

# Evidence to the Education and Culture Committee – March 2014

## Scotland's Educational and Cultural Future

### 1. Introduction

The college sector would not expect to face the same extent of changes as the university sector in the event of any constitutional change or devolution of further relevant powers to the Scottish Parliament. Colleges Scotland has therefore limited its response to the pertinent areas for the college sector – immigration and international activity and, opportunities to improve employability initiatives.

### 2. International Activity

International work within Scotland's colleges can be broadly divided into two categories: colleges working to deliver education abroad, and international recruitment into colleges in Scotland. International activity has undergone significant changes in the past three years and there is little trend data, particularly from after 2012, indicating the detailed extent or causes of these changes and the impacts they have had. The following pulls together the information Colleges Scotland has been able to gather from our members, the British Council, Scottish Funding Council (SFC) and UK Border Agency (UKBA) to help inform the committee of the current situation.

#### Key Findings

In 2012, *Scotland's Colleges* (rebranded in December 2012 to Colleges Scotland) commissioned a review and analysis of international activity within colleges by Viewforth Consulting. The report which was supported by the British Council was entitled *The Economic Impact of the International Activity of Scotland's Colleges*. Findings from the report include:

- Colleges' international income made up over 8% of college revenue in the academic year 2010/11 – a total of £64.7 million.
- The conservative estimate of a further £12.2 million earnings attributable to the off-campus expenditure of international college students, bringing the total export earnings attributable to college international activities to £77 million in 2010/11.
- International revenue attracted by the colleges generated in total nearly 1,000 jobs in Scotland outside the colleges, with around 200 more jobs generated elsewhere in the UK.
- College international business generated over £100 million of output in industries across the UK, the majority of which accrued to Scottish industries.
- College engagement in international activity is not seen as being only about student recruitment or finance; international activity is seen as bringing important benefits to the colleges, to their staff and students as well as to their local communities. Staff engagement in international partnership programmes and in delivery of transnational education is considered an important part of staff continuing professional development, enabling staff to bring international perspectives to their domestic teaching. The opportunity for domestic students to participate in exchange and international placement is also seen as an important part of college international work.
- A number of colleges are leaders in specialist niche markets, with considerable potential to attract more international business and enhance Scotland's reputation in those markets.

- Colleges see articulation arrangements with higher education institutions (HEIs) as being important for attracting international students to Scotland. Some have specific articulation agreements with universities; others would like articulation routes to be strengthened.
- However the study also flags that such engagement is fragile and vulnerable in a changing policy environment.

## Colleges Working Abroad

Scottish colleges have in the past undertaken quite significant international activity. This not only involves attracting international students, but also establishing bases abroad to offer specialist teaching to students in their home country, or working with partners to provide the course content to be delivered. Some of these involve allowing articulation for students to complete their studies with the partner college in Scotland, or even move onto a place at a Scottish HEI partner.

Feedback from our members indicates that over the last three years, colleges are now choosing not to pursue these types of activities. This change is likely due to a number of factors, but particularly the more challenging economic circumstances will make such ventures harder to realise, also the move to reform and regionalisation has changed priorities for the colleges. Such partnerships involve a level of risk, can take years to establish, and will often require upfront investment.

There isn't a clear picture emerging as yet of the plans and development for this activity following the move to regionalisation. Regional colleges and regional strategic bodies may be better able to capitalise on their increased scale to consider how they might expand into international markets in this way. This is an issue that could benefit from further investigation as to what potential benefits could come to Scotland from expanding this activity and whether there are barriers to overcome that could be tackled nationally.

