

Citizen Participation and Public Petitions Committee
Wednesday 21 January 2026
2nd Meeting, 2026 (Session 6)

PE2200: Provide a sustainable funding model for Scotland's colleges

Introduction

Petitioner	Melanie Jane Stuart on behalf of EIS/FELA and Unison at Dundee and Angus College
Petition summary	<p>Calling on the Scottish Parliament to urge the Scottish Government to:</p> <ul style="list-style-type: none">• develop, publish, and adopt a multi-year funding settlement for Scotland's colleges (e.g. 3–5 years), rather than rely on annual decisions• commit to funding that, at minimum, rises in line with inflation, to prevent real-term erosion of college budgets• deliver a substantive above inflation funding settlement within the 2026/27 Scottish budget that places all colleges in a financially secure position• provide safety-net baselines for the provision for additional support needs, core student support services and regional or local community access programmes• require the Scottish Funding Council to give colleges clearer forward figures and simpler in-year rules, to allow planning flexibility for staffing, curriculum, capital investment and community partnership activities, above the three key baselines set out above.

Webpage <https://petitions.parliament.scot/petitions/PE2200>

1. This is a new petition that was lodged on 30 October 2025.
2. A full summary of this petition and its aims can be found at **Annexe A**.
3. A SPICe briefing has been prepared to inform the Committee's consideration of the petition and can be found at **Annexe B**.
4. Every petition collects signatures while it remains under consideration. At the time of writing, 814 signatures have been received on this petition.
5. The Committee seeks views from the Scottish Government on all new petitions before they are formally considered.
6. The Committee has received a submission from the Scottish Government, which is set out in **Annexe C** of this paper.

7. The Scottish Government announced that [the 2026-2027 draft budget for Education and Skills provides for an increase of £70 million in resource and capital funding to colleges](#). Additionally, the [Scottish Spending Review 2026](#) highlighted that Scotland's colleges will see £146 million of additional resource funding allocated by 2029-2030.

Action

8. The Committee is invited to consider what action it wishes to take.

Clerks to the Committee
January 2026

Annexe A: Summary of petition

PE2200: Provide a sustainable funding model for Scotland's colleges

Petitioner

Melanie Jane Stuart on behalf of EIS/FELA and Unison at Dundee and Angus College

Date Lodged

30 October 2025

Petition summary

Calling on the Scottish Parliament to urge the Scottish Government to:

- develop, publish, and adopt a multi-year funding settlement for Scotland's colleges (e.g. 3–5 years), rather than rely on annual decisions
- commit to funding that, at minimum, rises in line with inflation, to prevent real-term erosion of college budgets
- deliver a substantive above inflation funding settlement within the 2026/27 Scottish budget that places all colleges in a financially secure position
- provide safety-net baselines for the provision for additional support needs, core student support services and regional or local community access programmes
- require the Scottish Funding Council to give colleges clearer forward figures and simpler in-year rules, to allow planning flexibility for staffing, curriculum, capital investment and community partnership activities, above the three key baselines set out above.

Background information

Scotland's colleges are vital for education, skills and community development. They provide opportunities for young people, adult learners and employers while boosting local economies. Dundee & Angus College, with over 18,000 students, is a strong example. An economic report shows its redevelopment could generate £1.8bn for the region, including £130m during construction, alongside increased activity for local businesses Dundee Culture – Economic Impact Report. Despite these benefits, the current funding model for Further Education is unsustainable.

Recent funding decisions have resulted in:

- curriculum closures (including essential community access routes),
- nursery closures on college campuses,
- significant staff reductions,
- reduced apprenticeship capacity,
- removal of local sports/coaching provision,
- reduced availability of ASN and wellbeing support,
- severe strain on estates maintenance and capital projects.

These impacts highlight systemic issues and demonstrate the consequences of short-term allocations and real terms cuts of over 20% in the past 5 years.

The actions asked for by the petition would allow colleges to:

- plan workforce needs,
- commit to long-term curriculum development,
- support industry transition,
- maintain regional opportunity and inclusion,
- remain financially solvent.

