but can you say anything about that?

Tiffany Ritchie: Yes, absolutely. I think that it is right that it was not quantified to the same degree in the previous draft. I think that there was perhaps a narrative reference to this area of work being vital.

John Mason: I think that it said that it was assumed that a normal upgrade would cover the IT.

Tiffany Ritchie: Absolutely. That is an area in which significantly more work is on-going between SDS and the SFC, but it felt important to outline a potential figure. We will continue to get greater assurance on the options. As was the case with pensions, there were a number of options under that with quite different figures attached.

John Mason: Thanks.

Bill Kidd (Glasgow Anniesland) (SNP): Thank you very much for your evidence, everyone.

I will go back a wee bit. This is about colleges specifically. The SFC's report "Financial Sustainability of Colleges in Scotland 2022-23 to

2027-28" was, as you said, published at the end of last week. It is an important report, but what does it say about the overall health of the college sector at the moment, and how does that differ, if it does, from the position in last year's report? Is it significantly noticeable?

Tiffany Ritchie: We agree with you on the importance of the report as an evidence base for the financial health of colleges and universities. We have continued to highlight the risk to the sector, as has Audit Scotland, for a number of years, and the inflationary pressures have been on-going with, understandably, difficult decisions to be made by the Government and the Parliament on budget settlements.

I think that the situation is more concerning now because institutions have been doing so much to try to improve their financial situation—for example, through redundancies, as Ms Duncan-Glancy highlighted—that there is less scope now for some of those measures, such as voluntary redundancies, to continue.

The other side of it is that the arm's-length foundations—that is where cash or reserves are put at the point of classification to the public sector—are materially reduced. That is one of the few areas of flexibility that is available to colleges. That started at £99 million and is now down to something like £7 million. It feels like the range of flexibilities that has been available to colleges is reducing, which is why it is vital that we continue to work with the Scottish Government and the sector on the mixture of funding and further transformation initiatives and flexibilities. This is a step change in risk versus last year.

Bill Kidd: I will go off on a wee tangent. We know why colleges exist. They exist in order to educate and bring through opportunities for people of all ages, but mainly younger people. Are there any signs of colleges, rather than just laying people off, being able to find new ways to access funding? That might be a daft question.

Tiffany Ritchie: Thank you, Mr Kidd. It is an excellent question. Further to Ms Dunbar's point, we have the example of NESCol, which, working with private partners, is able to access and diversify its income streams. In what pragmatically is, and might continue to be, a financially challenging environment, that feels vital. Another example is Dundee and Angus College, which has set out an innovative infrastructure proposal. Again, it is looking to private partners—it is looking, through the college infrastructure investment plan, at mechanisms to bring in private finance to support that.

09:30

Bill Kidd: Okay—that is helpful. That sounds positive to me.

The Convener: We move to questions from Willie Rennie.

Willie Rennie (North East Fife) (LD): Your report last week was probably the clearest that you have been, but I think that you are still behind the curve, because other organisations have been warning about this in stark terms for some time now.

You are clearly not gonnae tell us today how many job losses and cuts in student numbers are needed, and how much more money will be required to avoid those job losses. I think that you will regret that, because you have statutory responsibilities—as you have set out—and because you have pulled your punches in previous years, and we have ended up in some difficulties as a result of that reluctance to be straight with Government and with the public about what is required.

If you are not going to tell us how many job losses there will be, by how much student numbers will be cut, and how much more money is required, will you at least tell us how urgent the situation is? When do you expect colleges and universities to start announcing plans for big changes? Are we talking weeks or months?

Tiffany Ritchie: I share your view that there is a step change in the risk profile. Audit Scotland and ourselves, and the Office for Students down south, have all been reporting on that risk, and it is good to have that recognition across the piece—

Willie Rennie: I do not want to interrupt you, but that is not what I said. Your colleagues sat here last time and were very reluctant to be very straight with Government. We got irritated by that, because we could see the cloud that was hanging over the sector, and you pulled back. I sought an assurance that, if you were not going to tell us publicly, you were at least saying privately that that was the case—I see your colleague nodding her head. You were not clear publicly before, so please do not say that you have been in alignment with Audit Scotland and with other institutions, because you have not been. You have been very reluctant to be straight and open about how dark the situation is.

Anyway, I am sorry—I should not interrupt.

Tiffany Ritchie: Thank you, Mr Rennie. I at least share your view that it is vital to be transparent and open on these matters, and we will continue to maintain that going forward.

As for the urgency of the situation, it is urgent, and I am delighted to be here today to talk to the

committee as part of the pre-budget scrutiny for 2026-27. We have set out the situation in academic year 2025-26, in which a number of colleges are looking at a potential cash deficit. On the university side, we know that universities are taking measures to maintain their liquidity and are making very difficult decisions with real-world impacts, including human impacts on staff and on students, as Ms Duncan-Glancy has highlighted. The situation is urgent, and material support is required—I think that that is right.

Willie Rennie: When would you expect to see colleges and universities setting out those plans? Is it weeks, or months?

Tiffany Ritchie: We are already seeing many institutions with recovery and transformation plans under way, and that is to their credit. It was perhaps Mr Mason who highlighted Queen Margaret University as an example of where an institution engages proactively with all its stakeholders, including its union, to ensure its sustainability.

I think that further change and transformation is required in the near term, and we are working on that with institutions day to day with a monthly focus—for example, through the college and university tripartite alignment groups. Action is needed now.

Willie Rennie: Moving on to the credit model, I note your comment that the system is flexible; however, it is flexible only within an institution. If, as Miles Briggs has said, NESCol decides to do something different, it has to find the resource within it. There is flexibility, but it is not really rewarding innovation or an increase in demand within a geographical area. Is the credit model based on historical or future demand?

Tiffany Ritchie: One of the drivers for the changes that we implemented to the current model for the 2025-26 academic year was our aim of ensuring that our funding allocations reflected current activity. That was an improvement on relying on historical trends; it felt like a step forward, and it has been largely welcomed by the sector.

However, it is valid to say that it is vital that we look to the future and provide support in areas in which there might be future demand and future growth. We will be looking to explore that as part of the fundamental review.

Willie Rennie: Are you afraid to tell some of the bigger institutions that have relied on historical or current demand that they will lose credits? Is that stopping you from bringing in greater flexibility?

Richard Maconachie: We have told some of them.

Willie Rennie: Have you? Tell us more.

Tiffany Ritchie: In our 2025-26 funding model—

Willie Rennie: I was quite interested in hearing what Mr Maconachie was saying.

Richard Maconachie: This is Tiff Ritchie's area, but I am probably to blame for initiating this discussion. In recent allocations, we have told several colleges that they are on a trajectory to lose value in their credits. That reflects their current delivery patterns—in other words, the type of course that they deliver—and the allocations are based on the actuals that we get from the college. It means that the credits that they get will lose value, which allows us to transfer the value of such credits to other colleges. We have talked about NESCol, which is one of the colleges that has benefited from that exercise.

However, we recognise that you do not want to apply too great an external shock, because that would be destabilising. We are putting in some mitigation so that such changes are made in a gradual way. It is flexible, and we are making our stance more forward looking and less historically focused.

Willie Rennie: I am hearing real frustration from places such as Dumfries and Galloway College. The college is seeing significant demand from lots of young people, as well as from people of all other ages, and it could meet their needs, but there is just no way that it can provide the courses. Will they be happier with the new system?

Richard Maconachie: I do not have the figures here, and I do not wish to be too specific about individual colleges, but my memory is that Dumfries and Galloway College benefited marginally from the change. That will improve as we continue to reverse the benefits that some colleges are, but should not be, getting.

The approach is highly contentious, which we appreciate, but we need to be equitable and fair in our distribution and allocation of the credits and their value. As Tiff Ritchie said at the beginning, the SFC is responsible for allocation, not for setting any budget.

Willie Rennie: When we had representatives of the colleges before us, they talked with great enthusiasm about the flexible workforce development fund and the relationship with employers. They said, "This is fantastic." However, when we asked, "What about the credit system?", it went dead. They said that there was no innovation and no real incentive to discuss it with employers. I am paraphrasing, but they said, "We just got the money and we delivered what we have always delivered." There was no enthusiasm. Surely, we have to get the credit system—

Richard Maconachie: The credit system has changed over the past two or three years. In that time, it has evolved each year.

To go back to Mr Briggs's comments, the news about what is happening up in NESCol is fantastic, but the answer surely has to be that we need to get private employers and the oil industry to contribute to the cost of providing skills to their employees.

Willie Rennie: Scotland's Rural College, which has a large estate covering many campuses, receives a fraction of the capital funding that other institutions receive. Will you be changing that?

Tiffany Ritchie: Yes, Mr Rennie. We are working closely with SRUC to ensure that it has the support that is required for its infrastructure. Again, I point to the Scottish Government and the Scottish Parliament on this, but the quantum of the budget is something to look at. In that area, we are working on the college infrastructure investment plan and with universities on where more innovative funding mechanisms might provide a material improvement in the funding.

Willie Rennie: Might there be some good news for that college?

Tiffany Ritchie: We are working closely with it on that and are having regular meetings to ensure that we support it.

Paul McLennan (East Lothian) (SNP): I have a working example that builds on Willie Rennie's point. On Monday, I held an energy conference in East Lothian that included Edinburgh College and companies that are investing all over East Lothian, including Scottish Power, SSE and Fred Olsen; we also had the Energy Skills Partnership. One key thing that we have been trying to do for years now is to make forecasts—indeed, Willie Rennie made a point about knowing where the demand for jobs will be—and some frustration was expressed at the conference at the forecasting of future demand.

How much do you work with bodies such as the Energy Skills Partnership to look at the demand across various parts of Scotland? Edinburgh College, which had representatives at the conference, would be relevant to that activity. What interactions are you having with the likes of the Energy Skills Partnership to identify skills and opportunities and to know what will be required almost a year in advance? Those jobs will become available, but it is important that the skills are prepared a year or two in advance. That was a real working example that we saw when we discussed these matters on Monday.

Tiffany Ritchie: I very much agree that that is a vital area of focus, and it also goes back to Mr Rennie's point. We do work closely with our skills planning colleagues. I will ask Ms Brasted to give you more detail on that, but I can tell you that it ties in with two ideas: first, the fundamental review of our funding allocation model to ensure that we are incentivising, supporting and meeting skills demand to ensure that we support economic growth; and secondly, the tertiary education bill and coherence of provision, given that apprenticeships are a vital part of the mix and there must be close work between institutions and employers.

I will turn to Ms Brasted.

Jacqui Brasted: We provide funding for the Energy Skills Partnership and our skills team works closely with it. There have been recent discussions about additional funding, and we are in conversation with the partnership about that. We do work closely with the partnership to support its work.

Paul McLennan: Another key partner, as well as the colleges, is the local authority, through, for example, its East Lothian works programme. Does your work feed into that of local authorities? What part do they play, and how do you feed into it? There are fantastic training opportunities for kids in East Lothian, and it is important to maximise them. I am thinking, for example, of the £100 million investment that was made in a company called Had Fab and the 40 or 50 new apprenticeships that came out of that. It has been a game changer for lots of people. Where do local authorities come in?

Jacqui Brasted: That brings me back to an earlier part of our conversation about how apprenticeships will work in the future. We want to engage with all stakeholders to understand what works well for them and where there are areas for improvement or particular problems that we could look to address. That might, in addition to the partners we have already mentioned, include local authorities, which are an important delivery mechanism for apprenticeships.

Pam Duncan-Glancy: Thank you for your responses so far. I have one question left, which is about the way in which the SFC will distribute funds from the closing of the regional board in Glasgow. The last time I had conversations with the colleges, which was fairly recently, they had not yet received any of the funding that would have been saved as a result of that closure. When will they get the funding, and how much will that be?

Tiffany Ritchie: At a high level, we have been working closely with the Glasgow colleges and the regional board on the winding-up activities. I am delighted to report that that process is almost complete and that we should be able to communicate with colleges very shortly to confirm

the funding, which I appreciate is vital. A sum of £500,000 was ring fenced to ensure that there was no unexpected detrimental impact, but we expect that no more than that—and possibly less—will be needed.

Pam Duncan-Glancy: Just for clarity, what can the colleges expect to see?

Tiffany Ritchie: We should be able to confirm a final figure to the colleges in the coming weeks, but it will certainly not be of any quantum beyond what has previously been discussed.

Jacqui Brasted: The money has been withheld so far just in case any costs arise from the final audit when the new account is being completed. That process has not yet been completed, but it will be in the next month or so. At that point, we will know what the figure is, and we will distribute the money.

Pam Duncan-Glancy: So, colleges in Glasgow should know within a month.

Jacqui Brasted: Yes.

09:45

The Convener: Following the publication of the Gillies report, you wrote to the committee to say that you would like to come and discuss that report and the wider issues around the University of Dundee, so we will now move on to that topic. I will go first to Willie Rennie.

Willie Rennie: Can you give us an update on your discussions with the University of Dundee?

Richard Maconachie: In which respect? Which aspect? We are in discussions with the university about many aspects.

Willie Rennie: Tell us the most important thing that you would like to tell us.

Richard Maconachie: I suppose that the most important thing is the agreement in the response to the SFC's letter of 18 August, in which we set out three priorities. We set out the need for a plan to establish stable leadership, in court, in the committees and in the executive; we required notification of any no-regrets efficiencies that the university was making; and we required it to set out a plan for a proper vision and strategy, drawing on full engagement with the staff and the students. I am glad to say that we are making good progress on that.

We had a response from the chair of the court that we can interpret as being supportive of that work. We have had a couple of very good sessions with the university, setting out a plan and a timeline to achieve all those things. That might be too operational for the committee's interests, but it is important to start getting some grip and traction on it. In turn, that will unlock the section 25 funding that has been offered by the cabinet secretary.

We are also—although not with the university itself—having due diligence work done on the university's current cash forecasts and on what would be an appropriate carrying balance for it to have as a buffer.

Willie Rennie: That sounds more positive than things have in recent weeks.

Richard Maconachie: I believe it is.

Willie Rennie: Was the financial recovery plan that was proposed by the university rejected?

Richard Maconachie: No, it was never rejected. Despite what you might have read in some of the media, we have never rejected it. Our board has been consistent in saying that we need to see a recovery plan that is couched in a proper strategy and a strategic vision that will ensure that the university is not hollowed out, that any job losses are in the right place and that we have a vibrant university left.

The university recovery plan, or URP, has many strong aspects, and I have no doubt that some of them will find their way through to the final recovery solution. However, it did not evidence consultation and engagement with staff and students.

Willie Rennie: Was that incorrect reporting corrected? Was the report that the recovery plan had been rejected corrected by the SFC?

Richard Maconachie: I am not aware of that.

Willie Rennie: Do you not think it would have been important to do that? It was quite a significant thing; it was widely reported that the plan was rejected, and people were led to believe that we were back to stage one when we were clearly not. Why was that not corrected?

Richard Maconachie: We made it clear in our dealings with the court and staff representatives that we had not rejected the plan. The letter is there for people to see.

Willie Rennie: It was not made clear to me and it was not made clear to many of the people I have spoken to. That is fundamental. For a long time, we were being told that the situation was urgent and then, all of a sudden, we were into an 18-month timeline with no apparent plan. Why were those reports not corrected publicly?

Richard Maconachie: In hindsight, that might have been a good thing to do.

Willie Rennie: That concerns me. We have made a lot of mistakes throughout the process. We were unable to identify the problem in the first

place. We are now on our third principal in a short space of time. Shane O'Neill was apparently the answer for a while and then he was not.

When will we get a proper grip of the University of Dundee and have clear communications with the public about what is happening so that they know that the institution has a future? Confidence went to rock bottom for a long time. I am pleased to hear that things are moving in the right direction, but tell me that you have a grip of the situation.

Richard Maconachie: I believe that we have. I could go through the timetable leading up to the letter of 18 August, but that is probably not what the committee wants me to do. Resetting the relationship at that point was the right thing to do. We are engaged positively and have a plan emerging that will deliver us a strategy in the coming year. We have set a stop of 12 months. That is what it is and I expect a plan to be developed before then.

Willie Rennie: There is a belief among some people, including ministers, that new income could be secured, which would mean that the plan would not just be kicking the can down the road and that there would be an opportunity to grow the university after the period of transition and restructuring. Where will that money come from?

Richard Maconachie: Income generation is an important aspect of any recovery plan. That is another aspect that we want to be developed in the plan that has been submitted. It is not particularly vocal on that aspect. The main areas of income generation will be approaches such as the development of new courses that are in demand for students—international students in particular.

Willie Rennie: International students.

Richard Maconachie: We would have to have something that was attractive to them as well.

Willie Rennie: Are we, in a volatile international student market, relying on international students to get us back?

Richard Maconachie: No, but that is part of the mix. There is still international demand, but you need to have the courses that people want to come to do.

Willie Rennie: Is that not quite risky? We already saw the risk with the massive drop in the Nigerian currency in a very short order, which the university was unable to identify under previous leadership. Is going back into that market to bring stability to the university the smart thing to do?

Richard Maconachie: I am not suggesting that it should go into the Nigerian market. I am saying that it should examine opportunities, which would include international students.

Willie Rennie: China is equally volatile. The economy is facing difficulties and the number of Chinese students is going down. Is that where we are going?

My concern is about the broader point that you are saying that there is new income that can be secured to avoid future job losses so that we do not just delay job losses for 18 months or two years. Where is the money coming from?

Richard Maconachie: That is not what I am saying, Mr Rennie. I have said that international students are part of the blend.

Willie Rennie: So where else will the money come from?

Richard Maconachie: The university will need to restructure.

Willie Rennie: That is not new income. We are talking about new income. Where does that come from?

Richard Maconachie: It comes from new courses to attract new students. The university is already looking at income-generation opportunities, but the strongest option will be new courses.

Willie Rennie: That does not sound very robust for something that is about the long-term sustainability of the institution at a higher level of employment than previous iterations of the recovery plan indicated—the 300 jobs of a difference. You are not filling me with confidence that we really know that there is a new source of income.