Examples of this type of activity include:<sup>1</sup>

- **2013: College A and Indian Dental Nursing:** working with the Healthcare Sector Skills Council, developed new national occupational standards (NOS) for dental support roles for India. The initiative was supported via UK-India Education and Research Initiative funding. College A and Indian Dental Nursing reviewed the draft NOS and took them through an extensive industry engagement and consultation process. These standards for entry level job-roles, validated by the industry, are expected to standardise the delivery of training services across India and improve quality.
- **2012: College B:** working with Balaju School of Engineering, Nepal Polytechnic Institute and Nowakot Trade School to design and develop curriculum packages that increase the employability skills of students. Staff and students in all partner institutions designed and developed an innovative solar powered light pack to address power shortages within Nepal. Additional training for capacity building of staff within a technology institute in Nepal was undertaken to provide the skills and expertise to enable product manufacture in Nepal.
- **2009: College C:** the college entered into a ground breaking two-year partnership with Kainuu College in Finland, Kauno College in Lithuania and Benesov College in Czech Republic to provide a consistent qualification in greenkeeping, endorsed by FEGGA. The qualification will be recognised across the European Union, making it possible for greenkeepers in every member state to work within the golf industry in another member country.

## Overseas Students

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<sup>1</sup> Sources: *Scottish Government* and *The Economic Impact of the International Activity of Scotland's Colleges report*.

Colleges Scotland believes that students should be excluded from UK objectives on net migration. Students tend to stay for their period of study and then return to their home country and therefore should not be considered in the same way as other groups.

The UK Border Agency (UKBA) applies a points based system to manage UK immigration. Tier 4 of this system is the primary immigration route available to students who want to study full-time in the UK. The students must be sponsored by an education provider that has a sponsor licence. When a college applies for a Tier 4 sponsor licence it is awarded an A-rating which is transitional for 12 months. The college must apply for Highly Trusted Status (HTS) during this transition period.

The rules on Tier 4 students and the college achieving (HTS), while intended to provide assurance and protection, have had the unintended consequence of proving difficult for the college sector.

In May 2012, there were 17 colleges with HTS status<sup>2</sup>. Some planned to allow it to lapse and, because of mergers underway, some also were no longer required. There has been a clear reduction in the numbers of colleges working to recruit internationally, as current UKBA figures show only four Scottish colleges now have HTS status, and one has an A-rating, allowing it a limited amount of recruitment. It is likely some recently merged colleges are reapplying for HTS status under their new name – New College Lanarkshire previously indicated it intended to apply for HTS in the future – making the number perhaps artificially low, however we have no current data on this to know if that is the case.

According to SFC figures, the overwhelming majority of activity is now undertaken in two regions (Glasgow and Edinburgh), with most of the others showing minimal recruitment in 2012/13 figures. As only four colleges in Scotland now have HTS status (not including UHI and SRUC who have status as HEIs) the activity will continue to be concentrated in these regions. In 2012/13 only 15 colleges<sup>3</sup> had overseas student intake (from outside European Union and Europe) that totalled 1,116 (see Table 3), out of the total almost 240,000 students in colleges that year. The challenges in obtaining HTS are primarily a question of capacity of the colleges to undertake the requirements of HTS, and the size of the student body.

Only two of the 15 colleges had more than 100 overseas students studying with them. 12 had fewer than 20 overseas students each. For those colleges a change in circumstances among a very small number of students, which can arise for entirely legitimate reasons, can then impact on a college's status. The UKBA rules set out that 85% of students require to complete courses; no more than 20% can be refused visas by UKBA; and that 90% of students have to enrol at expected timelines. These rules are often challenging for colleges to meet because it can only need one or two students to have their circumstances change before the college falls foul of the targets and faces measures in terms of being unable to recruit internationally, and their existing students having to move institution or even face deportation.

As stated above, there have been several reasons that colleges have taken the decision to not continue international activity, but among some smaller colleges, the impact of the Tier 4 requirements has presented a further challenge. The numbers of Tier 4 approved institutions with HTS has fallen overall, however this appears to mostly have reduced among colleges and English language schools (see Table 2). Visa applicants accepted by sponsor institutions have reduced by more than 50% for colleges in the UK.

Colleges Scotland would welcome the opportunity to work with the Scottish Government to shape the processes and ensure consistency in granting and maintaining HTS status in light of the new regional college model.