Annexe B: SPICe briefing on PE2200

[PE2200](#) calls on the Scottish Parliament to urge the Scottish Government to change its approach in relation to funding Scotland's colleges. The petitioner calls for:

- the introduction of multi-year funding settlements of three to five years
- funding that rises at least with inflation
- an above-inflation funding settlement in the 2026-27 budget
- and baselines for student support and community access funding.

The petitioner is also calling for the Scottish Funding Council (SFC) to give colleges "clearer forward figures and simpler in-year rules" to aid planning of staffing, curriculum, capital investment and other activities.

Brief overview of issues raised by the petition

Funding provided to Scotland's colleges has fallen in recent years. [Audit Scotland's 2025 colleges report](#), published in October 2025, found a 20% real-terms reduction in resource funding for colleges between 2021-22 and 2025-26. The report states:

"Without changes to baseline funding, colleges will have to deliver even less to remain sustainable at a time when demands from students and employers are not being met." [Audit Scotland, October 2025](#)

SFC's Financial Sustainability of Colleges in Scotland 2022-23 to 2027-28, published in September 2025, found 22 colleges (92%) are forecasting adjusted operating deficits in 2025-26, concluding:

"These forecasts show that most colleges are not sustainable. We have previously reported that colleges take a cautious approach to forecasting, often resulting in better than anticipated results. This position has changed due to the current challenging financial environment and improvements on forecast will be extremely difficult to deliver." [SFC, September 2025](#)

SFC found increasing staff costs, high energy costs, a maintenance backlog, and RAAC were among the issues facing colleges. With staffing making up around 70% of total costs for colleges, SFC finds that the focus on savings could mean a 6.6% reduction in FTE college staff between 2024-25 and 2027-28.

The Audit Scotland report identified the costs of non-teaching staff job evaluation as a further risk to college financial sustainability. The report stated that responsibility for funding the outcome of the evaluation was returned to the Scottish Government in 2023-24 and that colleges now included a provision in their accounts to reflect the possible cost of compensating staff affected, though there is currently no associated income for this.

In 2025-26, the [Scottish Government provided funding of £5.5 million to SFC](#) to allocate to colleges to partially fund the increase in employer's National Insurance. It is not yet clear whether funding will be provided for this purpose in 2026-27.

Scottish Government actions

Reform of the post-school education landscape has been under discussion since 2020. While proposed reforms are not solely related to funding, they did arise in response to concerns around the sustainability of the tertiary education sector. These concerns led the Scottish Government to commission the SFC's 2021 [Review of Coherent Provision and Sustainability](#).

The Scottish Government then commissioned the [Independent Review of the Skills Delivery Landscape](#). Carried out by James Withers, the review was published in June 2023, setting out 15 recommendations for transforming the skills delivery landscape. These included calls for the Scottish Government to take responsibility for skills planning at national level, create a single funding body bringing together many of the functions of the SFC, Skills Development Scotland (SDS) and the Student Awards Agency Scotland (SAAS) and introduce a universal skills framework that delivers a clear map of the post-school system.

As part of its response to the Withers and SFC reviews, the Scottish Government published '[Purpose and Principles for Post-School Education](#)' in 2023. This is a framework intended to set the policy direction for higher education (HE) and further education (FE). The Scottish Government also published [an Initial Priorities document](#) alongside Purpose and Principles. This identified development of "a new model of public funding for all forms of provision".

In February 2025, the Tertiary Education and Training (Funding and Governance) (Scotland) Bill was introduced to Parliament. The Bill includes provisions to consolidate funding of post-school education and improve the operation and governance of SFC. Following the introduction of the Bill, then-Minister for Higher and Further Education and Minister for Veterans, Graeme Dey MSP said:

"First and foremost, we want to deliver the best service that we can for learners and employers. Secondly, we want to make things simpler for colleges, universities, training providers and employers. Last but not least, we have to get maximum value from every pound that we invest." [Official Report, 6/02/2025](#)

However, the proposed reform of the post-school sector comes at a time when colleges are under increasing financial pressure. As mentioned earlier in this briefing, [Audit Scotland](#) found a 20% real-terms reduction in funding for colleges between 2021-22 and 2025-26.