Richard Maconachie: I have not said that there are no more job losses to come. I have said that we need to ensure that they are in the right place. You need a strategy and vision to ensure that any losses are properly rationalised and justified.

Willie Rennie: Let me be clear. Ministers are basing the budget on the premise that we will secure new income so that, instead of having a big decline in job numbers, we will have a lower decline—cuts—and then we will be able to grow the institution through new income.

Richard Maconachie: No, ministers—

Willie Rennie: Which one are you saying that it is?

Richard Maconachie: Ministers have said that they want a more considered approach—

Willie Rennie: No. They said to me very clearly that there is an opportunity to secure new income to prevent those additional 300 job losses, which is the difference between the recovery plan and

what they want to do. That is why they have provided the state funding. Ministers said that the transition period will allow the institution to develop a plan to create new income that will launch it into greater times—

Richard Maconachie: I was not at the meetings where they said that, Mr Rennie. Income generation is part of the solution—it has to be. However, there will need to be further restructuring.

Willie Rennie: I have been desperate for a clear strategy that unites the Government, the SFC and the university. Every time I ask questions, I get different stories from different people about what will happen, and I have had another story today. I am pleased that the relationship is better, but we need to have a fundamental understanding about what the rough plan is—I know that the detail will be worked on over the period. Is the plan new income? Is it job losses? Is it restructuring? What is it? I need to know that to have confidence that the people who are in charge know what they are doing, but, so far, I have not got that confidence—there are different stories in different places.

Richard Maconachie: It is not my plan to write, Mr Rennie, but I have told you what I think it will be, which is a combination of restructuring and looking at—

Willie Rennie: You have powers over the institution. Surely you are a major part of that plan.

Richard Maconachie: We have influence over the institution, but it is still an autonomous institution.

Willie Rennie: Right, so it is still autonomous.

Richard Maconachie: Section 25 gives us more powers through the conditions that we set on any funding, but we would still not want to step into a position in which we are seen to be running the institution.

Willie Rennie: That is a good thing. The institution's independence needs to be maintained so that the people who are running it are in charge of the strategy.

Richard Maconachie: The SFC believes that, too.

Willie Rennie: Good.

The Convener: I have some questions, but if other members want to come in, please indicate.

Mr Maconachie, you said that the recovery plan has never been rejected. Has it been approved?

Richard Maconachie: The plan has not been approved. We have said that it needs further work.

The Convener: So, you rejected it. What was submitted was not good enough because it needed further work. Therefore, it was rejected. It is semantics to say otherwise.

Richard Maconachie: If you say that, convener.

The Convener: Is that not a fair assumption?

Richard Maconachie: I would not say that we rejected the plan. That word has never—

The Convener: But you have rejected it—

Richard Maconachie: No. I would not say—

The Convener: You are not accepting the plan and it has not been approved, so it has been rejected. Just be honest with us.

Richard Maconachie: I am being honest with you.

The Convener: You do not think that saying, "This is not good enough; go away and do more work" is rejecting what has been submitted.

Richard Maconachie: I do not view that as us throwing the plan on the heap, as it were—

The Convener: But you have rejected it. You have not accepted what the university produced.

Richard Maconachie: I do not interpret it that way. We think that there is a lot of good value—

The Convener: How else can you interpret not accepting something and not approving it? That is a rejection.

Richard Maconachie: I have said what I have said.

The Convener: Is that not the reason why, to pick up Mr Rennie's question, the Funding Council did not challenge the articles? You might not have liked the headlines, but you did reject the plan.

Richard Maconachie: I do not think that we rejected the plan—we never said that we rejected it.

The Convener: But you said, "We do not approve it."

Richard Maconachie: We said that it needed further work and to be grounded in a strategy—

The Convener: You rejected it—

Richard Maconachie: —which we had repeatedly asked for since the beginning of the year.

The Convener: It was rejected.

Does the university today—on 1 October—have a formal principal?

Richard Maconachie: It has an interim principal.

The Convener: And he has continued. I understand that his contract was up yesterday, 30 September, and that all the members received an email last night from the president of the student union querying what his status is from yesterday to today. Tell us the Funding Council's view on the status of the interim principal of the University of Dundee.

Richard Maconachie: My view is that you are right—his contract came to an end. There is a proposal to get the court to extend his contract. I do not know this, but I would hope that there is capacity under the resilience plan to have that period between the two phases covered by Nigel Seaton.

The Convener: Surely you have asked. You have not come here today, to speak to this parliamentary committee about the University of Dundee, unsure of what is happening between now and the court meeting later this month.

Richard Maconachie: I ask Jacqui Brasted to come in on that.

Jacqui Brasted: We understand from the university that there is a proposal to the court that is going through due process, and that Nigel Seaton remains in post until a decision is made.

10:00

The Convener: The court meets on 13 October. Has nothing been done to cover the period of a fortnight between his contract—

Jacqui Brasted: I believe that he has continued in post.

The Convener: —formally ending, and the matter going to the court on 13 October?

Surely, given your section 25 powers and your interest in the institution, you were asking what happens in that two-week period. Have you not been asking?

Jacqui Brasted: The university is taking the time to ensure that the matter goes through due process, through senate and through court.

The Convener: Sorry—is it due process that you cannot answer our questions on that today? Do you accept that there is a gap there?

Richard Maconachie: It is my understanding that, under the resilience plan, he has an extension.

The Convener: But the proposal has to go through due process, as Ms Brasted has just said, on 13 October.

Richard Maconachie: It is my understanding that he is still in post until that due process is finished, but—

The Convener: But there is no due process for the fortnight in between.

Richard Maconachie: But, we will find out and write to you on that.

The Convener: Come on—you should know that. I do not think that that is a difficult question to anticipate. You asked to come here to speak to us about Dundee university, the Gillies report and the future of the university, and you are here on the day that the interim principal's contract has, in effect, expired—it will have to be extended or renewed, or not—and you are not prepared. You have not gone away to find out the detail that we would rightly expect.

Richard Maconachie: It is my impression that he is—I am hesitant to be precise about it, because I do not firmly know, and I would like to find out for you.

The Convener: We would like to know.

I want to ask about an article in *The Courier* newspaper, on 10 September, about

"An unscheduled meeting of the funding council's board".

Are you aware of that article?

Richard Maconachie: I am aware of the article.

The Convener: Are you all aware of the article? Is it correct?

Richard Maconachie: There was a meeting on 4 September—it was an extraordinary general meeting, which had been planned since June. It was to consider sign-off on conditions. In August, we became aware that we would not quite be ready to do that, but we elected to keep the date for the board so that we could give it a full update. We do not recognise the description of the meeting in the article; it is certainly not how we would characterise it.

The Convener: Were any or all of you there?

Richard Maconachie: I was there.

Tiffany Ritchie: I was there.

The Convener: Ms Ritchie was there. Ms Brasted?

Jacqui Brasted: I was on annual leave.

The Convener: Were there people at that meeting who said that the Scottish Funding Council was "just a conduit for" the Government?

Richard Maconachie: I believe that there were people who said that we needed to take care that it was not seen as that.

The Convener: So concerns were raised at your board meeting—

Richard Maconachie: There are concerns—

The Convener: Sorry, Mr Maconachie—let me ask the question.

Concerns were raised at a board meeting of the Scottish Funding Council about the SFC being "a conduit for" the Scottish Government.

Richard Maconachie: There were concerns that there could be a perception of that.

I would add that it is only right, and good governance, that there is good scrutiny and challenge to the executive, and our board is good at doing that, as it quite rightly should be.

The Convener: The article also says:

"Another warned there is 'significant concern' across the sector about"

the Scottish Funding Council's

"independence."

We are talking about your own board. What you have heard from a range of politicians today has been narrated to you directly by your own board members. Is that not worrying?

Richard Maconachie: We listened to what our board members told us, and we have taken that up with the Scottish Government and relayed the concerns.

The Convener: Sorry—you have taken up the SFC's perceived lack of independence with the Scottish Government. Is that your answer to those concerns?

Richard Maconachie: No—I meant that we have shared those concerns and that we need to make sure that that perception does not continue.

The Convener: Do any of our witnesses today believe that the Scottish Funding Council lacks independence from, and is a conduit for, the Scottish Government?

Richard Maconachie: I think that we have independence. I think that section 25 of the 2005 act, which is novel, changes the situation. We are directed on how to apply moneys, and we need to be cognisant of that.

The Convener: Your board members raised concerns about the SFC's role in the University of Dundee situation. In their minds, the decisions that were taken—the rejection of recovery plans and suchlike—made it apparent that you are not independent and that you are a conduit for the Government. Are you simply denying that and burying your heads in the sand?

Richard Maconachie: That is not the case, convener—

The Convener: So you accept it.

Richard Maconachie: Not all board members shared those views—

The Convener: Some of them did.

Richard Maconachie: A minority.

The Convener: But it would be a worry for anyone on your board to think that you are not independent from Government and that you are a conduit, would it not?

Tiffany Ritchie: The section 25 nature of the situation is unique and unprecedented. Justifiably, it is a source of robust discussion and would naturally lead to some concerns being expressed. That is reasonable. The discussion was robust, but we do not agree with or recognise how it was portrayed in *The Courier.*

The Convener: What will you do to counter those concerns and to provide the reassurance that your board members now need that you are independent from Government? Do you think that your answers today will have provided reassurance?

Richard Maconachie: Well, that would be for the board to decide. However, to assure the board that we have on-going independence, we are working with it to get its agreement to the conditions that we are working with and on the timetable that we are developing.

The Convener: Do other committee members want to come in? If not, I will go to Maggie Chapman.

Miles Briggs wants to come in.

Miles Briggs: Thanks, convener.

I want to stick with the interests of your board members, because it is quite clear that some of those individuals are principals of institutions that are in financial difficulty. What policy does the Scottish Funding Council have in relation to those individuals and discussions about their institutions with regard to any conflicts of interest?

Tiffany Ritchie: You are absolutely right to say that our board has a diverse and necessary range of expertise. That is vital, given the scale of the challenge that we face and the decision making that is required on the matter. We manage individual conflicts of interest in accordance with best practice and the code of governance, which is set out in a number of papers that are linked to our board meetings. I am very happy to provide any more information to the committee if that would be helpful. We have been managing that element effectively for many years. The robust discussions that happen at the board, which are absolutely necessary in these times, are a sign of its high quality.

Miles Briggs: Has anyone from the University of Dundee sat on your board previously?

Tiffany Ritchie: Not to our understanding, no.

Pam Duncan-Glancy: Other institutions will be watching what is happening, and I hope that you will, too, to try to ensure that such things do not happen again. If other institutions fall into difficulty, is there money available to help them?

Richard Maconachie: What happened at Dundee happened on a scale and at a pace that we had not seen before. Some institutions are experiencing challenges, but we cannot see anything of that magnitude. We are working closely with the universities that we know have concerns, and we will manage that position closely.

All the moneys that the SFC has expended, or will expend, through section 25 are Scottish Government moneys—they are not from within our budget—so we would have to turn to the Scottish Government for further budget.

The Convener: I call Maggie Chapman.

Maggie Chapman (North East Scotland) (Green): Thank you for letting me in, convener.

Good morning. I have a couple of questions, but, before I ask them, I want to put on record what is stated in my entry in the register of interests: I am rector of the University of Dundee and I sit on the university court. Because of that, I will be careful in what I ask and how I ask it.

Following on from the question that Pam Duncan-Glancy has just asked, given that we have had 11 months of this at the University of Dundee—Willie Rennie expressed his frustration at how things have or have not happened over that time—concern is being expressed that the unique situation there might be used as a political football in the broader higher education funding debate. How does the SFC respond to that particular point? How will you ensure that the unique situation at Dundee does not creep into the wider discussion about HE funding?

Richard Maconachie: I think that, apart from the root causes that differentiate the Dundee situation, one of the outcomes of that was the Gillies report. The scope and magnitude of the Gillies report differentiate Dundee. I cannot see any other institution wanting to go through that.

We are very much aware of the correct observations of the other institutions. They have a valid interest in how the situation is handled, and we are aware of the impact on them. We engage with Universities Scotland to manage that position.

Maggie Chapman: That was going to be my follow-up question. What is your engagement with Universities Scotland?

Richard Maconachie: We meet Universities Scotland regularly; there is a periodic meeting. There is good dialogue between the chair of Universities Scotland—formerly Paul Grice and now James Miller—and our chief executive.

Of course, we are also members of the tripartite group of Universities Scotland, the SFC and the Scottish Government, which comes together to talk about matters of concern.

Maggie Chapman: In response to one of Willie Rennie's questions, you said that one of the three conditions in the letter that the SFC sent to the university was about engagement with staff and students—the university should ensure that staff and students are properly engaged in the current situation and in the creation of the long-term plan that will ensure the financial and on-going sustainability of the institution. What does good engagement look like to you?

Richard Maconachie: We are working that one out, to be honest with you.

Maggie Chapman: What are the principles that underpin what you would expect to see in what you are working out?

Richard Maconachie: I would want it to be comprehensive. We are asking the university to set out all the constituencies that it deals with. I would want to understand what has been communicated and how. I would want to understand what feedback there was and what was done with the feedback. We take on board that not all feedback will be actionable, and that not all the feedback that we get will find its way into any recovery plan, but we would want to see that feedback set down and codified in such a way that we can evidence that consultation is taking place.

Maggie Chapman: You talk about feedback and consultation, but I see those as being quite different from engagement. I see engagement as being much more co-productive. It involves having conversations that are not about discussing something that is already predetermined by university management or—

Richard Maconachie: Those were my loose words. You will recall that we have always talked about it—indeed, I have talked about it in court—as engagement, not consultation.

Maggie Chapman: It is important that we are clear on that, because there has been quite a lot of communication going to the university community, saying, "This is what is happening," but not, "Come and tell us what you think about how we can work together on that." That has been one of the fundamental problems over the past 11 months. There has been some communication to the university community, which in some cases has been very poor, but it has always been one-directional. I think that that is part of the reason for

the lack of trust and the issues of morale that this committee has talked about for months now.

Richard Maconachie: Yes.

Maggie Chapman: This is my final area of questioning. We have been in this situation for nearly 11 months, and there have been fits and starts of discussions between the SFC and the university, as well as discussions around this committee's table. Given that the SFC's responsibilities range from teaching, learning and research to student support and participation, how do you see those different elements being prioritised in conversations with the university about the long-term financial sustainability of the institution?

I will explain what I mean by that. Finances were the bottom line in the financial recovery plan of six and a half or seven months ago. How have we moved beyond that?

10:15

Richard Maconachie: I am glad that you mentioned that. At that stage, we appreciated that it was very much an accountancy-driven solution. That is when we started to say that the university needed to couch the matter in terms of a vision and a strategy. When the university recovery plan came through, we did not think that it delivered on that. That is what resulted in the letter that our chief executive wrote on 18 August.

We have moved beyond that by trying to set out in a granular fashion the steps that we require to be taken. I have not brought it with me, but we are trying to draw up a route map for the next 12 months and to get the university to agree to it—as you said, because of section 25, we have more influence with it—and then we will be able to work at pace to implement that. The university assures us that much of the work that we are asking for has been done, but we have just not seen it. I am yet to see that.

Maggie Chapman: Are you frustrated that we are where we are, 11 months on?

Richard Maconachie: The whole of the SFC is, and I personally am, frustrated.

Maggie Chapman: Mention has been made of the Tertiary Education and Training (Funding and Governance) (Scotland) Bill. Are there mechanisms in that bill that would give you the ability to act sooner so that, if such a situation were to happen again anywhere—we do not want it to—we would not still be, 11 months down the line, without a plan or a clear vision of the way forward?

Richard Maconachie: We have learned, and are learning, a lot from the experience. I reflect on the fact that the university is an autonomous institution. We have to respect that. Such compunction is not as easy as I would want it to be next time, if the same thing ever happens again. I appreciate that there have been changes in leadership, which have sometimes added to the delay and the lack of direction.

Tiffany Ritchie: If it would be okay, I would like to add to Mr Maconachie's comments. As Ms Brasted highlighted, we continue to engage on the TET bill to ensure that we have everything that is needed to ensure that the situation at the University of Dundee never occurs again.

We have discussed enhancing our scrutiny under our outcomes framework and assurance model. The challenging financial context might well continue and the accuracy of forecasting in institutions' financial plans continues to be vital. However, as you mentioned, it goes beyond that. We need not only to have confidence that we can see the issues and risks and report them honestly and transparently in the way that Mr Rennie highlighted, but to have absolute confidence that the institutions, including their leadership teams, can respond effectively and quickly to such issues and have the sort of engagement that you have discussed so that recovery plans are bought into.

That is the focus as we enhance institutional scrutiny and governance so that such a situation never happens again. Financial risks and issues might emerge, but we will have the confidence that the institutions will recognise them and take the right action, with the buy-in of their stakeholders. That feels like the crux of the matter.

Maggie Chapman: Do you have confidence in the current governance and management arrangements at the University of Dundee?

Tiffany Ritchie: I defer to Mr Maconachie on that.

Richard Maconachie: Yes. We were at pains to assure the current leadership that our requirement for an accelerated plan for leadership was not a reflection on it. However, leadership needs to be seen to be stable and permanent. That will give the staff greater security and confidence.

Maggie Chapman: What about governance?

Richard Maconachie: Governance has improved greatly, but there is still more to do. I ask Jacqui Brasted to come in on that, because she is closer to that element.

Jacqui Brasted: We have an action plan in response to the university's response to the Gillies report, which includes a lot of actions to strengthen governance. We are monitoring that closely. We have had the first report from the university on its progress against that—we are getting monthly reports—and we will scrutinise

that carefully. Several actions have already been completed and others are in train, so we are confident that it is taking the action that it needs to take to strengthen governance and address the issues.

Maggie Chapman: That is helpful—thank you.

