

# Skills for Scotland:



How  
Colleges  
Can  
Deliver  
Economic  
Success

Scottish colleges are a power-house of skills and economic development. They deliver an enormous range of courses to almost 400,000 people – and they equip the country with the huge variety of traditional and modern skills that a 21st century economy needs.

Colleges are flexible and responsive to changing economic circumstances. They generate almost £200 million of additional income and plough it back into skills and training. Colleges make every penny count. They offer tremendous value for money to the public purse and form strong and innovative partnerships to offer the skills and training that both businesses and public bodies need.

Colleges have contact with around 30,000 businesses in Scotland.

Colleges tick all the boxes at times when tough public spending decisions need to be taken.

Colleges are at the heart of Scotland's economy and at the heart of its communities; their economic role is underpinned by the key part they play in social cohesion and offering opportunities to all.

As businesses in their own right, colleges realise the importance of a strong financial position. There is a real danger that ongoing cuts to

college funding – and to the volume of places colleges offer – could have a very damaging economic and social impact on Scotland.

Colleges should be helped to do more, not less. They have proved their worth as the best mechanism to step up economic performance in Scotland. Colleges are delivering Scotland's agenda and deserve recognition for their work – and they can do even more to move Scotland forward, if they are given the opportunity.

## WHAT COLLEGES DELIVER

### Skills and Economic Development

Colleges are the key bodies delivering the skills to drive economic development in Scotland. They are doing a phenomenal amount of work with students on the ground to deliver what the economy needs – and have the potential to do much more. If it wasn't for colleges, the skills output in Scotland would fall dramatically and its economy would not be as well-equipped to meet the challenges ahead.

Colleges provide skills and training to almost 400,000 full and part-time students. Demand for their services is significant: so much so that an estimated 35,000 would-be students were turned away this academic year because courses and colleges were just too full.

### Opportunities for All

Colleges offer thousands of different courses in more than 200 broad employment areas to suit all ages, abilities and

needs – from basic literacy and numeracy through to giving new practical skills to highly-qualified graduates. Colleges deliver 20 per cent of Higher Education in Scotland through HNCs and HNDs. Anyone trying to improve their performance can find what they want in the colleges of Scotland.

### Flexibility and Resourcefulness – Especially in Tough Times

At times of recession, colleges are vital in delivering the skills and training necessary to ensure Scotland retains a competitive edge in a challenging climate. Their flexibility and speed allows them to offer what the economy needs when it needs it – for example, the re-training of skilled people who lose their jobs, equipping them with skills to take up a new career when the economic upturn comes.

Colleges are also flexible in supporting those who find it hard to attend – they actually

**S**kills Delivery  
**S**cotland's Contribution to Economic Development  
**O**pportunity for All  
**T**raditional and Modern Skills  
**T**otally Flexible and Responsive  
**I**nvaluable in Tough Times  
**S**erving the Key Sectors  
**H**igh Demand  
**C**ollaboration  
**O**ffering Value for Money  
**L**everage of Money from Other Sources  
**L**ong-Term Savings to Public Purse  
**E**mployability  
**E**nergetically Generating Additional Income  
**E**conomic Driver  
**S**ocial Cohesion

offer open learning to far more students than the Open University (OU). The OU has around 14000 people on its courses at any one time, while the Scottish Funding Council's Analysis of Further Education Awards for 2008-09 shows more than 47,000 college students receiving awards in an open learning or distance learning course.

## Skills for Now and The Future

Colleges deliver the skills needed now – and the skills that Scotland's economy will need in the future. Colleges are dynamic in their approach to delivering the right skills in the right sectors at the right time – new learning opportunities are constantly introduced while older courses are phased out.

Scottish colleges provide skills in all the key sectors highlighted by government as areas where Scotland can enjoy a significant competitive advantage – creative industries, energy, financial and business services, food and drink, life sciences and tourism. *Skills For A Successful Scotland* (October 2009) demonstrated the breadth of this work.

## A Strong Collective Voice

Individual colleges work successfully and independently at local level – but they also work collectively to deliver a national social and economic agenda. Individually and collectively, colleges are flexible, resilient – and extremely responsive to economic need.

## Generating Income and Leveraging Income from Other Sources

Colleges add value by raising additional income from a wide variety of sources, such as consultancy and training services, product sales, project management, training needs analysis, business services, attracting international students, hosting conferences and hiring out halls of residence and other facilities. Colleges understand the economic context and are determined to maximise these additional sources of funding wherever possible.

The latest figures, for 2008-09, show total income for colleges in Scotland of £725.6 million. Official statistics from the Scottish Funding Council

(SFC) show income generated from non-SFC funds was 27.4 per cent of the total – so colleges across Scotland generated additional income of £198.8m – almost £200 million of extra funds across the 41 colleges.

In 2008-09 there were 5,358 international students in Scottish colleges, who brought in an estimated £26.8m to the economy. Colleges also add to international earnings by selling knowledge of courses they deliver and qualifications they create.

Colleges are able to 'leverage' private income (sometimes called the 'bend in the spend') by investing in apprentices locally – as a result, the businesses involved grow and economic activity increases.

**Colleges add real value – all additional income is re-invested in providing more training places and skills for individuals, employers and communities.**

## Value For Money

Colleges are exceptionally cost-effective – and excellent value for money. Their services are independently quality-checked by Her Majesty's Inspectorate of Education (HMIe) and many other external audit agencies.