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<sup>2</sup> UKBA figures, 25 May 2012

<sup>3</sup> Pre college regionalisation position

**Table 1: No. of Organisations on the UKBA Register of Sponsors (Tier 4) by quarter<sup>4</sup>**

As At Date	Sponsors
03-Oct-11	2,370
30-Dec-11	2,126
30-Mar-12	2,119
29-Jun-12	2,037
01-Oct-12	1,983
02-Jan-13	1,898
02-Apr-13	1,820
01-Jul-13	1,724
30-Sep-13	1,708

Source: Home Office

**Table 2: Applicants for Visas for Study Using Sponsor Acceptances, by Education Sector<sup>5</sup>**

Education Provider	2010	2011	2012
UK Based Higher Education Institutions	143,177	152,536	156,535
Tertiary, Further Education or Other Colleges	65,392	83,993	32,500
English Language School	19,253	11,476	3,589
Independent School	14,478	16,168	13,937
Other	6,867	6,511	3,548
<b>Total</b>	<b>249,167</b>	<b>270,684</b>	<b>210,109</b>

Source: Home Office

## EU/European Students

The number of EU/European students has also fallen significantly. As colleges have reduced their student recruitment activity outside Scotland, this likely accounts for a portion of that fall. It is also possible that the changing economic circumstances have reduced migration for this group towards college study.

**Table 3: No. of Non UK students**

Year	Overseas Students	Europe Students	EU Students
2007/08	1,731	225	2,351
2012/13	1,116	5	570

Source: SFC Infact database

A further point to note is that there is evidence that figures collated by SFC from the sector may not be capturing all international students. Figures collected for *The Economic Impact of the International Activity of Scotland's Colleges* found significant differences in student numbers reported directly by colleges and those reported centrally. One theory is that the SFC data collection in asking for the student's previous address, while highly effective for tracking student flow from within the UK to different colleges, may not be sufficient to pick up those students who may have moved to the UK prior to commencing their studies, for example. As the UKBA do not appear to provide a breakdown of international students by nations and regions of the UK it is hard to compare the SFC figures. Colleges Scotland intends to address this issue with SFC.

## Barriers and Challenges to Scottish Colleges International Activity

<sup>4</sup> Home Office Immigration statistics, July-September 2013

<sup>5</sup> Home Office Immigration statistics, July-September 2013

*The Economic Impact of the International Activity of Scotland's Colleges* report stated that a significant proportion of colleges were facing challenges in their international activity and many were expecting to reduce activity in the future:

*"7% do not plan to continue their international activity, this is mainly because of changes to the UKBA policies, which college representatives argue make it too difficult to comply with legislation and not cost effective. Indeed, across the responding colleges 84% report that changes to UK Border Agency regulations will limit the capacity of their institutions to recruit international students. Thirty-five percent state that their college cannot afford to make the investments necessary to attract international business and 28% claim that their college does not have the capacity to expand its international activities. However, the remainder believe that their college is well prepared to further develop international activities."*<sup>6</sup>

### **Future Support for International Activity in Colleges**

International activity is funded from a variety of sources: fee income and international service contracts as well as from agencies such as the British Council and EU funding programmes. *The Economic Impact of the International Activity of Scotland's Colleges* report identified a desire among the majority of colleges for practical support to help the sector to expand international activity.

*"College responses reveal that the majority want support in marketing international commercial activity and Funding from Scottish and/or UK Government (both 67%). Sixty percent require more in-college personnel with appropriate experience to develop and manage international activities. Greater numbers of in-country specialists are required by 53% of colleges while 47% want advice on finance regarding conducting international activity and the same percentage would like more resources generally to develop their international activities."*

As indicated above, priorities have changed with the move to reform and regionalisation, and newly formed colleges will be considering their international activity as part of their future delivery planning, however it is likely still the case that for those wishing to expand their activity that they may benefit from the type of support identified.

Agencies such as Scottish Development International (SDI) have been able to support some colleges with their activity; Colleges Scotland and regional leads have been in dialogue with SDI on future activity.

Given the positive benefits to the Scottish economy, culture, to colleges' scope and reputation, and the learner experience from attracting international students, international activity is an area that is worthy of further exploration as to how colleges can be supported, irrespective of whether there is constitutional change forthcoming.