The Convener: The committee has an extremely busy schedule today, so we must draw this evidence session to a close. I thank the witnesses for their time.

I suspend the meeting for about five minutes.

10:19

Meeting suspended.

10:27

On resuming—

The Convener: Welcome back. We move to our next panel. I welcome Ben Macpherson, the Minister for Higher and Further Education, and two officials from the Scottish Government. Stuart Greig is head of the governance and assurance division in the lifelong learning and skills directorate, and Amanda Callaghan is deputy director for the institutional stability response hub.

Minister, I understand that you want to make an opening statement.

The Minister for Higher and Further Education (Ben Macpherson): Thank you very much for the warm welcome, convener. It is really good to be back at the committee. Not so long ago, I was at the table in a different capacity for about a year. In recent times, I have been on the Criminal Justice Committee and have been unable to observe every session that you have undertaken, but I know that you have put a lot of work into budget scrutiny. I am glad to be here today to help you as you take that scrutiny forward.

One thing that I know about the committee is that we all agree that we want people to get the best education, not only for them but for the common good of our country in the here and now and in the future. That is why education that is free at the point of access and there so that people can fulfil their potential is so important.

My challenge, and our collective challenge, is to ensure that we protect that basic right while supporting the sector to adapt to a deeply challenging financial outlook and a very fast-changing world. I expect that we will explore those challenges and other matters in great depth and detail today, but I also want to take the time to add a little context.

We need to remember that people across Scotland have a great education system on their doorsteps. Our universities continue to punch well above their weight on international measures, with three Scottish universities—the University of Edinburgh, the University of Glasgow and the University of St Andrews—featuring in the top 200 of the 2025 *Times Higher Education* world university rankings. It will not have escaped people's attention that the University of Dundee rose 12 places to joint 23rd in that guide, that it was top in the UK for bioengineering and that it was second for medicine and dentistry. It also jumped 26 spots to 26th in the *Guardian* guide. Those achievements are down to the commitment of all the staff in those remarkable institutions.

Our colleges are no less important, and they are equally impressive. Not only do they support people across Scotland to get the practical skills that our economy needs but they nurture skills that will define our economy going forward.

We have so much to be proud of. Since 2012-13, around 130,000 students have benefited every year from our commitment to free tuition. There were more than 25,000 modern apprenticeship starts in 2024-25, with a record number in training. Average student loan debts for Scottish students are the lowest in the UK—they are more than £35,000 lower on average than those of students from England. We have provided more than £1 billion-worth of support to students via grants and loans to ensure that the most disadvantaged have the same opportunities as everyone else.

In stating all that, I am not for a moment suggesting that there are not considerable challenges—there absolutely are, and we need to tackle them. However, it is important for us to recognise, as we go into this challenging period together—and I want to work with all of you—that there are lots of strengths to build on. A lot has been delivered and achieved that is highly commendable, and there are a lot of excellent staff in our universities and colleges, who deserve our praise and support.

10:30

The Convener: Thank you very much. I know that colleges and universities will appreciate those comments. The committee has on numerous occasions reiterated our thanks to the staff for their hard work and dedication, and to the students who are learning.

You mentioned viewing previous committee proceedings. Did you watch this morning's session with the Scottish Funding Council?

Ben Macpherson: I did indeed, convener; I caught most of it.

The Convener: What did you make of the points that were put to the Scottish Funding Council in the latter part of the session that it lacks independence from the Scottish Government, and that, in the view of some of its board members, it acts as a conduit for the Scottish Government?

Ben Macpherson: I will not speculate on board discussions that I was not part of or in the room to hear.

The Convener: Mr Maconachie confirmed that those discussions were held, so we now know that that is the view of Scottish Funding Council board members. What is your response to that as minister?

Ben Macpherson: What I heard and understood this morning in relation to the situation with the University of Dundee is that section 25 of the 2005 act exists for very specific circumstances. A dialogue is required between the Government and the Scottish Funding Council because of that situation but, as a whole, the SFC's independence as a body is clearly long standing.

The Convener: We will come to the University of Dundee specifically at the end of our session, but the fact that board members are questioning the independence of their own body raises concerns. Do you think that any action should be taken to either prove that that is not the case or to strengthen the division between the Funding Council and the Scottish Government?

Ben Macpherson: I am very clear that the Funding Council is an independent body. With regard to the University of Dundee, there are specific circumstances in relation to section 25.

The Convener: Has the Funding Council provided you with a figure for the quantum of money that will be needed to save colleges that might come into even more dire financial straits by the end of 2025-26?

Ben Macpherson: I presume, convener, that you are referring to the reports that were released on Friday by the Scottish Funding Council.

The Convener: Yes.

Ben Macpherson: You will appreciate that my officials and I have been reviewing those reports with diligence since their publication. Before their publication, the Government was in significant and regular dialogue with the Funding Council on all those matters, and there has not been any material change in how we work together since then. We will continue to work collaboratively with the body as an independent entity on how to support our important college sector in these challenging times.

The Convener: Has the Funding Council told you what you need to get from the budget, when you go into negotiations with the finance secretary ahead of it, for the colleges to survive? These are dire financial straits for the four that are in cash deficit and the two thirds that have operating deficits, and they will not survive without transformation. I accept that the Funding Council believes that transformation is part of the process, but funding is clearly another part of it. Has the SFC given you a figure for the quantum that you need to fight for so that colleges can survive? You do not need to tell us the figure, although I would love it if you did.

Ben Macpherson: I know that there is a shared interest around the table in our college sector thriving. For completeness, it is important to emphasise that I cannot discuss the specific circumstances of certain institutions that are in commercial negotiations, as those matters are subject to commercial confidentiality.

Of course, what was put forward in the reports that were published on Friday is significant. The Government will, in dialogue with the Scottish Funding Council, consider those matters, as it had been doing prior to publication of the reports.

There are a number of questions regarding the current financial year and preparation for the next budget, which I know that the committee has been analysing as part of its work; that is why we are here today. There is a process of internal engagement on budget negotiations within Government before the budget is published. That will happen in the period ahead of the next financial year, as it normally does, and there will be an internal dialogue whereby ministers with responsibility for education will, of course, advocate strongly on behalf of our portfolio.

The challenge for us all is that we are not going to be able to set a Scottish budget until early in the new year, because the UK budget is not happening until the end of November. However, there is time to go through the processes, and we will do so professionally and diligently.

The Convener: I did not want to interrupt—indeed, I did not do so—because I was hoping that, at some point, we would get the answer to what was a specific question.

Can you simply tell me this: has the Scottish Funding Council given you a figure that you need to be fighting for? You do not need to tell me the figure if you cannot or will not, but having listened to the Scottish Funding Council witnesses for an hour and a half, and now having listened to you, I am unsure whether the Government or the SFC even knows how much money is required to save the colleges that will potentially go to the wall next summer.

Ben Macpherson: This is the situation that I was alluding to. I appreciate Parliament's focus on the matter as a result of reports that were published and put into the public domain on Friday. However, it is a matter that has been under almost constant discussion for ministers, including my predecessor. Ministers are, all the time, across the question of how we support our colleges.

There is a live discussion about a specific figure. We are seeking advice from the SFC on a range of matters, including support for our colleges. In this post, I look forward to engaging with our college sector through Colleges Scotland, which is the body that represents them. I also look forward to engaging with individual institutions in the period ahead.

Willie Rennie: Minister, do you have a range? Do you have a number? You do not have to tell us the number, as the convener says. To cut to the chase, I presume that you have some kind of figure in mind—a figure that the SFC has told you—as to how much you are gonnae argue for. You must have something.

Ben Macpherson: To state the obvious, there will be a range—of course there will be—but these are live discussions, and I do not want to breach the confidence of the discussions that we are having.

Willie Rennie: Has the SFC been straight with you about what that figure is?

Ben Macpherson: We are in a live discussion with the SFC on these matters.

The Convener: Does that live discussion include a quantum? Has the SFC given you a figure? The SFC witnesses would not tell us; I do not know whether that is because they do not know or because they will not or cannot say. That is all that I am trying to get to the bottom of.

Minister, you said that the committee has an interest as a result of the reports that were published on Friday. One of the reports crystallised the position of four colleges, but the committee asked about college funding during our scrutiny of the previous budget. It is not a new issue for the committee.

Ben Macpherson: I appreciate that, and it is not a new issue for ministers and the Scottish Government either. I am trying to make the point that we are in constant dialogue with the sector on its requirements, needs, challenges and demands, and on how we work together to transform and continue to offer what Scotland needs for its young people, for other learners and for the economy.

Stuart Greig may want to come in briefly on discussions that he has had.

Stuart Greig (Scottish Government): I absolutely understand the line of questioning. We are always in very close dialogue with the SFC across such matters, as you can imagine—off the back of the reports that have been produced, as well as in the lead-up to the reports and in the on-going dialogue with the sector. There is increasing pressure in the sector and we want to provide the right level of support to colleges at the right time.

I cannot give you figures—numbers and so forth.

The Convener: We have accepted that. We are just asking whether you have the figures.

Stuart Greig: We have a good understanding of the broad range of issues that are at play across the sector.

The Convener: Issues are different from figures, though.

Stuart Greig: The financial matters are an important part of the issues.

The Convener: There was some frustration during our discussion with the previous panel of witnesses. I hope that you will go away and reflect on the issue, minister, if you can. I know that you are new in post.

Ben Macpherson: I think that that is a fair ask, and I appreciate your understanding. I am happy to take that point away and to consider what written correspondence we may be able to provide to the committee to answer the point in any further way.

The Convener: Thank you.

I have one final point to raise. Minister, what do you think is an appropriate salary for a university principal in Scotland?

Ben Macpherson: I appreciate that that has been a point of interest for the committee. It is not for me to comment on individual salaries, and it is not for me to direct institutions as to what they may want to offer or provide in terms of remuneration in a competitive global market.

The Convener: With respect, it is. Your predecessor told us on 11 June that he had

"already had a direct conversation with the chairs of the universities in Scotland",

and that the Government was

"encouraging them to exercise restraint in the uprating of remunerative packages in view of the challenging financial circumstances and the cost of living crisis. There has already been a conversation of sorts about exercising self-restraint and self-awareness."—[*Official Report*, *Education, Children and Young People Committee*, 11 June 2025; c 6.]

Is that an approach that you are going to continue?

Ben Macpherson: Yes—and thanks for the opportunity to say a bit more on this. Universities should exercise restraint in setting senior pay, and senior pay packages should be in step with the salaries, terms and conditions that are offered to other university staff.

The Convener: When was the most recent letter of guidance between the Scottish Government and the Scottish Funding Council produced?

Ben Macpherson: Do you mean with regard to executive pay?

The Convener: I will come on to that. As Mr Greig told us at the committee meeting of 11 June, I believe that letters of guidance are issued annually between the Scottish Government and the Scottish Funding Council or SDS. When was the last one issued?

Stuart Greig: It was around the turn of the year.

The Convener: So, the letters are produced at the start of the calendar year, not the start of the academic year.

Stuart Greig: Yes. We moved it forward this year, so that they are more in line with budget-setting processes.

The Convener: Where is the Government in terms of adding something about principals' pay, conditions and add-ons to the letter of guidance?

Ben Macpherson: I am happy to—

The Convener: If I could stick with Mr Greig, please. Mr Greig, you told me in June that

"the letters of guidance are between ministers and the SFC or Skills Development Scotland and set out the priorities that ministers want to see exercised. In that context, there could be some clear messaging about ministerial expectations in that regard, but there could not be specificity."

What has happened since 11 June to ensure that that is in the upcoming letter of guidance?

Stuart Greig: I will not comment on the specifics of the upcoming letter of guidance, but there are existing policies in play around the good governance framework in universities. Within that, there are clear signals that the courts or boards should be making careful considerations around the pay of their executive teams. Restraint and the wider operating environment of the public sector are important issues.

The Convener: I understand that, and that was confirmed on 11 June. The Cabinet Secretary for Education and Skills, Jenny Gilruth, went on to say:

"The minister and I might wish to reflect on that, given the committee's evidence from last week's session."—[*Official Report*, *Education, Children and Young People Committee*, 11 June 2025; c 5.]

Has there been any further work on that since June? I was comforted by that response from the cabinet secretary, and by that from the then Minister for Higher and Further Education. Are you saying that there has been no work on that element?

Stuart Greig: That would be wrapped into the on-going work for the preparation of the next letters of guidance.

The Convener: So, that has happened and it is happening.

10:45

Stuart Greig: As I have said, there is definitely continual dialogue with ministers about all those issues. Of course, we have a new minister in today, so there is more dialogue to happen.

The Convener: Is something that you would look to continue, minister?

Ben Macpherson: Yes. I note the point, convener, and we will continue to think about the issue in the period ahead.

Pam Duncan-Glancy: Good morning to you, minister, and your officials. I welcome you to your post and your first committee session on that side of the desk.

The programme for government talks about colleges and universities being vital anchor institutions, yet colleges say that they are "hanging by their fingernails" and Universities Scotland has said that

"it is an unavoidable reality that public investment in universities has been falling in real terms for more than a decade. Neither teaching, nor research, is fully funded."

Representatives of both sectors have highlighted real-terms funding cuts and expressed concern about the ability to deliver post-school education reform in that context. What assessment has the minister made about whether the Government is providing sufficient funding to colleges and universities to successfully fill the role that they have been set?

Ben Macpherson: In a constrained financial envelope of devolved spending, the Government has not only provided free tuition but supported our institutions through some pretty turbulent times—the pandemic, Brexit and, prior to that, austerity. I know that you are looking at pre-budget scrutiny for the financial year ahead, but there is a story here. Indeed, as I mentioned in my opening statement, there is a hugely successful story of delivery from our colleges and universities through those periods. For example, in the last budget, the

colleges received a revenue increase, so the Government has—

Pam Duncan-Glancy: Colleges have said that it was a real-terms decrease, just to put that on the record.

Ben Macpherson: There was a 2.6 per cent increase in revenue spending for the colleges sector in the last financial year, but I am trying to not have that debate, because it is important that we think ahead.

In that context, there is an area that the Scottish Government can control, which is consideration in the period ahead of what additional support, from our limited envelope, could potentially be provided to support both sectors.

We are in very good dialogue with Universities Scotland about the future—the member's colleague Willie Rennie and Stephen Kerr raised the matter in Parliament yesterday—and I am sure that we will have more discussions. There is a really good conversation happening with universities about the future and about how we can work together in this challenged environment, and I want to have that conversation with the colleges as well.

Overall, we are operating in an environment where inflationary pressures have caused significant challenge. There are situations with energy costs, the geopolitical scenario, immigration rule changes, and the fact that national insurance contributions are going up. The Scottish Government is having to contend with a situation where a lot of external factors have put pressure on those autonomous institutions, which are having to contend with it as well.

The question for us as a Parliament, for the executive and the legislature, is how we work together to ensure that those key sectors and institutions are there to provide for our economy and our learners in the here and now, and that we evolve and adapt for the very challenging future ahead of us with regard to technological change and the way in which the economy will evolve.

Pam Duncan-Glancy: I share the aspiration to ensure that the economy evolves and that universities and colleges are a key part of that evolution. The minister talks of a limited envelope, which has increased by about £5 billion this year—

Ben Macpherson: But, in that—

Pam Duncan-Glancy: I did not interrupt you, minister. Colleges and universities will be watching this and wondering why they have not seen an improvement in their circumstances.

What the minister has not set out is that colleges' staff numbers are down by 27 per cent since 2007; budgets have been cut by around a fifth since 2021, with a 17 per cent real-terms fall since 2021—as I said, colleges have said that they are "hanging by their fingernails"; and student participation and learning is falling. What is the plan to fix that?

Ben Macpherson: I cannot change the past, if that is what you are asking. What we can do together is, first, recognise what our colleges have delivered, in terms of the tens of thousands of people who have successfully gone through our colleges in that period and gone on to have successful careers, without tuition fees.

We can think collectively about how we work with the college sector—I am very determined to do that. I greatly value our college sector—I, and the Government, think that it is extremely important to meet our future economic needs and fulfil the needs of industry. I was pleased to be able to talk about that a bit in the stage 1 debate on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill last week.

How we ensure that we have the provision that is required, both in local communities and over a geographical spread, is very important to me and to the Scottish Government. It is important for us to work together with our college sector and with industry to ensure that the colleges and the economy are working together in the most optimal way, for the benefit of colleges and—crucially—for the benefit of the people whom we want to go through those institutions, work in our economy and our growing and emerging sectors and become very successful in their careers.

Pam Duncan-Glancy: Again, I share that aspiration. Minister, what, specifically, will you do to resolve the problems that we have heard about in committee? For example, we heard directly from colleges that they are undertaking collaborations with industry

"at the side of a desk".—[*Official Report*, *Education, Children and Young People Committee*, 18 June 2025; c 14.]

We heard from other principals that the model was about "bums on seats", but not about the flexible, modular delivery that industry and the economy, and local areas, need.

What specific changes is the Government going to make, and what is the quantum that you are going to attach to that in the budget?

Ben Macpherson: Obviously, I am not going to be able to tell you the quantum now, because the Scottish Government cannot form its budget as we will not know what the UK Government budget is until 28 November. There is an internal process to go through—

Pam Duncan-Glancy: What are you going to ask for?

Ben Macpherson: I and other education ministers will be arguing for our portfolio, and there is a shared interest across the Scottish Government for education to thrive, not just for—although most importantly for—the benefit of the people whom we all serve, but, crucially, to ensure that we fulfil the economic potential and bring forward all the positive impacts that that can have.

You asked how we are going to work collaboratively with the colleges and step into the future and the next chapter together. I am extremely passionate about that, and I want to really focus on that, in my role, in the period between now and the election.

There is—it is cited in members' papers for today's meeting—quite a well-developed position with the universities with regard to how they want, collectively, to think about sustainability for the future and work together on what needs to change and how the Scottish Funding Council, the Scottish Government and the sector can work collaboratively.