Scottish Parliament actions

The Education, Children and Young People (ECYP) Committee has undertaken ongoing scrutiny of the financial sustainability of colleges during session six of Parliament:

- In 2022-23, the [college regionalisation inquiry](#) looked at the challenges and opportunities for colleges ten years on from regionalisation in 2021.

- [Pre-budget scrutiny in 2024-25](#) and [2025-26](#) looked at college finances, taking evidence from sector organisations and making recommendations to the Scottish Government ahead of the Budget announcement.

Lynne Currie

Senior Researcher (Further and Higher Education), SPICe

10/11/2025

The purpose of this briefing is to provide a brief overview of issues raised by the petition. SPICe research specialists are not able to discuss the content of petition briefings with petitioners or other members of the public. However, if you have any comments on any petition briefing you can email us at spice@parliament.scot

Every effort is made to ensure that the information contained in petition briefings is correct at the time of publication. Readers should be aware however that these briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

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Annexe C: Written submission

Scottish Government written submission, 8 December 2025

PE2200/A: Provide a sustainable funding model for Scotland's colleges

Does the Scottish Government consider the specific asks of the petition to be practical or achievable? If not, please explain why.

The Scottish Government recognises the vital role that all colleges play in education and the economy. We acknowledge recent reports from Audit Scotland and the Scottish Funding Council (SFC) which make clear the challenges facing the sector. As decisions around the Scottish Government's Budget are being considered over the coming months, the Minister for Higher and Further Education will continue to work collaboratively with stakeholders to ensure a sustainable future for our colleges.

The Scottish Government is focused on delivering a fiscal programme that is balanced and sustainable, focused and impactful, and credible to Parliament. Ministers have started engagement with opposition parties on their priorities for the 2026-27 Scottish Budget, which will progress in the coming weeks.

Scottish Ministers are committed to engaging with Parliament and stakeholders to shape our multi-year spending plans. In line with the approach we took last year, we are committed to building as broad support as possible across Parliament for the 2026-27 Scottish Budget. It is important that we listen to stakeholders across our sectors, ensuring their views help inform the development of our spending plans.

Through the Colleges Tripartite Alignment Group, the Scottish Government, the SFC and Colleges Scotland regularly discuss issues in the sector, such as the college funding model.

The Scottish Government is progressing activity to develop a multi-year Scottish Spending Review (SSR), which will deliver on our priorities in a fiscally sustainable way. We intend to publish the results of the SSR alongside the 2026-27 Scottish Budget on 13 January. The Government's core priorities will sit at the heart of the spending review process, and guide how and where we will allocate funding. We acknowledge the importance of more detailed allocations for public bodies and stakeholders when setting out our multi-year spending plans.

The SFC introduced an updated college funding model for Academic Year (AY) 2025-26 in response to requests from the sector to address issues regarding transparency and funding comparability between learners on similar courses and colleges. As advised by the SFC at the Education, Children and Young People Committee on 1 October, they are engaging with Colleges Scotland and the wider college sector on a fundamental review of the funding allocation model.

Further and Higher Education in Scotland is based on the ability to learn, not the ability to pay. Our record on student support is strong – in tough economic circumstances we have continually looked for ways to improve support to students and we will continue to do so. For the 2023-24 AY, we provided an 11.1% uplift to the bursary maintenance rates for Further Education students and similar to AY

2024-25, the student support budget for AY 2025-26 continues to protect this significant increase. For 2025/26 AY, the overall student support budget allocation has been maintained at the same level at £123m.

Every year, Ministers issue a letter of guidance to SFC confirming high level objectives for SFC and for the use of SFC funding to the college and university sectors. Funding allocations to individual institutions are a matter for SFC.

What, if any, action the Scottish Government is currently taking to address the issues raised by this petition and is any further action being considered that will achieve the asks of this petition?

As noted above the Scottish Government intends to publish the results of the SSR alongside the 2026-27 Scottish Budget on 13 January.

Financial Direction and Assurance Unit

Governance and Assurance Division

Directorate for Lifelong Learning and Skills