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<sup>6</sup> *The Economic Impact of the International Activity of Scotland's Colleges* report, p35

### 3. Employability and Young People

There are a significant number of agencies and funders involved in the provision of skills and employability both in Scotland and in the UK. College places to support those needing to improve their employability skills are mainly funded by SFC, Skills Development Scotland (SDS) Employability Fund, Modern Apprenticeships (MAs), Skillseekers, Training for Work and Jobcentre Plus (New Deal), as well as employers.

#### Meeting the Challenges of Youth Employability

The Scottish Government's recent focus on young people has seen colleges increase the proportion of their activity towards those aged 16-19 with 71% of all hours of learning undertaken by those aged 16-24<sup>7</sup>. In addition, colleges are still the main provider of opportunities for adults wanting to return to education, to retrain or improve their skills and prospects. Overall the number of college learners has fallen, however those aged 16-24 have not experienced a drop in numbers of the same magnitude. Table 4 below illustrates college students between 2007 and 2013, broken down by age.

**Table 4: Students by Age between 2007/08 and 2012/13**

Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	Change 2007/08 to 2012/13
Age of student (start of academic year)	Count	Count	Count	Count	Count	Count	Count
<b>under 16</b>	72,404	76,970	68,894	55,053	29,907	25,364	- 47,040
<b>16-18</b>	64,519	66,353	65,998	62,475	57,592	56,575	- 7,944
<b>19-24</b>	56,842	57,758	57,379	55,264	54,158	52,705	- 4,137
<b>25-59</b>	172,753	161,008	143,716	124,888	108,708	98,125	- 74,628
<b>60-64</b>	9,603	9,397	7,880	6,283	4,671	3,845	- 5,758
<b>65 &amp; over</b>	12,229	12,196	10,268	7,946	5,068	3,957	- 8,272
<b>OVERALL</b>	<b>388,350</b>	<b>383,682</b>	<b>354,135</b>	<b>311,909</b>	<b>260,104</b>	<b>240,571</b>	<b>- 147,779</b>

Source: SFC Infact database

Colleges have seen reductions in funding levels since 2011/12. The college 2014/15 'flat cash' settlement of £521.7m saw a fall in cash terms by £34m during the period 2011/12 to 2014/15. Since 2011, with the funding reductions and the focus on the Scottish Government's *Opportunities for All* guarantee, colleges have delivered proportionally more learning hours to young people, who tend to study on a full-time basis, at the expense of other learners i.e. part-time, older learners and female returners.

<sup>7</sup> SFC Baseline Report for Academic Year 2012-13

## **Colleges' Future Support for Youth Employability**

### **School-College Partnerships**

Colleges have the potential to do more to bring opportunities to young people still in school, to those wanting to access a higher education or go on to university. The *Commission for Developing Scotland's Young Workforce* interim report suggested more should be done to provide vocational education to school-aged young people. A key area of activity that could meet this goal would be the expansion of the already successful work of school-college partnerships. These have been established in every local authority area, funded by the SFC, allowing for school pupils to undertake courses in a college while still enrolled at school, and for vocational skills to be delivered in the school environment.

Extending the availability of school-college partnership activity is an important goal, and requires the full commitment of the college sector, local authorities and the Scottish Government. On that basis, the college sector has welcomed that the Cabinet Secretary for Education and Lifelong Learning has already made reference to the implementation of the interim report in his recent letter of guidance to the SFC<sup>8</sup>, including asking the SFC to engage with the college sector, COSLA, local authorities and Education Scotland in implementing the recommendations in the short to medium term.

### **Modern Apprenticeship**

In other European countries apprenticeship is a more highly valued route and its contribution to the economy is better recognised. In Scotland, Modern Apprenticeships (MAs) are strong and highly valued in some sectors as a pathway to employment. However, a proportion of employers are resistant to the costs of providing MA pathways and patterns have evolved which rely much more heavily on the public purse, through further and higher education. There are also positive examples of new industry sectors embracing MAs as a positive route.

The emphasis on degree qualifications for 50% of the population has increased the reliance of employers on graduate entrants, where in many instances skilled entrants with other qualifications might better meet industry need. Large numbers of generally qualified graduate entrants into the labour market have depressed the range of opportunities for those with other qualifications.