I would really love to establish that with the college sector. It is about my not only working with the body—Colleges Scotland—but engaging with individual institutions. A great—or significant—number of those institutions have written to me in the past week, as the committee would expect. I look forward to engaging with several of them, as much as capacity will allow, once I am not doing parliamentary business every day—as has been the case since last Tuesday, pretty much.

Pam Duncan-Glancy: I appreciate that, and I appreciate that you are new in the role, but you will have people around you who will have been able to get you up to speed.

The sector has said that there has been a lack of leadership and direction to date. When the principal of NESCol came to committee, he said that:

"in the absence of direction",

they

"simply cracked on".—[*Official Report, Education, Children and Young People Committee,* 5 February 2025; c 11.]

That does not seem to be a particularly optimal way of supporting colleges to do what you have just said that they should do.

Ben Macpherson: We all need to be leaders in this. I am happy to provide leadership from a ministerial position, but we will all need to be leaders in making sure that we are delivering the best collectively. I know that all colleges, as institutions and the individuals who work with them, are passionate about that. My anecdotal experience as a constituency MSP is that our college sector is extraordinarily inspirational in what it wants to do for young people. I want to work with colleges and to engage in the process of transformation, as well as supporting them financially in the ways that the Scottish Government can, if that is appropriate.

Pam Duncan-Glancy: What will you do differently to show that leadership?

Ben Macpherson: It would be inaccurate to suggest that there has not been leadership in the past. From the times that I sat on the other side of this table and the other times that I observed him, I know that my predecessor was very engaged in working with the college sector on its needs, on what it wants and needs to deliver and on the transformation that is required.

I want to look forward. I am happy to give you an undertaking today that I will work proactively and collaboratively with our college sector to support colleges, and, most importantly, to work with them to provide the support to our learners and our economy that colleges are so important for.

Pam Duncan-Glancy: I have two final specific questions. The graduate apprenticeship target is to remain at below 1,400. That is proportionally much fewer than elsewhere in the rest of the UK, and it looks as though something like £21 million will be spent on moving things around in quangos to deliver such a low number of graduate apprenticeships. Do you intend to increase that and improve it? Are you going to change that target?

Ben Macpherson: As I said to Parliament last week during the stage 1 debate on the tertiary education bill, and as I was very clear in saying my opening statement, I am not waiting for primary legislation to work with the universities to seek to enhance the graduate apprenticeship offer. That is all I am going to say just now. I will update the committee on that in due course, but I have to have further dialogue with Universities Scotland.

Pam Duncan-Glancy: Will the target increase?

Ben Macpherson: I will update the committee on that when I am ready to.

Pam Duncan-Glancy: University access to financial transactions with low interest rates via the Scottish Funding Council stopped in 2024-25 when the funding moved to the Scottish National Investment Bank, which is mandated to lend at commercial rates. What is the minister's view on that and what is the rationale behind it?

Ben Macpherson: I would have to take that away and look at it in more detail. We know that the financial transaction budget for the Scottish Government has been massively slashed in previous financial years, and that has had consequences not just in this portfolio but

elsewhere. I will take that issue away and write to the committee.

Pam Duncan-Glancy: I have one final question on Glasgow Kelvin College, which has a £8.2 million cladding bill. I appreciate that you are only just in the door, but what discussions have you had or will you have with the housing secretary to see what you can do to help with that?

Ben Macpherson: Cladding and reinforced autoclaved aerated concrete are two unanticipated external matters that have fallen on the sector. It would be more appropriate for me to take that issue away and engage through Government and get the member a proper response.

Pam Duncan-Glancy: Thank you.

The Convener: Perhaps when you do that, your officials can provide some more detail on this as well. We wrote to the housing secretary, and I think that we got a response from your predecessor. So, this is an issue about which there has been some correspondence, but we would like a bit more detail on it. If you are going to come back to us on this, perhaps you might look at the previous correspondence, too. That would be helpful.

I call Bill Kidd.

11:00

Bill Kidd: Thank you, minister, and thank you to your officials, too. You have already mentioned that you are making assessments of how things stand, but you are having to work your way in and are trying to find out how things are operating in some areas that are not as much in the public domain. My question, however, is about an area that is in the public domain. As you will know, the committee has taken evidence from numerous university principals on the pressure on Scottish universities due to the falling number of international students. Are you looking at the impact of that decline and how much the situation has been affected by the UK Government's crackdown on immigration and its restrictions on postgraduate students bringing dependents here?

Ben Macpherson: The issue of international students is, of course, important for all universities across the UK, not just those in Scotland. First, I think it important to state the benefit of international students, and not just in a monetary sense through the fee income that they bring into universities. Something that we need to consider collectively, as we work with universities on sustainable funding, is how to be not overly reliant on international student income. That income is very important; indeed, it is a public benefit not just to universities, but to the whole of the UK, and it is, of course, of particular interest to our Government in Scotland.

However, this is not just about bringing people here so that they can pay fees and can study; it is also about what they do when they are here and their participation in our economy and society. I can give you an example from a visit that I made to a care home in my constituency not so long ago. The international students studying care who do not go home in the summer, because, financially, it makes no sense for them, stay in Scotland and provide extra cover in that care home, allowing the other carers who work there to take their annual leave over the summer. I just use that as an example of the multi-benefits of having international students.

Furthermore, when many of these international students were able to stay here before Brexit, before these immigration changes and, indeed, before the further restrictions that we are going to see on immigration, they started businesses and worked in our public services and our economy. There is a multiplier effect to the benefits of international students, not just in terms of the fees and income that they provide to universities, and I implore the UK Government to rethink its position on putting restrictions on them. My strong view is that that is not a solution to some immigration challenge that it believes exists; instead, it is a damaging change of economic policy from the UK Government. Quite frankly, it is illogical.

Bill Kidd: I can see the substantial social and economic effects on the country of having such students. However, I am looking at the immediate situation of these falling numbers, which are already having an effect in some cases. Given that it is affecting the income for universities, are you looking into how that can be addressed?

Ben Macpherson: Yes. Of course, the reduction in income as a result of having fewer international students is a concern. However, we should also remember that a lot of international students are still coming to Scotland. They are welcome, and we want them here, because they are important contributors, as I outlined in my previous answer.

It is not just the legal changes that are being made; the signal that the UK Government is sending out is not helpful for our institutions across the UK, either. We are considering the situation for our institutions in Scotland—and that is, of course, most pertinent to us—but I should point out that several institutions in England are really struggling, and part of that is to do with international students, too. At least, that is my understanding.

Bill Kidd: I know that the Scottish Government does not have control over these numbers at the

moment, but will it be looking at how the financial hit on the universities' incomes might be addressed?

Ben Macpherson: As I have alluded to, the dialogue that we are having with the university sector on a sustainable future absolutely includes consideration of the impact of international student numbers.

Bill Kidd: Okay. Thank you very much for that.

The Convener: I call Jackie Dunbar.

Jackie Dunbar: Thank you, convener, and thanks to Bill Kidd for asking all the questions that I was about to ask. Perhaps I can expand a little bit more on those matters.

Minister, I welcome you again to your post. As you will be aware, I truly believe that higher education in Scotland—[*Interruption*.]

Ben Macpherson: I am sorry—I cannot hear your question, because of what is happening behind me.

Jackie Dunbar: It's not my day, is it?

As you know, minister, I am a big believer in higher education being possible for everyone in Scotland who wants it, no matter their financial circumstances. What assessment has been made of the support to students that the Scottish Government is providing, and how does it compare with elsewhere in the UK?

Ben Macpherson: There is, of course, our approach to tuition, which means that the majority of Scottish-domiciled students, either in further or higher education, do not leave university with any personal debt for fees. As the member knows, that has been the Government's position since it took office; it was a key policy that was delivered and which has been sustained. What that means—and there is survey evidence on this—is that individuals do not have to bring into their consideration or personal analysis of whether university or further education is the right option for them the question whether they will accumulate debt for fees as a result. That is very important.

As for student support, I mentioned in my opening statement that the position here is better, too. Average loan debts for Scottish students are the lowest in the UK; indeed, they are more than £35,000 lower than the average for students from England.

Jackie Dunbar: Do you think that that situation has been helped by having free tuition?

Ben Macpherson: Yes, of course, because it means that what individuals here have to consider is just their cost of living—although I should say that there is a good support package for that, too—rather than the accumulation of the cost of living, fees and so on.

We know how difficult things are, particularly for our young people at the moment. At a UK level, millennials, and younger, are finding the affordability of housing more of a challenge than it has been for decades. Finding ways in which we can support our young people and ensure that they are not overly burdened by debt and can move into their careers with confidence, having had a first-class education, is rightly a priority for this Government.

Jackie Dunbar: Finally, has any consideration been given to maintaining free tuition? Have you discussed that with universities with regard to their funding models? I know that you are just barely in post, but is that, or is it not, on your to-do list?

Ben Macpherson: As I said to the Parliament yesterday, the Scottish Government will discuss all issues relating to sustainable funding in the round, except for the introduction of up-front tuition fees as were in place previously under the Scottish executive. We will not discuss the possibility of reintroducing tuition fees. My personal view is that tuition fees have been a bit of a red herring. If tuition fees are a panacea, why are we seeing such difficulties with institutions south of the border, where fees are over £9,000 a year? Unless people are arguing for tuition fees to be higher than £9,000 a year—I think £9,000 is too high, so any higher would certainly be too high—introducing tuition fees cannot be a sustainable funding solution for our institutions. I want to continue the good-faith discussions on sustainable funding, but the Scottish Government is clear that, as long as we are charged by the people of Scotland to be in Government, tuition fees will not be introduced.

Jackie Dunbar: I might come back on that later.

Willie Rennie: Minister, I was pleased to hear you set out clearly yesterday that the discussions that were triggered by your predecessor and the First Minister are continuing. Will you set out some detail on that? What discussions have been held with Universities Scotland and members from other parties? I was one of the members with whom discussions have been held, so maybe I could tell the committee. Can you set out any timescales or indicate the shape or terms of the discussions? What can you tell us?

Ben Macpherson: As I hope I have emphasised so far, I want to work in lockstep with the sector on the challenges. As you alluded to, Mr Rennie, the situation to date is that my predecessor brought Government, colleges, universities and the SFC around the table to discuss new ways to tackle the challenges. I want to build on that approach. That work will need to

include considerations about how we adapt, reform, deliver efficiency, and, most importantly, serve learners. That has been a key area of focus for me with the university sector, and, as I emphasised, I would like to build on the precedent set with the universities to do the same with colleges. I will be seeking to achieve that. I will set out more in the next few weeks about how we will continue to work with the university sector on a new vision for Scotland's universities. If you can give me time, I would like to set that out in due course.

Willie Rennie: Are you thinking about giving a statement to the Parliament?

Ben Macpherson: I do not want to be definitive on how that will be expressed, but I am not close-minded to the idea of engaging with the Parliament in that way.

Willie Rennie: That is fine for now. Thank you.

Miles Briggs: Good morning. I have a couple of questions about colleges. You will probably have heard over both panel sessions about the real concern that exists for our college sector. The report, which is really stark, mentions four institutions that are facing financial difficulty. I have been on the committee since November, and it feels as though our college sector is the Cinderella of our education system. I want to see that change, and I hope that the minister does as well. Minister, what assessment have you made since your appointment—that might be literally over the weekend—of where the college sector is, what you want to see change over the next six months, and what opportunities there are to get the sector into a much stronger place?

11:15

Ben Macpherson: In the discussions so far, we have deliberated on the financial challenges. I talked about transformation. I re-emphasise the importance of our college sector, not just for the people who go through the system and for the excellent staff who work so hard across a variety of courses and the different career paths that individuals are undertaking; it is also key to our economy.

It goes back to some of the discussions that I was privileged to hear when I was a member of this committee about the shift in consciousness that we need to go through as a society to be celebratory of the different paths that people take and to create a greater parity of esteem whereby we value, respect, celebrate and appreciate people's contributions, whether that is through university, college or a route straight into employment. We want a society in which people know the different routes that are available to them and are able to access the support to undertake those routes and fulfil their potential. At the moment, our college sector is important for that.

We need a process of transformation—the evidence is clear on that. In the period ahead, I want to work collaboratively and engage proactively and constructively with the college sector on how we can do that together. There are questions about whether primary legislative change is required for that. As a Parliament, we are in the process of considering the tertiary education and training bill in this area.

Miles Briggs: There is probably quite a lot of consensus about that vision and how to get there, but there may be some differences. On your final point, it was clear from the stage 1 debate last week that only two political parties support the progression of the tertiary education and training bill. The minister will also be aware that we were not able to agree on the general principles of the bill for the committee report. Has he reflected on the concerns about the bill? Specifically, the warnings from the Confederation of British Industry Scotland and the Scottish Chambers of Commerce were quite stark, and I hope that the minister has understood that.

Given the amount of legislation that is passing through this committee and the Parliament, is the minister minded to withdraw the bill? What conversations have taken place about that?

Ben Macpherson: No—I have not had conversations about that. It is important to note that the Parliament passed the bill at stage 1. I also heard loudly and clearly—and I was pleased to hear it last week during the stage 1 debate—that there is a unified understanding that we need to make progress on the skills agenda, whether that is in industry, across the political parties or across the business community. We know that we need to make progress, but the question is how. The whys are shared but the how is where the disagreement is.

I listened carefully to all the speeches during the stage 1 process of the bill last week and I will reflect on them. However, if the primary legislation is to progress—which the Parliament voted for last week—it is incumbent on members to collectively make it work as efficiently and effectively as possible for the people of Scotland.

Miles Briggs: We heard in our first evidence session today about the impact that college credits are having. I note that the First Minister was in Aberdeen this week to open the energy transition skills hub and I welcome that. I have met with the college there, and committee members regularly promote the hub.

Are you looking at a fundamental review of how college credits are being provided? That is one of the big asks of every college that I have spoken to.

I am sure that there is a better way of making sure that we are meeting the skills gap in our economy by doing something specifically with credits. Is that something that you are starting to look at?

Ben Macpherson: I listened carefully to the earlier discussion. It was an excellent discussion, which got to the heart of where all our reflections need to be, which is around how we make sure that our system helps with economic growth and delivery as well as with maximising our emerging sectors, where we have an advantage and a possibility for more success and enrichment.

I will reflect on the points that have been raised about credits today, including those that Mr Briggs has raised, and I would be happy to have further dialogue on that, if that would be of interest.

The Convener: On Miles Briggs's point about the tertiary education and training bill, finance was the big issue for the committee. It came up repeatedly at the stage 1 debate last Thursday. You gave a commitment to further discussion, dialogue and interrogation of the updated projections of the costs of that bill. How do you envisage that happening? Would it be through the committee, discussions with the parties or further debates in the chamber? What is your view on that?

Ben Macpherson: That is a fair question, convener. I am taking time to reflect on the stage 1 debate, and I hope that you will allow me that. It is important to emphasise that, as I recall was stated earlier this morning, the IT costs are an upper estimate and there has been a reanalysis of the finances. I will engage bilaterally with members on the bill ahead of stage 2, as they wish, and I will proactively reach out to several members of the committee. I can reach out to the whole committee, if that is preferred, but I will certainly engage ahead of stage 2 in relation to further analysis of the figures.

The analysis of the finances that was provided to Parliament ahead of stage 1 was undertaken professionally by actuaries, and it was robust. I will seek further comfort on those figures ahead of stage 2, as well as on the pension arrangements, as I said in my summing up at stage 1.

The Convener: Mr Mason might want to raise some more points on that later, after Pam Duncan-Glancy asks her questions. The Finance and Public Administration Committee did not look at the financial memorandum for the bill because it did not have time. This committee has raised serious questions about it. Mr Greer, who supported the bill at stage 1, raised significant concerns about the IT element. It would be useful for the Government to consider how Parliament and parliamentarians will be able to delve into the figures even more, given the concerns that have been raised throughout the process.

Ben Macpherson: That is completely fair, and I am happy to be engaged in that way.

Pam Duncan-Glancy: You have set out that conversations are on-going about the funding of colleges and universities, that you are prepared to have discussions, including potentially making a statement to Parliament, and that there are also concerns about skills shortages and the way that apprenticeships are working. Do you think that now is the right time to spend £21 million, at the best estimate, moving staff from one organisation to another, when you could be using those funds directly for provision?

Ben Macpherson: I was not anticipating a further discussion on the bill today, because we had quite a broad one at the stage 1 debate last week, but I am very happy to engage. The question that we have to ask ourselves as a legislature is whether we want to legislate in that area, and I think that there is a requirement that we should.

It is unrepresentative to characterise the intention of the bill as just moving function from one place to another. It is about streamlining and, as the SFC set out this morning, creating greater efficiency so that we have the right arrangement to direct the resources to ensure that we maximise the delivery of the apprenticeships and training programmes. We could have a more optimal system than our current one.

Pam Duncan-Glancy: When I asked the witnesses from the SFC about that this morning, they said that they could not say that it would happen.

Ben Macpherson: I am afraid that I cannot recall those specific points being raised with the SFC this morning, so I cannot refer directly to them. I apologise, but I do not recall exactly what was said.

Pam Duncan-Glancy: I raised a concern that colleges had raised with us, which is that only about 40 per cent of the funding for apprenticeships reaches colleges, and I asked the SFC witnesses whether that would change in the new model. They could not tell me that it would.

Ben Macpherson: It is not for ministers to direct which bit of funding the SFC would allocate. It is meant to be an arm's-length body.

To go back to some of the areas that I touched on in answer to Mr Briggs, we want a system where there is flexibility and efficiency to provide the opportunities that the economy needs and to support people in the different avenues that they decide to take and that are best for their personal development and fulfilling their potential. Through

the consultation process and my predecessor's work, the changes that are being proposed in the bill would help to streamline the process. However, I listened carefully to the reflections that were articulated in the stage 1 debate in the chamber last week and have read the report with interest. I want the committee to be assured that I am listening.