Colleges could be seen as a prime example of preventative spending – because they help keep people off long-term benefits by equipping them with skills to help them into the labour market.

Colleges save money in the long-term by providing the employees of the future with new or refreshed skills – a far cheaper option than paying benefits over a long period of time. In a time of economic downturn, colleges can help to prevent a 'lost generation' of unemployable individuals by making sure they have the skills and qualifications to look forward to the upturn, rather than relying on welfare payments for much of their lives.

## Work-Ready Students

Students leave colleges ready to work – they have technical and practical skills to be economically active from day one, unlike some students who do generalist university degrees. More than 90 per cent of employers surveyed were satisfied with the

vocational training that colleges provide to their employees.

## Enterprising Individuals

Many college-leavers set up their own small businesses. A high percentage of hairdressing and beauty services, garages, trades and hospitality enterprises are established by college students – either straight out of college or later, thanks to technical and core skills and confidence developed at college. Business start-ups are what our economy needs in the current climate.

## Collaboration and Partnership Working

Colleges are strategic bodies, excellent at building effective relationships with a wide variety of partners – at a time when collaboration and integration is ever-more important. They play a key role in economic development, working with more individual businesses than Scottish Enterprise. Collectively, colleges engage with around 30,000 businesses across Scotland, building a wide variety of effective relationships at local, regional and national level. They can provide new and refreshed skills to employees, helping businesses to improve their productivity – and they drive business innovation through knowledge transfer.

Scottish colleges are often undervalued as a mass training provider for the private sector – from the self-employed through SMEs to larger businesses.

## Transformations in Public Services

Colleges work with many public sector bodies to help them effect the transformations needed to ensure their ongoing success by improving the skills of their workforce. For example, colleges are working closely with NHS Scotland, local authorities and the fire service to deliver the qualifications and training to support their workforce development plans.

## A Valuable Social Role

Colleges are delivering Scotland's economic and social agenda. The skills and economic development work is underpinned by a broader role in social regeneration and community

development and cohesion. Colleges offer opportunities not provided elsewhere, providing the skills, confidence and qualifications to those who find it hardest to enter the workforce. They offer opportunity, hope and aspiration to students, their families and communities.

Colleges are campaigning to scrap the 16-hour rule which they believe acts

as a barrier to many students entering college, and which costs the taxpayer more by keeping people on benefits for longer. Scotland's Colleges Back To Work report – supported by SCDI, STUC and NUS Scotland – calls for the urgent scrapping of the 16-hour rule.

Colleges are invaluable in ensuring that Scotland does not create a new 'lost generation' of young people who

struggle to find employment because they have low-level skills or no skills at all. They are often based in areas with little other educational provision – and offer a friendly and accessible opportunity to gain skills. In this way, the economic and social roles of colleges are mutually supportive as they build stronger and more skilled communities.

# WHAT SCOTLAND NEEDS

During this time of change and challenge Scotland needs to be sure that it has the people with the right skills for a successful future. To make sure the nation gets exactly what it needs depends on Scotland's colleges getting support for six key developments:

1. As the main body delivering skills in Scotland, Scotland's colleges should be given their full role as a key strategic partner in developing the skills strategy at national level. It also means that colleges should be given a statutory role in community planning partnerships – to make sure that skills development is embedded in local economies and communities.
2. It is time to look at reshaping the skills landscape. In the current climate, there is a powerful case for investing in skills and training, not in bureaucracies. Alignment and simplification could save substantial sums without affecting the volume of training places – and avoid a damaging knock-on effect in the Scottish economy.
3. Scotland should do all it can to enhance the volume of training places in colleges. Up to 35,000 students missed out on a college place this academic year and demand is extremely high – even before spending cuts bite, jobs are lost and more people look to colleges to gain new skills.  
  
Colleges understand tough decisions lie ahead, but urge all political parties to recognise their huge contribution to skills and economic development – and to mitigate against a 'lost generation' of young people and a damaging effect on economic development by supporting colleges with investment.
4. Colleges are cost-effective and offer excellent value for money in a tough economic climate. Their importance as an economic driver and a means of getting individuals ready for work should be recognised as a priority for funding.
5. There must be a more strategic relationship between enterprise agencies and colleges – and a more integrated approach to providing business advice.
6. Public sector agencies must be encouraged to make better use of colleges as an effective – and cost-effective – means of improving the skills of their workforce. Colleges are a superb resource for workplace training – and deliver great value for money.

**'Scotland's colleges are flexible and can adapt quickly and effectively to shifting economic conditions and employment needs. The skills required by Scotland now are very different to those needed 20 years ago. That's why colleges constantly develop, update and refine courses to suit an ever-changing world.'**

Linda McTavish, Convener, Scotland's Colleges Principals' Convention – from Back To Work report, November 2010



Scotland's Colleges is a trading name of both the Scottish Further Education Unit and the Association of Scotland's Colleges.

Scottish Further Education Unit | Company Limited By Guarantee | Registered in Scotland No: 143514 | Scottish Charity No. SC021876 | VAT No. 617148346  
Association of Scotland's Colleges | Company Limited By Guarantee | Registered in Scotland No: 143210 | Scottish Charity No. SC023848

Tel: 01786 892000 E-mail: [info@scotlandscolleges.ac.uk](mailto:info@scotlandscolleges.ac.uk) Web: [www.scotlandscolleges.ac.uk](http://www.scotlandscolleges.ac.uk)