A large part of colleges' involvement in the MA programme is through the practice of some organisation's contracting directly with SDS for MAs and then subcontracting some or all of the MA's training element to colleges. This type of provision varies widely, from providing training to support a Scottish Vocational Qualification (SVQ), to health and safety training prior to apprentices going into workplaces, to more general *Skills for Work* type delivery.

Colleges Scotland has responded to the *Commission for Developing Scotland's Young Workforce* interim report in welcoming the opportunity for colleges to become more involved in the direct contracting of MA delivery by SDS.

### **Careers Advice/Opportunities of Education and Training**

Colleges Scotland strongly supports the recommendation from the *Commission for Developing Scotland's Young Workforce* interim report in regard to careers advice in schools. If we are ultimately to achieve parity of esteem for the vocational pathways on offer to Scotland's young people, then attitudes across society require to change. There is therefore a vital role for careers advice to play with young people, and their parents, in changing those attitudes. Although progress is currently being made, the college sector hopes to see over time, a paradigm shift in the

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<sup>8</sup> Guidance letter from the Cabinet Secretary for Education and Lifelong Learning to the Scottish Funding Council on the 21<sup>st</sup> October 2013

way vocational opportunities are presented, and hopes that the interim report's recommendations in this area are taken up with enthusiasm by all of the relevant organisations.

Employers and universities also have an important role to play, in terms of how vocational qualifications are seen. We need to give the same esteem to vocational education as we do to academic and higher education; both need to be on the same footing. There also needs to be more education of school pupils and parents about the opportunities available through enhanced school-college programmes.

Learners would also benefit from clarity about what they are entitled to access. For higher education, the ability of Scottish students to study to the level of an undergraduate degree without paying fees is well known and understood, and sets Scotland apart. It also provides learners with clear expectations should they wish to pursue that route. There should be no division in type of education in this principle. There is the potential to shift the right to the learner – setting a guarantee for the equivalent level of learning that makes up a degree, which can be used in university or college, allowing the individual to decide how they wish to use that entitlement, with no financial barriers, throughout their working lives. Most people change careers several times in their life. This would see working age people able to benefit and draw on support when they need it to learn and improve their skills and so improve their prospects, supporting economic growth. The Scottish Credit and Qualifications Framework (SCQF) for example could provide a potential model for what level they as a learner is entitled to work towards, with a guarantee of support.

### **Scotland's Lifelong Learning Commitment**

Colleges are the main source of lifelong learning and career development for adults in Scotland. For these individuals, college courses are often the only possible way to improve their skills and earning potential, or be the route into work for the first time. It is essential for adult learners that courses be available on a flexible basis of part-time, day/block release or evening and weekend basis allowing them to fitting study around work or caring responsibilities. Colleges also partner with employers to provide training to employees in the public and private sector, offering relevant new skills or job certification.

As shown above in Table 4, numbers of students have fallen by almost a third in the 25-59 age group, thus reducing opportunities. There are proportionally more female than male students in the 25-59 age groups. As shown in Table 5 below, the numbers for both genders have fallen over time, but the reduction has been proportionally greater for female learners. It is clear that working age women from 25-59 years are most likely to be disadvantaged by the shift of provision to prioritise young people.

**Table 5: Working Age Adults 25-59 - Student Numbers**

	2009/10	2010/11	2011/12	% Change 2009/10 to 2011/12
<b>Headcount – Learners Aged 25-59</b>	<b>143,718</b>	<b>124,887</b>	<b>108,707</b>	<b>-35,011</b>
<b>Male</b>	56,328	50,936	44,913	-11,415
<b>Female</b>	87,390	73,951	63,794	-23,596
<b>FTE – Learners Aged 25-59</b>	<b>40,003</b>	<b>38,744</b>	<b>37,888</b>	<b>-2115</b>
<b>Male</b>	15,477	15,546	15,354	-123
<b>Female</b>	24,526	23,198	22,534	-1992

Source: SFC Infact database