Pam Duncan-Glancy: I appreciate that, but the SFC needs some leadership. You cannot continually say that it is the SFC's job. The SFC is saying that it is the Government that determines the quantum. Colleges, young people and people across Scotland's economy all need some leadership on the matter. The Government will need to step up on that.

John Mason: We are wandering around and asking each other's questions today, so it is a bit of a muddle. However, on the bill, I agreed with your point in your intervention on me in last week's stage 1 debate, convener. Either the Education, Children and Young People Committee or the Finance and Public Administration Committee—Mr Greer and I are on both of them—should look at the financial memorandum and the subsequent letter from the Scottish Government that came in September. It is probably not your decision, minister. I assume that it is for the committees to decide between them which of them should do that and I flagged that up at the finance committee yesterday.

Along with the budget, we are due to get the Scottish spending review, which will look further ahead—about five years or thereabouts—for all sectors. Can you give us any indication, minister, on how much detail will be in that for colleges and universities? Will it help them to plan ahead because the Government is giving more of an indication on the funding?

Ben Macpherson: Like the member, I welcome the long-term planning in the spending review and the medium-term financial strategy. I would be grateful if John Mason could give me the space to engage with finance ministers on that question and provide the committee with an answer in writing.

John Mason: The finance committee and others thought that we might have got a little bit more detail in the medium-term financial strategy. Given that we did not, we are hoping—certainly, I am—that the Scottish spending review will not be too high level and we will get a bit more detail in that. However, I am happy to give you as much space as you want.

Ben Macpherson: Those points are also relevant to the wider collaborative work with the sector on sustainability. I am grateful for that understanding and I will take the point away.

John Mason: I would like there to be more money for colleges and I would raise tax to do that, but I accept that other committee colleagues want there to be more money but will not say where the money should come from.

11:30

I will move on to capital, which Pam Duncan-Glancy has already touched on. Glasgow Kelvin College mentioned that it needs £8.2 million to tackle cladding. Colleges Scotland has said that there are 11 buildings that have RAAC, across seven colleges. At the Finance and Public Administration Committee meeting yesterday, the ministerial team confirmed that the building safety levy will be only for residential buildings. Colleges will not get anything from the building safety levy, which I find a bit disappointing. I think that the reason is that we have to follow the English model. Are we clear as to how much money will be needed to tackle RAAC and cladding in colleges and possibly universities?

Ben Macpherson: Those considerations are challenging across the public sector, especially in an environment in which the Scottish Government's capital resource has been cut, which makes the challenge of delivering on capital projects, whether they are maintenance projects or new builds, more difficult. As you would expect, there is a process to identify where works are required. Stuart Greig can speak more about that.

Stuart Greig: As you would imagine, a lot of work is being done by the SFC and the college sector to understand the pressures that arise from RAAC and other maintenance and estate investments that are needed. That will be covered in much more depth when the SFC publishes its infrastructure investment plan for the college sector.

Critically, the plan will need to help with pushing bold approaches to how the college estate can be rationalised and used as efficiently as possible. There needs to be careful consideration of how funding can be provided, tied into conversations about different finance models, the future of public-private financing, and so forth. All those things will be picked up in the round in that infrastructure investment plan.

John Mason: I take it from those responses that we do not have an overall figure. Glasgow Kelvin College was quite specific that it required £8.2 million. Like everyone else, it will be bargaining; it will want a bit more and will have to argue with everyone else. Leaving aside where the money might come from, are you saying that the SFC has not yet provided a figure on exactly what is needed to tackle cladding and RAAC?

Stuart Greig: A range of information is exchanged regularly with the SFC on the pressures across the sector, which includes those issues. The specifics move around a bit, because it depends on how colleges plan to tackle the issues. For example, a college may already be looking at changing how it uses part of its campus that may be affected by RAAC or cladding. I do not think that the number is static, as it depends on how colleges are approaching the issues. Along with the SFC, we are keeping a careful watch on those things so that they can be built into the forecasting for the next annualised budget setting process, as well as the considerations for the upcoming spending review.

John Mason: If we are raising a special tax, both here and in the rest of the UK, for cladding for residential buildings, there is an argument that a special case should be made to deal with cladding and RAAC outwith colleges' normal capital expenditure. I am not expecting a commitment today but, when the minister and cabinet secretary are making arguments at the budget table, I hope that they can make the point that we have done something special for the residential sector and that we should consider doing something special for colleges and others.

Ben Macpherson: I will take that away. Points were raised earlier related to engagement with the Cabinet Secretary for Housing. If there is any further detail, I can furnish the committee with that when I respond on those points.

John Mason: Related to that point, I am interested in a paragraph in the report about colleges that was published on Friday, which stated:

> "Colleges are also actively reviewing their estates to identify disposals that could generate cash ... To this end, a number of colleges are actively reviewing whether one or more of their campuses require to be closed."

Is that something that the Government would actively support, or is it something that we have to reluctantly accept? Are we expecting a wholesale reduction in the number of campuses across the board? I think that one is closing in Clackmannanshire.

Ben Macpherson: As I emphasised in my answer to a supplementary question in yesterday's topical question time, we believe and understand that it is important to have campuses in communities for reasons relating to accessibility and employment, and for people to have education on their doorstep in the community, which I also emphasised in my opening remarks. As you would expect, the SFC is engaged on these specific issues with the institutions that might be considering such measures.

It is not for me to interfere in particular areas. All I will say is that we are engaging collaboratively with the SFC on those points of consideration. We also take the position at a generic level that having campuses in communities is important in allowing young people and others to access education in their locality and for the employment that those institutions bring. We want all public assets to be fully utilised and to provide value for money, but that needs to be led by local choices and it must have regard to cross-campus collaboration.

John Mason: I agree with the point about local choices, but if a college—in the case of my constituency, it happens to be Glasgow Kelvin College, but it could be many others—has three campuses, it does not have much choice. If a college is tight for money, one of the options is to close a campus. I would just like an indication from the Government about whether you are relaxed about that. Are you worried about it? Are you concerned about it? Will you give us any word that describes your attitude to it?

Ben Macpherson: The important thing to emphasise, as I have already touched on, is that we value the different campuses in communities and what they bring. We want to continue to support the college sector and what it offers. We need to make sure that there is cross-campus collaboration, but the campuses have a positive impact in the places that they are in. It is important that we emphasise that and that we appreciate their local impact on accessibility, employment and responding to local need. That is not something to think of as anything but a situation—[*Interruption*.] Sorry, I am a bit distracted by people coming into the room.

John Mason: That is okay. I get that you do not want to commit.

Ben Macpherson: We value the campuses.

John Mason: Okay.

The Convener: Stuart Greig, in response to John Mason, you mentioned the college infrastructure investment plan that the SFC will publish. When will it be published?

Stuart Greig: I do not have the specific date, but it will be published next year.

The Convener: You said that it will be used to form the basis of the future budget—the long-term three-year plans and so on.

Stuart Greig: We exchange information that underpins aspects of the plan more regularly, but the actual detail and specifics of the plan will be set out by the SFC next year.

The Convener: Do you know roughly when? Before the election, presumably.

Stuart Greig: I would have to revert to the SFC to give you the specific date.

The Convener: You do understand that this is quite an urgent thing.

Stuart Greig: Yes.

The Convener: Minister, there has been some suggestion that it will be August, but surely it will never be as late as that. You would be kicking it past the election and the big issues that are coming up.

Ben Macpherson: I am not clear on the timeline. I think—

The Convener: Just to check, neither you nor Mr Greig have heard August as a potential date.

Ben Macpherson: No.

The Convener: Mr Greig? I am asking a very specific question now.

Stuart Greig: Yes, it is very specific, and I would have to go and have a conversation with the SFC about it.

The Convener: Have you heard that it will be August?

Stuart Greig: That is not ringing a bell for me.

The Convener: Okay—good. Hopefully it will be sooner rather than later, then. The plan is quite an urgent thing to have, is it not, given the discussion that Mr Mason has just contributed to?

Stuart Greig: It is, and a really big part of it is that the world changed after Covid. Therefore, the infrastructure plan goes beyond the campus estate; it is also about how the sector is adapting to the world of digital learning and so forth. It is a really fundamental piece of work focusing on the future, and the structure, of the college sector and how it uses its estate to best value.

The Convener: But we know from the report that came out on Friday that some of the colleges might not survive past next summer. Some are in a grave financial condition. If they need capital investment to rectify some of the problems with their estate, surely you as ministers and officials need that information as a matter of urgency, not by next summer or even next autumn.

Ben Macpherson: I agree that it is an important piece of work. As you would expect, I am committed to engaging with the SFC on the report and the very important issues that it raises in the immediate term, and I look forward to engaging with it on those issues in the period ahead.

The Convener: I like that word "immediate", minister. We will see what comes of this immediately.

Paul McLennan: I want to build a little bit on John Mason's points about the medium-term financial strategy. The strategy says that the Government will focus on

"Supporting sustainable, inclusive, economic policies with the greatest potential to grow Scotland's economy".

You have already talked about the importance of that, minister, and I suppose that we have discussed some of the immediate issues, but for me, one of the key questions is how we maximise growth in Scotland's colleges to match the growth in the economy. Will you say a little bit more about the medium-term financial strategy and how we tie up opportunities for economic growth with opportunities for growth in the colleges themselves? The SFC has told us that that is a particular issue, so what can we do to maximise opportunities in college courses and maximise income for the colleges?

Ben Macpherson: A challenge for Government and all its partners in this work is to build capacity in the skills system to meet the need that is coming. As I have said, engagement with the college sector is a priority for me. Part of that is about looking at what more we can do collectively with regard to transformation to ensure that, when it comes to areas of growth and when employers are looking to services and the skills capacity in the economy, they will have comfort that they will be able to get the people that they need ahead of making any investment.

I know that from my very pertinent constituency experience with the port of Leith. One of my aspirations in this role is to deliver more in this space for the whole country and to ensure that we have the people that businesses require to make investments with confidence—and, crucially, that when those investments materialise, we see growth and social benefit in those areas of strength. The obvious example is renewables, but there are other sectors, too, and it all needs to be related to financial planning, which brings me back to your point.

11:45

Paul McLennan: That goes back to Jackie Dunbar's point about the college in Aberdeen. There are 21 energy projects going on in East Lothian. Berwick bank, off the East Lothian coast, has just been consented and we have the Eastern Green Link in East Lothian itself. A number of projects were discussed at an energy conference that we had at the start of the week, where Edinburgh College was represented. We spoke about how funding follows regional funding. How does that regional funding create opportunities for economic growth?

Ben Macpherson: There is a necessity to think on a regional basis. In this role, I am looking forward to supporting regional initiatives and will seek to be responsive—in ways that I, and the Scottish Government, can be—to support skills development.

Paul McLennan: The medium-term financial strategy does not go into that level of detail. What are your thoughts? Can you say more about how engagement with the Scottish Funding Council will work in the future?

Ben Macpherson: That is a totally fair question, but I ask Parliament to give me some time. I say this in good faith: one thing that I was really determined to emphasise in my opening statement last week, and which I added to the draft myself, was that I want to be clear that, although there is an on-going primary legislation process, I also want to do what I can, while I am charged with this responsibility, to advance skills in planning and the skills agenda in ways that do not require legislative change.

Ross Greer (West Scotland) (Green): I apologise for not being able to join the meeting from the start. Before I move on, though, I will add my tuppence-worth on the financial memorandum.

As the convener has said, I raised the issue of £4 million for information technology during the debate as a good example of why there is so much scepticism about the memorandum. Many of us have been left with the impression that it is being used in a battle between the Government and Skills Development Scotland that we are all aware of but which we cannot really see. Costs are being reduced in some areas and increased in others, because of a tension that is not really about the finances. I cannot believe that it can cost £4 million to move responsibilities from one part of the public sector to another, given that there is no need to create new systems. The figure seemed awfully convenient when the Government had successfully managed to get SDS to reduce costs elsewhere.

That is where my scepticism comes from, minister. However, I recognise that you now have a lot of work to do to get into the detail of that, and I encourage you to do so.

My questions are on quite a different area. I want to begin by trying to get a high-level understanding of where you are coming from on the issue of public funding for colleges and universities.

It is understandable that universities, in particular, come regularly to Parliament and say that the funding that they get for the tuition of Scotland-domiciled students does not cover their costs. That is totally legitimate. They say that there is a need for far more public funding and that they are a key economic driver. We agree with all of that, but, at the same time, our public finances are under huge pressure and it is difficult to see institutions that are, in a handful of cases, very wealthy coming and asking for more public money.

Does the Government sets strict enough conditions for the funding that it provides, particularly to universities? I know that colleges are public bodies—and I might come to them in a moment—but universities often chafe against the suggestion that the money that they get should come with conditions, perhaps on fair work or net zero, and they will argue that they are independent and that Government should not be dictating how they should be run. Given that they are using hundreds of millions of pounds, do you think that the conditions that are currently attached to that funding are providing enough value for money? Is there scope to go further, or would you go in the opposite direction and reduce conditions to, as some principals would call it, unleash creativity in the sector?

Ben Macpherson: I thank Mr Greer for what is, as always, an interesting question.

On the one hand, our universities receive significant amounts of public money through the SFC. On the other, they are independent institutions, and it is proper for the Government to respect that. I think that the position is adequate at the moment, but I thank the member for raising the matter.

Ross Greer: The medium-term financial strategy sets out that one of the Government's key objectives is to maximise the value of current spend. Although I recognise the importance of the autonomy of universities, it is worth the Government looking at particular areas—rather than, say, set conditions for everything that you can possibly think of across the board—to ensure that the hundreds of millions of pounds that are going out the door are aligned with the Government's wider objectives. For example, it is worth looking at the fair work conditionality, which aligns with objectives on eradicating child poverty.

It is also worth looking at how existing conditions are being enforced, because some fair work conditions are already attached. The SFC's main mechanism for enforcement is clawback, but, in practice, we will all agree that it is very rare for a situation to be improved by clawing money back, particularly given the crisis that most institutions—both universities and colleges—are in.

Do you think that the clawback power is a useful stick to wield, or is there a need for the SFC to have other options available to ensure that universities and colleges are meeting the conditions attached to the money that is provided to them, without the prospect of taking money

away and making situations worse, with people perhaps losing their jobs?

Ben Macpherson: I listened to the earlier exchange between Mr Briggs and the SFC on clawback, and I know that there has been an interest in that issue throughout the pre-budget scrutiny. I note and will consider the points that Mr Greer has raised. I am not going to say any more on it just now, but I will state as a point of fact that there is a piece of primary legislation going through Parliament at the moment that is considering governance. I will leave it at that.

Ross Greer: Indeed, and despite other concerns that I have about it, that was one of the reasons for my group voting for it at stage 1. It is an issue that needs to be explored further.

Finally, in the same broad space, colleges are public bodies, so they are not in the same situation as universities; for a range of reasons, including not compromising their charitable status, universities cannot have everything dictated by Government. Colleges are not in that position; as I have said, they are public bodies.

However, they are not covered by public sector pay policy. Apart from Scottish Water, which is a publicly owned company and a bit different, college principals are the only leaders of public sector organisations who are not covered by the chief executive pay framework. If colleges are public bodies, should they not be more aligned with the rest of the public sector, particularly when it comes to issues such as pay policy?

Ben Macpherson: I appreciate the points that have been raised, and I will reflect on them.

Ross Greer: I am grateful for that, minister. I realise that I have asked quite a lot of specific questions, and you are only eight days into the job.

The Convener: I have one more specific question before we move on to the University of Dundee.

I have raised concerns, both with your predecessor and with witnesses who have appeared before this committee to consider college funding, about the top slice that colleges that are part of the University of the Highlands and Islands have to give the executive office function of UHI. What is your view on that top slicing?

Ben Macpherson: Because they are autonomous organisations, I will need to think carefully before I express any personal or Government view. I will need to take that point away and come back to the committee.

The Convener: Your predecessor gave a more encouraging response in the chamber when I raised it with him, because he accepted the concerns of colleges. The fact is that a number of UHI colleges are struggling financially and the quantum that the UHI central body takes to fund its executive office is probably enough to wipe out some of the financial challenges that those regional colleges are facing.

I have recently been told that senior bosses at UHI want people to stop mentioning top slicing, because it is an outdated concept. However, it still seems to be an in-date practice; they are happy to take the money, but they do not want colleges to call it that. Could the minister take the matter away, reflect on it and perhaps look at what his predecessor was considering in that area? The local colleges are losing a large chunk of money to an executive office function from which they see no return.

Ben Macpherson: I will gladly take that away, convener. I appreciate your highlighting the context of my predecessor's discussions with you.

The Convener: As we did with the SFC, we will ask a couple of questions about the University of Dundee.

Willie Rennie: You will have heard my earlier questions, so you will have had a bit of an introduction to the areas that I am going to explore, and I am sure that you will have some fulsome answers to give me. I should say that, as we have another evidence-taking session after this, I am going to ask some quick-fire questions to try to speed up the pace.

I have been told by ministers that the additional funding allocated to Dundee is designed to prevent a higher level of job losses than was originally planned, until new funding is secured over the next two years. There is a bit of scepticism that there will be some newer source of income with margin. What can the minister say about where that money will come from and how quickly it will come? Does he have information on that?

Ben Macpherson: I emphasise that what has been provided is meant to stabilise the university and is certainly not a licence to cut jobs. We listened with interest to what was said earlier, and Amanda Callaghan has some reflections on that.

Amanda Callaghan (Scottish Government): There are two ways of bringing income and expenditure together. The university has put forward its plan, which has focused quite heavily on job cuts to make the two issues align. However, all the way through, concerns have been raised about how strategic that is, where decisions are being taken, how they are being taken and what that is leading to. In short, what is the long-term recovery perspective?

The question that is being discussed with the university, and which is reflected in the SFC letter, is the environment in which this is taking place, which includes temporary leadership, the results of the Gillies report and the challenges that it raises. We have heard a lot about consultation and whether people at the university are owning that strategic recovery and plan, and that discussion is on-going. It is not a simple matter of thinking that there will definitely be income; instead, it is about pre-empting any conversation that the only way of dealing with the situation is job cuts.

