

Funding Announcement for 2015/16

On Thursday 9 October 2014, the Cabinet Secretary for Finance, Employment and Sustainable Growth, John Swinney delivered a statement on the 2015/16 budget and proposed a **£525.7m** allocation to colleges. He stated that youth unemployment continues to be a key challenge, and along with the **£12m** allocated in this financial year to take forward the *Developing the Young Workforce* recommendations, a further **£16.6m** will be allocated in 2015/16 to expand apprenticeship opportunities and support employers to engage with young people to ensure that they have access to job-relevant learning.

Mr Swinney stated that the Scottish Government will “*maintain commitment to education that is based on the ability to learn and not the ability to pay by keeping free tuition at the core of higher education, with over £1 billion-worth of investment, and we will maintain our plans to increase funding for further education to £526 million. Opportunities for all will support 16 to 19-year-olds with training and employment, and we will build on our successful delivery of 25,000 modern apprenticeship opportunities with a target of 30,000 starts each year by 2020.*”

Revenue Budget for College Sector: 2011/12 to 2015/16, Cash and Real Terms

Financial Year	Draft Budget		Final Budget	
	Cash £m	Real £m	Cash £m	Real £m
2011/12	544.7	544.7	555.7	555.7
2012/13	506.7	497.9	526.3	517.2
2013/14	511.7	493.0	521.7	502.6
2014/15	521.7	492.3	521.7	492.3
2015/16	525.7	488.7	525.7	488.7
Change Over Period	-19m	-56m	-30*	-67*

Source: Scottish Government Draft Budget 2015/16, 2014/15, 2013/14 and Spending Review 2011 and SPICe Briefings

* the 2015/16 budget is not comparable with previous years because the Scottish Government has consolidated income in 2015/16 e.g. ESOL and HE Childcare. Additionally, until the Budget Bill is passed the figures in yellow are only indicative.

The funds announced in the budget for 2015/16 are in line with what was promised in the 2014/15 draft budget. As a consequence, the sector is facing a fall in funding over the Spending Review period of **£30m** in cash terms and **£67m** in real terms if the college budget is unamended.

Infrastructure Spend

Mr Swinney announced that **£140m** would also be available to create new learning campuses at Fife College and Forth Valley College. This is in addition to the capital expenditure budget for colleges (£45m gross or £25.5m net of capital receipts) and is welcomed by the sector.

Developing the Young Workforce

The Scottish Government has set aside **£16.6m** for various organisations and sectors to deliver on the recommendations of the Wood Commission, which is an increase of **£12m** from 2014/15. It is stated that colleges are expected to contribute to economic growth by offering young people “*work-relevant learning*” that is shaped and supported by employers.

Colleges Scotland
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