Willie Rennie: So, as the representatives from the SFC did earlier, you are steering away from new income. Are we just kicking the can down the road? Is that what is happening here? We are talking about 18 months or two years, and the clock is ticking. If we have no vision of any clear, tangible sources of income with margin, are we just kicking the can down the road? Will there be more job losses—which, conveniently, will come after the election?

Amanda Callaghan: The important thing—again, this is what is said in the SFC letter—is having a strategic plan that leads to a longer-term vision. It is not just a case of making the numbers add up. That was always the concern at the beginning; this should be something that is owned and reflected on by the wider community, and which that community has had an opportunity to impact.

Willie Rennie: I get the process, and I understand the need for buy-in. However, we need to have a clear idea, roughly, of what is possible. The Langlands report was pretty cool on additional sources of income with margin, saying that "additional investment" would be required to get any medium to long-term sources of income. That does not sound like two years.

Therefore, I ask the question again, and perhaps the minister can answer it. Are we just kicking the can down the road?

Ben Macpherson: That is not my understanding. We are in a section 25 process here, and we have heard the evidence today. The institution is undertaking the work that we need to see it progress, and it is certainly the Government's intention to play its part, without straying past its position in relation to the section 25 direction, to ensure that we have a sustainable university for the benefit of the people of Dundee and the wider Scottish economy.

In my opening remarks, I talked about the real success—

12:00

Willie Rennie: I get that—

Ben Macpherson: —that has been achieved—

Willie Rennie: No, I get all that—it is a great place and we have got to keep it—but my question is about providing certainty for those members of staff who have a cloud hanging over their heads. I have had members of staff in tears on the doorstep, because of the indecision since last November. The university is now on its third principal; we still lack a finalised recovery plan and a vision; and the staff are in distress. Good people will go unless we get certainty. My real concern is that the Government is just kicking the can down the road.

Therefore, my follow-up question is this: if we are back here in 18 months to two years, without a new source of income, and we have not closed the gap between income and expenditure, will the Government step in again? How long is this blank cheque going to be written for?

Ben Macpherson: I will bring in Amanda Callaghan in a moment, but I want to be clear that there is no intention to delay the process—

Willie Rennie: That is not how the staff feel. The staff feel as though this is never ending—

Ben Macpherson: The long-term recovery will be a gradual process, and, as the Gillies review revealed and emphasised, there are serious governance issues that need to be resolved. The new leadership team is working on that and is driving forward a credible strategic plan. We need to achieve a position of permanency in relation to both leadership and financial sustainability, and the Government is very focused on seeing that happen—

Willie Rennie: I am sorry, minister, but I am getting irritated—I am trying not to—because these are just words. We need something that sets out what, tangibly, can be done, and nobody has been able to do that so far. It is all words, processes and discussions—it is never anything tangible.

I just want ministers, the SFC and Dundee university aligned on what they are going to do. It is difficult; it is hard; and we have been left a terrible legacy by the previous leadership—I get all that. However, we need to stop the hesitancy and the dithering. Let us get a plan that is tangible and sustainable so that those staff know that they have a future. Just now, this is torture; the situation has been going on for ever, and we need to get something in place, so that we are not back here in two years in exactly the same position.

I do not expect you to say anything else, because you do not have anything else to say today, but I hope that the next time that you come back to the committee, we will have all those things that I have asked for: everybody in

alignment, a clear plan, proper investment and, ideally, new sources of income. We need something rather than just process—process does not get us anywhere.

Ben Macpherson: The Scottish Government shares the committee's determination to see the institution succeed and to be sustainable. I hear the points that have been made, and we will update the Parliament and the committee when we can with further details.

Amanda, do you want to add anything?

Amanda Callaghan: What we can say is that those discussions are absolutely happening. We have the university recovery plan, and the question with regard to investment is whether it provides the confidence that we need that we will not end up with more requests in a year's time, two years' time or three years' time. That is a big part of ensuring that the right due diligence work is done.

As for the plan itself, we cannot go in and say, "This is what you should do and that is where your income should come from", because that is not our role. Part of the reason why this has taken so long is that we were getting the Gillies report, which was incredibly helpful. However, it has come right in the middle of the process, and then there has been a shift in leadership and a shift in where things are. Indeed, there continues to be interim leadership at the university, and we need to ensure that there is a solid base on which to set out public funding or a strategic plan for the university and that it does not shift, because of different people being in place. That is all part of what we are talking through now, and we will be able to provide an update at some point.

The Convener: You have had advance notice of these questions, so I hope that you can answer them. What is the current status of the interim principal of the University of Dundee?

Ben Macpherson: I heard the discussion in the previous evidence session on the scenario with the principal, and I would want to emphasise—

The Convener: Sorry to interrupt, minister. You heard the discussion, but did your officials pick up the phone to the chair of the court to ask what is happening?

Ben Macpherson: No.

The Convener: Did anyone say, "You're going to go downstairs and get the exact same question, so we will find out for you to make sure you are fully prepared"?

Ben Macpherson: We were listening attentively to the committee's deliberations, and we did not want to miss any of the discussion.

The Convener: You have a vast array of officials working for you, minister. Did no one say, "Look, this is going to be the exact same question he is going to ask you, so let's find out"?

Ben Macpherson: That did not happen.

The Convener: So, Scottish Government ministers do not know today, on 1 October, what the status is of the interim principal, whose contract finished yesterday—and the court does not meet again until 13 October to make a decision on that. Do you think that is acceptable?

Ben Macpherson: I absolutely appreciate that there is a need for further dialogue on that point. I heard the previous discussion. I am, and ministers are, particularly interested in that discussion and in seeking the clarity that the committee is also seeking. I can state clearly that we will be following up on the dialogue that you had this morning and seeking further clarity, as you would expect.

The Convener: On a point of clarity, if the Scottish Funding Council did not approve the recovery plan, did it reject it?

Ben Macpherson: Could you give me some more context to that, please?

The Convener: Mr Maconachie took exception to Willie Rennie raising the point that the media had been clear that the SFC had rejected the recovery plan. Mr Maconachie said, however, that the SFC had not approved the recovery plan. My view is that, if it is not approved and there is further work to be done, then the SFC rejected a recovery plan. We are getting into semantics if we are trying to say that it did not reject it. Do you accept, minister, that, if that plan has not been approved by the Funding Council, it has been rejected, and Dundee university has to come back with more information?

Ben Macpherson: I will have to liaise further with the SFC on that point.

The Convener: Why?

Ben Macpherson: Because, in the diligence of being a minister, I want to understand the situation around the conversations that I have had here at the committee.

The Convener: Do you accept the concept that, if the Scottish Funding Council has not approved the recovery plan, it has rejected it and has asked for more?

Ben Macpherson: I have not been party to those discussions, so it is not for me to comment on it. I appreciate that, if it was a yes or no, that might be how you would interpret it, but perhaps there is further dialogue about what more the Funding Council requires and where it would like

to engage more. It is not for me to involve myself—

The Convener: But if it requires more, then it has rejected what has been submitted.

Ben Macpherson: It is not for me to involve myself in the minutiae of that discussion. I note the points that have been discussed this morning. They are of course of pertinence to the Government, and we will take them away and consider them seriously, as you would expect.

The Convener: I do not believe that the points that I am asking about are "minutiae" if the Funding Council has told the committee that it did not reject the recovery plan, and that what the press has said is terrible and wrong, when actually it did reject it—because it did not approve the plan, and it is still not in place.

I call Pam Duncan-Glancy.

Ben Macpherson: Could I first bring in Amanda Callaghan, please?

Amanda Callaghan: I will again do the civil service thing about process: it is not really a matter for the SFC or the Government to approve or reject the plan.

The Convener: Right. So, if we take you both out of it, what happens? Who is the stumbling block? If you have just told us that it is not up to the Funding Council and it is not up to Scottish Government ministers, why is the plan that Nigel Seaton submitted—which I think is the third plan—not being enacted? Who is stopping it?

Amanda Callaghan: The question—

The Convener: No—it is that question I want answered. You have just taken me down that route. I would like an answer to my question. If you are saying, on the record, that it is not a matter for the Funding Council or for ministers, why has the recovery plan not been enacted?

Ben Macpherson: Can you let my official answer the question, please?

The Convener: That question.

Amanda Callaghan: The answer to that question is that it is not a matter of accepting or rejecting a plan from the university. The decision that needs to be taken is about public funding—it is about what public funding goes where and how, and whether it offers value for money. It is not about the plan as a whole, but about whether that plan contains the things that require public funding. If public funding is not required, it is not a matter for ministers to agree to the plan.

The Convener: I am even more confused than I was when I started asking these questions. Maybe Pam Duncan-Glancy can get some clarity.

Pam Duncan-Glancy: I must say that I am disappointed with the lack of direction and leadership that we have heard about on this issue and others this morning. I appreciate that you are just starting in your role, minister. If you do not think that it is for the Government to sort it out and make the decision, whose decision is it?

Ben Macpherson: Which decision?

Pam Duncan-Glancy: The decision about the plan.

Ben Macpherson: Can you be absolutely clear on which decision you mean, so that I am answering exactly the question that you want me to answer?

Pam Duncan-Glancy: Who should decide whether the recovery plan that is being offered is accepted or rejected?

Ben Macpherson: My understanding is that that is a consideration for the SFC.

Pam Duncan-Glancy: It is the SFC, specifically. Okay. The SFC—

The Convener: Ms Callaghan just said that it was not for the SFC to stop that recovery plan.

Amanda Callaghan: The university is an autonomous institution. What it does and does not choose to do is a matter for its court to go into. However, what is being asked for is public funding. That is a decision that needs to be taken with the support of the SFC and through section 25.

Pam Duncan-Glancy: By whom?

Amanda Callaghan: This is where we are currently working with the university and the SFC to work through the plan that has been put forward. The SFC has also said to you that elements of that plan are positive. We are working through the process—clarifying ownership of it and consulting staff—to get to a final position that secures agreement across the piece.

Pam Duncan-Glancy: I understand the process and I know that there is on-going work on it. I will not repeat what that work is or go into whether people have concerns about it. The point is that, ultimately, somebody needs to make a decision about whether public funding is going to be given, how much and when, and whether the plan to access that funding will be accepted. Who is making that decision?

Ben Macpherson: There was not a contradiction earlier. Perhaps there was a misunderstanding or miscommunication on my behalf. The University of Dundee is an autonomous organisation. In unprecedented circumstances, we are in a section 25 situation. The consideration to approve the decision is between the SFC and the Scottish Government,

which are continuing in dialogue, in these unprecedented circumstances, with an entity that is an autonomous organisation.

It is not simple. We have heard the evidence this morning, we hear the committee's concerns and we are equally committed to ensuring that this is a success. We have answered these questions—

Pam Duncan-Glancy: Minister, I am sorry—I do not think that you have answered the questions. It can only be a success if somebody makes a decision about action. We have had very little clarity from you, your officials or the SFC on who should make that decision. Staff and students at Dundee need someone to make a decision here.

Ben Macpherson: I will bring Amanda Callaghan back in.

Amanda Callaghan: I think that what you are actually talking about is a number of decisions at different levels on different points. There are decisions for the SFC and ministers about the section 25 funding and what conditions might be placed on that funding, and there is a decision for the university court to decide whether to accept that.

Pam Duncan-Glancy: We have been quite specific. The decision that we are asking about is on the recovery plan proposal, which includes an element of public funding. That is the decision. We are not asking about the other decisions—about what the court and what happens internally. Just now, we are asking specifically about the decision on whether to direct public resources to the plan that has been proposed.

Amanda Callaghan: That is a slightly different question from that of whether the plan itself has been approved. The decision about whether to put in public funding, and what conditions might come with that public funding, is what we are working through at the moment. The final decision about whether to accept those conditions—whether this is the right plan for the university to follow or whether there need to be changes in approaches, and then the interaction of those conditions—is a matter for the university court.

12:15

Pam Duncan-Glancy: I have another question on the matter, if that is okay, convener—I will be brief.

Can the minister tell us from where in the education portfolio the money will come, given that we have been told that it will come from within the education portfolio?

Ben Macpherson: We have just had a discussion about decisions that still need to be made. Of course I am not going to tell you what allocations may or may not be moved within Government budgets in relation to in-year funding. That is a matter for the Government and we will consider it as we continue—in good faith, with a determination to achieve positive outcomes for an institution that, as you would expect, we care deeply about—to make the right decisions and to support that autonomous organisation that, as I mentioned earlier, is succeeding, so that it will continue to succeed in the unprecedented circumstances of the governance issues that we are all aware of.

Miles Briggs: I do not think that, as a committee, we are in a place in which we have received any clarity from what we have heard today. I would appreciate it if the minister would write to the committee about who is taking the decision—the Scottish Funding Council, or the Government—and what the criteria will be for public money being given to Dundee university.

You started this evidence session by talking about protection of jobs in the sector. I am not sure whether that is part of those criteria. Anyone watching this meeting will not have an answer, so it would be useful for that to be outlined so that we can share it. The issue is really important—it is about people's jobs and about our institutions—and we have not had any kind of answer about it today. That gives you time to go away and get that answer for the committee.

Ben Macpherson: There is a lot of fair comment there. What I do not think is fair is not recognising that my officials and I have come here in good faith, seeking to give the committee clarity. However, I appreciate the ask and I understand the public interest. We will try in good faith to honour what you have requested, Mr Briggs, in the ways that we can.

Miles Briggs: Thank you.

The Convener: Thank you, minister and officials, for your time today. I will suspend the meeting for five minutes to allow for a change of witnesses.

12:17

Meeting suspended.

12:23

On resuming—

Restraint and Seclusion in Schools (Scotland) Bill

The Convener: We move to our next agenda item. The committee will continue our evidence taking, which we began last week, on the Restraint and Seclusion in Schools (Scotland) Bill.

This is our third panel of witnesses today. Dr Lynne Binnie is service lead for inclusion at the City of Edinburgh Council and co-chair of the inclusion network at the Association of Directors of Education in Scotland; Tom Britton is Edinburgh local association assistant secretary at the Educational Institute of Scotland; Dr Pauline Stephen is chief executive and registrar at the General Teaching Council for Scotland; Mike Corbett is national official, Scotland, at the NASUWT; and Gavin Calder is chief executive officer of Harmeny school and a board member of the Scottish Council of Independent Schools.

I am very grateful to you all for bearing with us, as we have overrun today. I know that a couple of you have to be away by the designated time, so we will try to be direct with our questions. If you can be direct with your answers, we will get through as much as we can.

I will kick things off. It is fair to say that the two panels that we have already heard from on the bill were generally supportive of it. There is more concern among some of today's witnesses, who will perhaps want to discuss some of their concerns.

I have raised this point before. As the father of two boys in mainstream education—one at nursery and one at school—I get a phone call as soon as anything happens, even if it is extremely minor. However, parents of children who have been restrained or secluded say that they do not get the same notification. Is that correct? If so, why?

Dr Pauline Stephen (General Teaching Council for Scotland): Good morning—no, good afternoon; my apologies.

I suspect that, of the people on the panel, I am not the closest to current school practice, but I can answer more directly as someone who is also a parent. I do not think that it is right that parents are notified in some circumstances but not in others. The current language about the restraint, or physical intervention, that schools use makes reference to reporting and to the timescales for doing so, so there are already rules in place.

What is missing at a national level is coherent data collection and oversight. What are the checks and balances to ensure that parents know about all the circumstances that you have described? There is work to do on developing coherent policy in association with data collection.

The Convener: Mr Britton, are your members saying that the evidence that we have received is incorrect, or is there underreporting or a lack of reporting in schools?

Tom Britton (Educational Institute of Scotland): We generally support parents being told as soon as possible. I taught in a special school for almost 20 years and now represent members who work in special schools. The issue is fundamentally about relationships and resourcing, and parents are a crucial part of those relationships.

Like you, convener, I am the parent of two children and would want to be informed immediately. I cannot talk anecdotally about when things are being reported but I can certainly reflect on my own experience. If there was ever an incident or if a young person became dysregulated, I would see it as my duty to tell the parents as soon as possible.

The Convener: Does anyone else want to question the evidence that we have heard? Dr Stephen and Mr Britton are saying that reporting should be, or is, happening, so why are we getting parents demanding legislative change because they feel that it is not happening at the moment? We have heard some harrowing examples in our evidence sessions and have seen examples in the written submissions. We were told last week that significant numbers of pupils have been restrained and secluded in their schools just since the start of this school term, but that not all of those incidents have been reported.

Mike Corbett (NASUWT): We do not have figures and I do not think that our members would necessarily get in touch with us about that. I understand why parents, who are at the sharp end, would be getting in touch to say that they think they should be hearing about those events, but are not.

In principle, we absolutely agree that parents and carers should be informed, but we have a slight hesitation, based on casework from across the UK. There are certain cases where contact may not be appropriate. For example, if a pupil is at risk, their social worker might say that when the school advises the parent or carer that restraint has been applied, that parent or carer might blame the child and ask what they have done wrong. There is that need for caution in some individual cases.

That example touches on some of our wider concerns about giving this statutory force. If you dig down, there can sometimes be difficulties

behind something that might seem, on the surface, to be very simple.

The Convener: Ms Binnie, you know what came up in response to our call for written evidence and in the evidence that the committee has heard already. Has the Association of Directors of Education in Scotland looked into the issue? Can you tell us whether notification should be happening on the ground but is not? I find Mr Corbett's example quite extreme and think that such a situation would be fairly rare, but we have been told of numerous occasions of children going home from school and being petrified to speak about what happened, with the parent not finding out what actually happened until days or weeks later, following demands. That cannot be acceptable.

12:30

Dr Lynne Binnie (Association of Directors of Education in Scotland): It is not acceptable. ADES is very clear in the principles that are outlined in the current guidance. Parents and carers should be informed within 24 hours—in practice, that should happen immediately—of any instances of physical restraint or seclusion. A process is in place.

The Convener: You are very clear about that. However, is it happening?

Dr Binnie: Local authorities have policies and procedures in place. They have all been updated, across the 32 local authorities, since the current guidance was put in place.

Significant work is happening in local authorities to ensure that the policies and procedures are communicated to school staff. I encourage any parents who find themselves in that unfortunate position to contact someone in their local authority immediately.

The Convener: Are you confident that policies and instructions are being implemented by staff?

Dr Binnie: In relation to ADES members, I am confident that policy and procedures have been updated in light of the new guidance, and that procedures are in place to ensure that parents are informed of every incident of seclusion and restraint.

There may be cases across Scotland of which I would not necessarily be aware. Some of the challenges in implementing the current guidance are around the definitions of seclusion and restraint.

The Convener: We will come on to definitions. I know that certain members have questions on that.

Dr Binnie: Those challenges might lead to instances in which parents are not automatically informed.

The Convener: Mr Calder, is there anything to add from the perspective of independent schools?

Gavin Calder (Scottish Council of Independent Schools): I will say two things.

My background is in independent special education schools, not just mainstream education.

The important point is that it is not automatically the parents who should be informed, but whoever is responsible. In such a situation, I would want the social worker to be informed. The important thing is to have scrutiny of the fact that an incident has happened. If a social worker is involved, as is the case with many of the young people I deal with, we would advise the social worker. Someone has to be advised of these things when they happen.

I suspect that there is a mixed picture in independent schools. There has been a presumption towards mainstreaming, which is also the case in independent schools. There are more and more young people in independent schools who have identified special educational needs.

Seclusion and restraint will be taking place. In the majority of cases, parents are told straight away, but I have heard of some instances where they were not.

Jackie Dunbar: Good afternoon. The committee has just started taking evidence on the bill, but we are already being told that restraint and seclusion are commonly being misused and are causing harm, mainly to disabled children. We hear from teachers and local authorities that the techniques are being used appropriately, and only as a last resort. One side is saying that it is often used as the first resort, and the other side is saying that it is used as last resort. Why are we getting different stories from each side? Is this an urgent issue that needs to be addressed?

Dr Binnie: The report "No Safe Place" by the Children and Young People's Commissioner Scotland was the catalyst for significant work in this area. Local authorities have been working in this space to improve policy, procedures and training.

I was the chair of the working group on the Scottish Government guidance, and the guidance has enabled clarity in relation to definitions and processes. I ask committee members to recognise that that guidance has only recently been implemented. It has been about 12 months since its publication, and I think that we have seen further improvement in the area since then.

I would expect there to be significant improvement and reports from parents and from children and young people since the introduction of the guidance and over the implementation phase. There would be more cognisance of what local authorities have in place and the experiences of children, young people, parents and teachers on the ground.

Jackie Dunbar: Are you finding that the experiences of parents and children are different from what is being said by local authorities? I am not trying to put words in your mouth.

Dr Binnie: I am trying to convey that I hope that improvement has been made since the implementation of the guidance, and that that is the information that I have been provided by local authority ADES reps.

Things are clearer and local authorities have updated their policies and procedures. I hope that there is much more understanding of the issue and better recording at the local authority level since the implementation of the guidance. I cannot fully comment on what went on before the implementation of the guidance, but I expect that the process was not as robust as it is now in local authorities.

Jackie Dunbar: Will you remind me when the guidance was put in place?

Dr Binnie: I think that it was 2023. No—it was 2024. We are nearly 12 months on since it was issued.

Jackie Dunbar: So we should be starting to see—

Dr Binnie: You should start to see improvements in reporting of incidents and parents and carers being informed.

Gavin Calder: The issue is that we cannot say whether there has been improvement. I work in residential care and education. For residential care, I am sure that the Care Inspectorate or the Scottish physical restraint action group—SPRAG—could tell you that there has been improvement. There has been a massive reduction in safe holds in the past 10 years, and particularly since “The Promise” came out.

The issue is that, in education, we do not have the national scrutiny that we have in residential care. If any child is held in residential care, we know about it and can be questioned on it. In education, that is not the case, so the figures do not exist. That is one of the main reasons why SCIS is so behind the bill. There should be scrutiny of the situation so that we can answer the question.

Jackie Dunbar: I am asking why two different sides say two different things. Are you saying that you do not see that at all?

Gavin Calder: No, I am not saying that. As I said, I work in special education and everything is documented. I see a drop in incidents, but you must remember that I deal with a specific group of young people and I cannot comment on your question. My comment was more a general one that it is difficult to prove or disprove what either side is saying because we do not have a means of collecting that data in the way that the Care Inspectorate has within the care sector.

Jackie Dunbar: Is the Care Inspectorate asking the appropriate questions to get those answers?

Gavin Calder: Within care, yes, but it has no jurisdiction in education and, at the moment, there is no education body that is asking those questions and has the power and wherewithal to ask them. From the point of view of mainstream and specialist independent schools, local authorities are not the right body to gather that information either. There should be, and SCIS is strongly behind there being, an equivalent of the Care Inspectorate to gather that data; alternatively, the functions of the Care Inspectorate or HMI should be beefed up to gather it.

Dr Stephen: My response is similar. I will sound like a broken record in this evidence session. As has been described, there is an absence of checks and balances. Given that there is such an absence, it is really important to listen to the stories of people who have been deeply impacted by the situation.

I have a unique perspective. I do not claim that I have the world view on the matter but the GTCS is the regulator of teachers and we see the most serious concerns about teachers through our fitness-to-teach work, so our world view is specific. We hear the individual stories of teachers who have been involved in, let us say, issues of restraint and seclusion when things have gone wrong. That is my world. At the same time, I have been listening to the evidence that you have had through the committee and in other places from parents telling their stories about their own children and the impact that restraint has had on their family lives.

Those individual stories from teachers and children would be better understood through a more coherent policy and system of checks and balances such as Gavin Calder described. We would better see what the issues are—they would be more visible. We are missing the capacity to see that and give the public more confidence and assurance that such situations are being dealt with appropriately.

Willie Rennie: We have the guidance, so the question is really whether we put it on a statutory footing. Some people have expressed to me the concern that, whenever you put guidance on a statutory footing, it gains extra power and, therefore, individuals perhaps overreach or are more cautious. My concern is that, as a result of it being on a statutory footing, some staff might decide to hold back at those crucial and critical moments when intervention or restraint might be the right thing to do.

I have been supportive of the bill—I signed up to the initial proposal—but I would like to know how, in that critical moment, staff decide where the invisible, moving line is between acceptable and unacceptable intervention.

Tom Britton: I will provide some context for that, from my background working in special schools. In an ideal scenario, you would have a maximum class size of six, with a staff team of three, who would be well resourced, highly trained and know the young people well. Bear in mind that, for a young person to have their education in a special school, they will have multiple complex learning needs. An autistic young person might have various other medical syndromes. They might present as non-verbal or need to be changed for toileting. It is a complex situation. Everyone has to communicate—it is a basic human function. When a young person is non-verbal, it can take more time and effort to understand how they communicate and respond.

Ideally, you would have a dynamic, resourced and well-functioning team around all the young people. The reality is that, in a lot of special schools, and among the members whom I support, there are a huge number of staff vacancies. Everyone agrees that the pay for pupil support assistants is not adequate for the job that they are doing. At a meeting with our members a few weeks ago, they told us that they had 17 staff absences. That has a monumental negative impact on how a staff team functions.

In an ideal scenario, a well-resourced and experienced staff team would recognise the signs of dysregulation in a young person before it happens. That is fundamental. However, if a well-supported and well-resourced team is not there, and if adults are coming in on a daily basis so that there is another adult in the room, that will be a source of dysregulation for the young people in the class. When it gets to that critical moment that you talked about, it is a huge and challenging situation, and restraint must be the last possible action to be taken.

In light of what I have read in the bill and the potential for league tables of how often restraint is being used, without a framework of context and understanding, my members would hesitate and they would stop. There would be fear about the bureaucracy and whether they would end up getting not only a complaint but a charge made against them. People are not going to use restraint.

The fear is about the options for intervening if the use of restraint stops. It is a terrifying moment when a young person reaches incredibly distressed and dysregulated behaviour, and the options for helping them, supporting staff and pupils, and keeping everyone safe, become far fewer. My fear is that we will see more distressing incidents, more young people getting dysregulated and more people getting hurt.

Willie Rennie: To be clear, you are saying that you would be against putting the guidance on a statutory footing.

Tom Britton: The Scottish Government guidance talks about the relationships at the heart of the process. Parents would be an equal partner in that process. My understanding of the bill is that it talks about a complaints procedure. Do not get me wrong: parents have a right to ask questions. However, if you have a relationship in which everyone knows the possibilities—if you are talking about a young person and their needs, what their potential triggers are and what will cause dysregulation and distressed behaviour—the parents would be involved in that process.

12:45

Mike Corbett: We have some frustration with the physical intervention guidance that came out in August 2024. We were involved in the working group on that guidance. Although much of it is commendable, it offers very little to teachers in terms of specifics about what they should or should not do in certain circumstances. From our point of view, it would be far better to improve that guidance than to go ahead with the proposed statutory guidance.

I want to highlight that, although much of the focus here is, understandably, on specific sectors where kids have special needs and are in specialist provision, which is where most incidents appear to occur, almost 50 per cent of pupils in mainstream schools have an identified additional support need. Many of our members would say that some of those pupils are not thriving in a mainstream environment, but that is where they are. It is important to remember that incidents occur in mainstream schools as well. If you are pushing for the guidance to have a statutory footing, it should apply to all schools and to all teachers.

If that were to be the case, much more debate would be needed, and our members would need much more reassurance about what they could

and could not be expected to do in certain circumstances. For example—we have seen such examples—do you intervene in a fight between pupils who might be at risk when doing so might put yourself at risk? We have casework from England and Wales in which members intervened in one situation and did not in another. In both cases, the members ended up facing a disciplinary investigation. That is the kind of thing that our members are concerned about and why they feel that they need more clarity. That clarity could come from a revision of the 2024 guidance rather than placing the proposed guidance on a statutory footing.

Gavin Calder: Having had experience of the training, I agree. There is a presumption towards mainstreaming, which is right, so all schools are included in this. Part of the bill is about making sure that there is adequate training. The CALM physical intervention course is the training that I know of. A big part of that is about de-escalation techniques—in other words, how you de-escalate when children are dysregulating so that intervention becomes the last possible resort.

It is a three-day training course that is done annually, two days of which—a huge amount, which I absolutely understand—is about the theory behind why you de-escalate so as not to get to the point of intervention in the first place. The training is important as a reassurance to teachers. It not only informs them as to when they should decide whether to intervene, including by physically holding someone. More important, it deliberately teaches them regulated techniques so that they can do their absolute damnedest to ensure that they do not hurt a child, given that they might face a lawsuit if they do. We heard stories in previous evidence of children being hurt in such situations, mainly in special education.

Dr Binnie: I broadly agree with the other representatives on the panel. Speaking from my experience as head of education within the City of Edinburgh Council, I will say that we have started to report and collect data over the past 12 months. That data shows that the majority of incidents happen in primary schools, so they are not exclusive to the special school sector, although the second-highest number of incidents is within the special school sector. That needs to be taken into account in the discussion.

As our data from last year shows, the main reasons for physical intervention and restraint—I use both terms as there are challenges around the definitions—involve staff intervening to stop peer-on-peer aggression. That is why such incidents sometimes take place. ADES is looking at such instances at a local authority level across the whole of Scotland, and, as a result of the guidance, we have much more information over the past 12 months than we have ever had.

We are looking at trends and themes and are trying to consider the learning strategy that aligns with those to ensure that staff in our schools have the right training and support so that, when incidents happen, they can make a professional decision on intervention.

Guidance can never give clear scenarios, because every scenario and situation is different—school contexts are different and our learners are different. There will always have to be a degree of professional judgment in those moments on whether to intervene and restrain. The training that needs to take place is to support and enable members of staff to make an informed decision at that point while de-escalating prior to that. There also needs to be support and processes in place following an incident, which should involve parents and support for the members of staff.

Willie Rennie: The question was about there being a moment of hesitancy as a result of moving from guidance to statutory guidance. I am bearing in mind all the stuff about best practice, staff ensuring that they prevent incidents if at all possible, being well resourced and all the rest of it. However, in those critical moments, would your staff hesitate?

Dr Binnie: No, because we are supporting our staff to understand that, to avoid harm, intervention is required as a last resort.

Willie Rennie: Are you content for the guidance to go on a statutory footing?

Dr Binnie: Yes.

Willie Rennie: Okay. Dr Stephen?

Dr Stephen: I am broadly supportive of the guidance being placed on a statutory footing, because we need to talk together about the approach and to get better at it. However, we believe that there are likely to be some consequences of putting one aspect of keeping children safe in school—restraint and seclusion—on a statutory footing when the overarching policy on child protection is not on a statutory footing.

Our overarching guidance is multi-agency guidance, so it is not specific to the context of education or even to schools. The physical intervention guidance that we are talking about is specific to schools, non-statutory and sits under non-specific, non-statutory guidance—let me know if you are not keeping up with this—so we would be putting one component part of keeping children safe at school on a statutory footing while broader aspects of child protection are not. We believe that that is likely to create some unintended consequences, even though we all intend to do good. It would probably also miss an opportunity

to look holistically at the child protection landscape. That is not a popular answer, but there is an opportunity to explore that landscape.

Willie Rennie: To be clear, do you support the bill as a first step to putting everything on a statutory footing, or would you want to wait until there is a whole-system approach?

Dr Stephen: If I were to be in charge of the world, I would suggest that the overarching child protection policy should be made specific to the universal service that the majority of our children and young people experience by going to school. Currently, schools, local authorities, employers and independent schools—whichever it may be—are looking at national, non-specific and non-statutory child protection guidance and working out what that means for them in their context. They are doing their absolute best to develop good processes, to train their staff and so on. However, given that, it is not surprising that there are many variations of how that looks across the country.

There are other jurisdictions in which the advice that is given to schools about child protection is specifically focused on how to keep children safe in the universal service of education. We think that that is where time would be best spent, and that restraint and seclusion should be considered as a component feature of keeping children safe at school.

Willie Rennie: That is fine. Thank you.

The Convener: Even on a normal day with a five-member panel, we cannot have everyone answering every question as we will not be able to get through everything. I appreciate the answers, but I need to bring in members. I know that a couple of the witnesses will need to leave in 20 minutes and I want to get your information on the record before that. We will move on to questions from Bill Kidd.

Bill Kidd: Seclusion sounds like a nice thing—it sounds like safety, being away from problems and stuff like that. However, this is an instance in which that is not exactly what it means. When is it lawful to use restraint and when is it lawful to move to seclude a child in schools? Does anybody know the answer to that?

Dr Binnie: I am hesitant, because you mentioned the word “lawful” and I do not come from a position of fully understanding the law.

Tom Britton: I am reluctant to respond with a legal position, but I can talk about the special school context. It sometimes benefits a young person who shows signs of dysregulation if they have a bit of time out and an opportunity to self-regulate and bring themselves back in.

In the context of relationships and resourcing that I talked about, the action would be taken based on the child’s plan. You would talk about what works for the child, which would be discussed with parents. That could involve the child going out for a walk in the playground with an adult. If agreed, it could involve putting the child in a separate space to play with toys or do activities that they like. We describe that as child-led seclusion, because they choose to opt out. However, I am not confident that I could answer your question from a legal perspective.

Bill Kidd: No problem. Earlier, it was mentioned that you have to ensure that the parent, guardian or whoever is involved is not only informed if something happens but informed about their rights before something happens or could happen, so that they can have some say in the way that things are carried out.

On that basis, does seclusion work differently in different school settings? Mr Calder said that there are elements of seclusion in the schools that he talked about, but is that the case across the range of schools? Does seclusion even continue into secondary school? We always think about it in relation to children who are about eight years old, but can it go on when they are aged 14 or 15?

Tom Britton: It would be much more challenging in a mainstream school context. The special schools that I have worked in have purpose-built spaces and offer immediate access to the playground, which provides a lot of the context for choices and activities. In a mainstream school setting, whether primary or secondary, it would be hugely challenging due to the sheer number of pupils in a room.

Gavin Calder: Before going into the sector that I am in now, I was a senior leader in mainstream schools for 25 years, and I agree with that.

Yes, the parents have a right to be informed, but the thing that probably none of us has touched on yet is that the children have a right to be a part of the discussion. I have spoken with some of the special schools that have children in wheelchairs, and they have seclusion in place. If the guidance is to be made statutory, it is really important that such children are included in the bill, because seclusion is not just being sent away to a quiet room. Turning a wheelchair around to face a wall or putting a restraint on the wheelchair—unless the child wants that—also counts as seclusion.

In the debrief, the work with a young person is crucial, whether the intervention involves a physical hold or seclusion. That probably hits about four of the rights that are listed in the United Nations Convention on the Rights of the Child. Yes, the parents have a right to know and be part of that conversation, but—we have not mentioned

this yet—so, too, do the young people. They are crucial in this.

Bill Kidd: Absolutely.

Dr Binnie: Dealing with seclusion is complex. It needs to be understood that schools consider what measures can be put in place to reduce risk. In the main, schools—specifically special schools—are secure in that they have an outer perimeter fence and a secure gate. Seclusion is therefore not used in many schools. If the child needs to be de-escalated, other spaces within the school can be used. That highlights the importance of the school estate and school buildings in meeting the needs of our children and young people.

13:00

The previous practice that I witnessed over the years—a long time ago, I would like to say—was that seclusion was, at times, part of a child's plan, and it was part of how their education was delivered day to day. I do not feel that we are in that place any more. If there has been seclusion, it has been used as a strategy to reduce risk.

One challenge that I have been dealing with in light of the new guidance comes from the feeling from some school staff that seclusion is less intrusive than restraint and that, if there is a risk of harm to staff or other pupils, secluding a child in a room for a short period in order to reduce that risk is more beneficial than restraint. That is an example of the challenges relating to the complexity of the matter that we are trying to work with in local authorities.

Bill Kidd: It is worrying, though, that seclusion can be a form of exclusion, with people being taken out, isolated and not part of the structure of their classroom any more. That could perhaps lead to them having even greater problems in the future. Is that not the case?

Dr Binnie: I would expect that. However, as I tried to say before, we have come a long way in terms of the practice in our schools. In light of the new guidance, there has been a significant reduction in the use of seclusion across our school estate.

Bill Kidd: Great. Thank you very much, everyone—that is good stuff.

Paul McLennan: I am conscious of the time, but I have a couple of questions. One is about the consistency of policy frameworks across different children's services, such as schools, care settings and childcare providers. We have touched on that. A few of you have mentioned views on the current guidance and the impact of moving to statutory guidance. I do not know who wants to comment on the policy and on statutory guidance—perhaps someone who has not said anything on that already. Again, I am conscious of the time, but perhaps someone would like to talk about those two issues.

Dr Binnie: I can comment on both. Although the current guidance needs to be reviewed now that it has been implemented, ADES is in broad agreement with moving it to a statutory basis. That reflects the need for public trust and transparency in this area. There are details that should be discussed if that goes forward, but we feel that, broadly, it would not significantly shift the work that we are doing in local authorities for the guidance to be on a statutory basis.

As the ADES submission noted, there is a need to ensure that the guidance spans all services for children and young people. As it stands, the current guidance is largely for early-years settings and school settings; it does not take into account other settings for children, wherever they might be, both during the school day, perhaps for alternative types of educational provision, and after the school day, at after-school clubs, or for holiday provision—and there are also social work settings for care. There needs to be alignment.

Dr Stephen: Regardless of whether the physical intervention guidance that currently exists is replaced on a more statutory basis, and whether the guidance is statutory or non-statutory, we need to understand how we will know that it is working. That is the bit that is missing from the current context, in my opinion. We have good guidance, which people have worked very hard to produce, and it is now being embedded across schools, but can we say how well it is being implemented? Can we say that there are still issues that need to be resolved nationally? I do not believe that we can say that.

Regardless of whether the guidance is statutory or non-statutory, I go back to my point about checks and balances. How do we see things? How do we know when to intervene to help?

Paul McLennan: That is a very good point, which almost feeds into the discussion on training and how to monitor it.

Tom Britton: The EIS would prefer that we give more time to what is in process. Not all local authorities are at the stage of fully implementing the current guidance, although most of them are. We need time to see how that works. Most of the stuff that the Scottish Government guidance has brought in would cover many of the concerns that parents and others have rightly raised about making the guidance statutory.

The EIS perspective on making things statutory is that, to echo what Pauline Stephen said, there is a whole backdrop of relationship-based interventions—getting it right for every child et

cetera—and we feel that that would have a very negative impact on all the structures that are operating. Ultimately, it will come down to resourcing and to supporting staff. We do not see that there is enough financial backing behind the bill to support the steps that it is asking people to take.

Paul McLennan: On that point, witnesses in the earlier evidence session spoke about the training requirements and whether local authorities look at one centre if they are dealing with kids who might be more susceptible to restraint or seclusion over that period of time. Or should that training or resource be spread out? Has the EIS discussed that?

Tom Britton: Are you referring to the training that is outlined in the bill?

Paul McLennan: Yes, but also more broadly in relation to what is already out there.

Tom Britton: I would rather that the bill's focus was on de-escalation training than training on how to restrain. In a special school setting, there is a system. Gavin Calder talked about CALM training. I have had that training, as have a lot of my colleagues. It involves very specific approaches, and you are tested on it once a year. Again, I echo what Gavin said, in that the theory around it is, arguably, by far and away the best aspect of it. There is also weekly practice: in the special schools setting, there will be teams that are practising weekly, and they will tailor their approach to the young people in their classes as regards possible responses to a dysregulated and distressed young person.

The idea of putting that into a mainstream school is an absolute nightmare. Currently, in Edinburgh, in a special school setting, eight is the maximum class size and there is a staff team around that. You would be transferring that to a mainstream school with potentially 33 young people and one member of staff. There might be the occasional pupil support assistant, but, in essence, there would be one teacher on their own. To expect mainstream colleagues in that context to be trained in how to use restraint methods is an absolute nightmare scenario, and I cannot see it working.

Paul McLennan: That is a really good point, Tom. Thank you.

Pam Duncan-Glancy: Good afternoon, and thank you for the information that you have given us. On post-incident reporting and lessons learned, in the interests of time, I will ask Mike Corbett and Tom Britton to comment initially. What is the current practice for post-incident response, and what does it involve with regard to lessons learned, so that more people can understand what is good practice in current situations?

Mike Corbett: When you say post-incident reporting, do you mean the whole thing or reporting to someone in particular? Are you talking about reporting to parents or debriefing with staff and so on?

Pam Duncan-Glancy: My question would have been about all of that, but I think that we covered the aspect with parents in response to the convener's question. I am thinking more about staff in schools and, generally, how lessons are learned in the sector. How does the current system support that?

Mike Corbett: As with so many of these things, the picture of how post-incident support and debriefing are done is a bit patchwork. In some cases, it seems to be done very well. No doubt the committee will know of incidents earlier this year when, rather than a debrief taking place, some teachers seem to have been blamed for being involved in certain incidents. I also touch on Pauline Stephens's point that, regardless of whether you go for statutory guidance—we do not think that you should do that, certainly at this stage—we absolutely agree that there needs to be recording and reporting of every significant incident, so that we can capture the scale of the problem.

It would be helpful if that could include receiving feedback from teachers on whether they have had a debrief and have found it helpful or whether incidents will impact on future practice. The only hesitancy that we have about national reporting is that there should not be an opportunity for individual schools, teachers or, indeed, pupils to be identified, so there would need to be some safeguards for that. However, we think that the practice would be helpful and would help us to have a national approach to the debrief situation.

Pam Duncan-Glancy: How could that be done in schools?

Mike Corbett: I would need more time than we have available today to explore that. It is not simple or straightforward. In principle, though, we would support it.

Tom Britton: I go back to the need for relationships and resourcing to be at the heart of everything, especially when we are dealing with vulnerable young people who have multiple complex needs.

In a well-resourced staff team, there would be a structure in which, if there was an incident with a young person, the response would be to review plans and processes. The management team would check in with the staff team to see how they were, because such an incident can be very upsetting for everyone who is involved. Unfortunately, in a lot of schools just now, the reality is that the infrastructure and the resources

are not there, so meaningful post-incident dialogue and conversations are not taking place.

With the best will in the world, local authorities will have structures and policies that should kick in after an incident, but time and financial pressures and a lack of staff and resources mean that those things are often left undone. That is criminal considering that, in the ideal scenario, there should be a focus on the young person, the relationships and the wellbeing of everyone in the setting. However, because there are major issues those things are not happening.

Pam Duncan-Glancy: Could you give us an idea of what those issues are?

Tom Britton: Often, senior leadership teams in schools are overwhelmed with many incidents. In a scenario when you do not have enough staff in a classroom to support the young people who are in it, in an emergency, you might bring in other adults who do not know the setting, will not be experienced in the processes and will not know the young people. Sometimes, those adults can become a source of dysregulation for the young people in the class. That can become a perfect storm.

Classes should be about teaching and learning, and about developing and nurturing young people, but, in many scenarios, young people are often dysregulated and distressed and staff are having to firefight. In those cases, so many incidents are being recorded that it can be a monumental challenge to put in place the processes that have been set up to support people. In some, but not all, special schools, that is an on-going situation.

Pam Duncan-Glancy: Is there a body or organisation that would be the obvious candidate to gather information on good practice and on the difficulties that schools have in doing post-incident work and learning lessons from it?

Tom Britton: Fundamentally, the Scottish Government could provide more funding. I know that the Cabinet Secretary for Education and Skills has announced £30 million of extra funding for additional support, but that is just a drop in the ocean compared with what is needed.

My experience tells me that, in special schools, the maximum class size should be six students. Often, young people cannot cope with other young people being in the classroom. However, the reality is financially driven, and the class size is eight students. It might seem a bit strange to say it, but those two additional students can make a monumental difference. Often, the special school intake is completely full and there are waiting lists, so young people with complex learning needs are having to go to mainstream primary schools. They are struggling badly to cope, and the system is struggling to cope with them. That can be a very challenging situation and, unfortunately, I do not see it improving soon.

13:15

Miles Briggs: Last week, we heard from Kate Sanger about her daughter, Laura. The petitioner, Beth Morrison, and her son, Calum, have driven the campaign. What would you say to them? In both cases, the children are non-verbal. They have returned home with physical marks, and their subsequent behaviours have resulted in challenging situations for the family and also when they go back into education. Saying that we need more guidance and that we should wait and see is not enough for the campaigners. Policies have clearly failed that group of children and young people. Why have we not been recording the incidents? Why has best practice not been put in place to tell parents what has been going on?

Gavin Calder: I will happily come in to say that that is the main reason why the statutory guidance is needed. Those people have been failed by the system. As I mentioned, there is a system for those who are in care. Lots of them are non-verbal. For those who stay with their parents, the parents rely on their young person going to school and being safe. Those children and young people have not been kept safe, so there is definitely a systemic failure, which is why the system has to be improved.

Fundamentally, SCIS is 100 per cent behind putting the requirement into statutory legislation so that every possible safeguard is in place to make sure that things do not go wrong.

Dr Stephen: There is a really boring policy answer to that question. I will not repeat what I have already said, but are we confident that we have the right policy structure in place and that it is clear about what are musts and what are recommendations? I suggest that we need to look at that and be very clear about it.

I agree with Lynne Binnie's point that, whatever the guidance looks like in future, it is in no way possible to be absolute and to write down, for example, every circumstance that a teacher might find themselves in and what they should do in that circumstance. At the same time as looking at policy, we have to retain everything that we do to make sure that we have the right people being teachers, that they get the right support—we see that theme in our fitness to teach work, where that has maybe not been the case—and that those checks and balances are in place.

Pam Duncan-Glancy asked an interesting question about which organisation is responsible for that in Scottish education when the legal responsibilities for child protection sit with local authorities and the proprietors of independent

schools. Who makes sure that that all happens as it should?

Miles Briggs: My final question is about the role that the inspectorate has played to date in considering this issue. Where do you see it acting in future to support schools on training, so that restraint is used properly, and on the recording of incidents? There are past and future elements to that question.

Dr Binnie: The inspectorate plays an important role. We see that in our school inspections, where the inspectorate considers safeguarding and quality indicator 3.1 in the quality assurance framework. Within the current system, the inspectorate provides important checks and balances at an individual school level. In order to achieve improvement, it might need to consider stronger and more robust involvement at a local authority level.

Gavin Calder: I know that I sound like a broken record, but the Care Inspectorate has an overview and it tends to do annual visits. Any seclusion or restraint that takes place in care and in nurseries has to be recorded and that information is sent to the Care Inspectorate so that it can see the numbers and determine whether some institutions are using the practices more than others. The Care Inspectorate will pick up the phone and say, "Can we check why this happened? Will you talk us through it?" That gives accountability.

I do not want to be critical but, with the best will in the world, we need to consider the way that His Majesty's Inspectorate of Education has been so far. My last school last saw HMIE in 2012—other than at the annual visit, which tends to be pretty brief and is certainly not a deep dive into what is going on in the school. I know that big changes are coming to HMIE. It would require a big change in its remit, but if it was beefed up, it could play the same role as the Care Inspectorate to make sure that we have that national oversight.

Miles Briggs: As I said on the record last week, it is interesting that the Care Inspectorate has reported a 40 per cent reduction in the use of seclusion in the institutions that it inspects.

Dr Stephen: We have to ask why things are so different in practice between care and education. Why does the Care Inspectorate have an identity as regulator of its part of our system while HMIE does not have that identity as regulator of our education system? Like Lynne Binnie, I believe that inspection plays an important part, but we cannot achieve system oversight through the inspection of individual establishments. We need to take alternative approaches to the gathering of information to identify statistics such as those which we have just heard about from the Care Inspectorate. How do we know whether incidents of restraint are increasing or decreasing in our schools? We need a national process that will allow us to see that.

Tom Britton: If HMIE comes in, it cannot just be about the numbers—we must look at the context. It must look at the systems that support the context in the school and the relationship aspects. Otherwise, it will just have a negative impact.

John Mason: We are down to four witnesses, but I will not be insulted if anybody else has to leave, so do not worry about that.

I want to follow up on training, which has already been mentioned. Mr Calder, when you talked about training, I think that you said something about three days per year.

Gavin Calder: The CALM training that we put our education and care staff through is three days per year. That is one particular brand of training, but there are a number of recognised trainers, as there are in other parts of education throughout the country.

John Mason: I will not say that that is the gold standard, but the teachers and schools that need it most will be doing that training three days a year.

Gavin Calder: Absolutely.

John Mason: The point has been made that we cannot train everybody at that level, and we probably do not need to. Do we have a range of training? A previous witness talked about a training needs assessment or something like that. The GTCS must have a view on that.

Dr Stephen: We need consistent guidance that is contextually applied, because the training needs in two different schools will not be the same. The individual needs of two children or two teachers will not be the same. I suggest that teachers need access to good support at different levels. I agree with the view of a witness that the committee heard from last week that not every teacher requires to be trained in restraint. I believe that to be true. Teachers need to understand how to prevent behaviour and how to de-escalate situations when things go wrong in the classroom, and those teachers who are in a context where we know that restraint and seclusion might feature in a child's plan should be correctly and appropriately trained in relation to that.

That training also requires to be sustained. One of the main features that I am aware of in the training that Gavin Calder talked about is that it is not a one-off. Tom Britton explained that on-going quality assurance processes are needed in the background, and that has to be done properly. Training needs to be done at different levels but under a banner of consistent guidance to help people to assess what they need.

John Mason: I assume that not every teacher in every school is trained in first aid but that there will always be at least one teacher in a school who is trained in that.

Dr Binnie: Yes.

John Mason: Can we say the same about restraint? Should there always be one teacher who can do that?

Dr Binnie: I would say no to that. I agree with a few of Pauline Stephen's comments about the need for professional learning to be aligned with the needs of the staff, the school and the context. That sits at local authority level, and I do not understand the bill as dictating the length or the type of training. My understanding that it is about whether, if restraint training is provided, it is provided by an organisation that is part of the Restraint Reduction Network or a regulator body.

Currently, there is variance across our 32 local authorities. Some local authorities, such as mine in Edinburgh, use a regulated training provider: CALM Training. There are a number of different examples across local authorities, and some have in-house training. There is a decision to be made, therefore, as to whether to make it statutory or mandatory for a training provider to be accredited through a particular organisation or set of credentials.

When it comes to professional learning for supporting children with distressed and challenging behaviour, there is a continuum—local authorities have a range of training, which is very much embedded in positive relationships. We see most local authorities promoting whole-school approaches with regard to nurture and restorative practice. Moving on, there is de-escalation, which involves a skills-based approach regarding the type of things that staff can do and say to respond in the moment when children are distressed. At the top, for a very small number of staff in a local authority, there would be physical restraint training.

As a result of the guidance, whereby physical restraint is a last resort, we are seeing a reduction in physical restraint training across local authorities and much more investment, and a bigger increase, in lower-level approaches around understanding relationships and de-escalation.

John Mason: I am sure that we would all agree with de-escalation, which has been mentioned a few times. However, in the geography department of a large school, when one child starts beating up another child who is autistic, what does the teacher do if they have not had that type of specific training? Do they intervene or do they phone the physical education department to send somebody over?

Dr Binnie: There are a range of approaches, so it is hard to give a one-size-fits-all answer to that type of scenario. However, every teacher and member of support staff needs to have been given some professional learning around how they would respond in that situation. In some instances, it would be correct to step back and allow other members of staff to step in. Of course, if there is a risk of harm, the advice in general is to intervene to reduce that risk as far as possible.

John Mason: Mr Britton, you seem to suggest—if I read your submission correctly; maybe I have got that mixed up with the view of the NASUWT witness, who has gone—that it should, in a sense, be up to the staff to choose what training they get, rather than making it mandatory. Am I misunderstanding or is that your line?

Tom Britton: My understanding is that the bill does not define "restraint" and that it talks about restraint training for all teachers. There are huge challenges with that. The mainstream setting is much more of a challenge than a special setting, which is set up to have that built in. The idea of having a teacher who was trained in restraint in a secondary school would be hugely problematic, because they would have to abandon their teaching and flee across the school. If a school is taking a CALM approach, more than one person is needed.

My understanding is that the bill talks about two to four days of training. It is worth pointing out that schools have five in-service days a year, so that would potentially be problematic. There is a huge amount of ambiguity around that.

John Mason: We heard about an example earlier in which one teacher intervened and another did not, and both ended up facing a challenge.

I will ask my final question, because we are running out of time. You mention in virtually every line of your report that we need more resources and that that is the real answer, but you also express pessimism that there is not going to be much more resource and that you will simply get your 1 per cent of whatever it might be. Would you accept that we have to do something within the existing resources and that we cannot just sit back and wait until we have enough resources?

Tom Britton: There are always things that we can look at and try to improve, but it is about the context. In a classroom situation, where a school is short staffed and teachers have young people with multiple complex learning needs who are struggling to cope in that environment, it is very difficult to move forward positively. Without the context of more funding and more staff, it is difficult to get beyond that. The situation is getting

much more complex and challenging in mainstream schools. Just now, primary schools in particular can often be highly challenging environments, with young people with complex additional support needs struggling to cope.

John Mason: We could pursue that aspect further, but I think that that is enough.

The Convener: I thank you all for your time and your evidence. I know that we rattled through the session, but the committee has covered all the points that we needed to cover, and I appreciate your answers being brief enough to ensure that I could get all members in.

The committee will now move into private session to consider our final agenda item.

13:30

Meeting continued in private until 13:44.

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