



 Scotland's Colleges

Back To Work



Contents

Contents	Page
Why Scottish Colleges Matter More than Ever	2
Introduction	4
Executive Summary	6
The 16-Hour Rule	7
The Case for Change	8
Case Studies	10
Conclusion and Recommendations	14
Scottish Colleges: The Facts	16
Footnotes	17

Why Scottish Colleges Matter More Than Ever

Scottish colleges play a hugely significant role in providing pathways to work – and pathways back to work. At times of economic difficulty, they have an even more crucial part to play.

Colleges are a key driver of Scotland's economy and when times are tough, they are uniquely equipped to provide hundreds of thousands of people with the skills and training they need to return to the workforce – now or in the future.

They provide flexible solutions to meet the specific demands of local job markets across Scotland – and oil the wheels of business by offering new and enhanced skills to existing employees, raising productivity and competitiveness.

In addition, Scottish colleges are socially significant in rebuilding people's lives in difficult circumstances - to the benefit of the individuals, their families and communities. Scottish colleges sit at the heart of these communities and play a major role in social inclusion, taking in disproportionate numbers of lone parents, mature students and people from the most deprived postcode areas.

Some of these students take basic literacy and numeracy courses, while others study for Higher National qualifications. More than 20 per cent of Scotland's Higher Education is delivered by colleges through a wide range of Higher National Certificate (HNC) and Diploma (HND) programmes. Colleges offer a wide variety of full-time, part-time and online programmes to suit all ages, tastes and lifestyles.

Scottish 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. They forge links with businesses, communities and government, especially in the six key sectors identified as areas where Scotland could enjoy 'clear and sustainable competitive advantages in international markets' – creative industries, energy, financial and business services, food and drink, life sciences and tourism. (1)

The constant challenge for colleges is to help Scotland retain a competitive edge – by ensuring the workforce has the right amount of the right skills at the right time.

This crucial, multi-layered and complex work is facing enormous challenges. Significant reductions in public spending cuts threaten a double whammy for Scottish colleges – a far greater demand for places as unemployment rises, coupled with severe pressure on their own budgets.

It is a uniquely difficult time – yet the reaction of Scottish colleges to the crisis has already won praise. The Scottish Government's refreshed skills strategy describes their response to the recession as 'rapid, creative and effective' (2) – and recognises colleges will play a key role in leading Scotland out of the downturn.

At times like this, it is important to look for practical changes that can make a positive difference – without significant cost to the public purse. This report puts the spotlight on one area where flexibility and common sense would benefit all concerned – at little or no additional cost.

The relationship between benefits and student support has often been a difficult one and at times like this, the system cannot act in a way that puts people off coming to college.

This report suggests the current system can be a real barrier to those who want to go to college to gain the skills to move on in their lives. This is especially true in the case of many mature students who feel they cannot take up full-time courses because if they go beyond 16 hours, they lose their benefits. That has to be wrong.

We would never advise anyone to come off benefits to study full-time if it meant they were worse off. The 16-hour rule (see Page 7) is something we have kicked against for years – now it is time to look at relaxing the rule again.

In times of recession, you need an accelerator to get people into the workforce and the 16-hour rule – or more accurately, its interpretation – is doing just the opposite. It is high time to remove this barrier which is hampering our best efforts to get Scotland back to work.

Linda McTavish
Convener of Scotland's Colleges' Principals' Convention

'Students face a crisis when it comes to student support. They are already subjected to a first-come, first-served postcode lottery, with only 17 per cent confident they will be funded until the end of their studies. The continual roll-back of state benefits has done nothing to help this situation and in fact acts as a disincentive to accessing education. The 16-hour rule in particular is nothing more than a hurdle when it comes to getting students from non-traditional barriers. Especially during the recession, the arbitrary nature of cutting someone off the second they study over 16 hours will make little sense to a student.'

Liam Burns, President, NUS Scotland

'Scottish colleges do an excellent job of preparing people for the workplace, either through training to take on a job, or the entrepreneurial skills to start a business. Colleges can respond quickly to the changing needs of businesses and the economy and help resolve local and national skills gaps.

Removing some of the financial barriers that prevent potential students going to college will allow many more of Scotland's talented people to achieve their full potential and ensure they contribute to a strong and sustainable Scottish economy.'

Dr Lesley Sawers, Chief Executive, SCDI

'Colleges are a vital part of Scotland's economy and help to create the highly-skilled workforce that Scotland needs. At times of economic uncertainty this work becomes even more important and colleges have a key role to play in re-skilling and up-skilling unemployed workers, helping them re-enter the workforce.

The STUC believes that with rising long-term unemployment more needs to be done to provide routes into work. The 16-hour rule currently acts as a barrier to those who want to learn by restricting their benefits. Ultimately this rule makes little sense for individuals or the Scottish economy.'

Grahame Smith, Scottish Trades Union Congress General Secretary

Introduction

The benefits system is complex - and so is the student support system. Each has developed in different ways over many years, but the point at which they meet can cause all kinds of problems. For students trying to figure out how they might fund a place on a college course – while ensuring enough money is coming in for themselves and their families – it can be a minefield.

Before benefits come into the equation, there are four separate sources of funding for college students. The Student Support Agency funds those on HNCs and HNDs, while bursaries are dispersed by colleges to National and Vocational Qualification students. In addition, hardship funds are available in two further pots, one for Higher Education and one for Further Education students. Sue Pinder, Principal of James Watt College, says: 'We look at these issues in terms of cost but someone has to support individuals who are workless – either through benefits, bursaries or student awards. The aim is to ensure the individual gets some benefit which will in turn benefit society.'

So how can we best do this? At times of economic difficulty, it is not easy. In a recession, the number of applications to Scottish colleges soars. The latest unemployment figures before the publication of this report show 231,000 people out of work in Scotland, according to Office for National Statistics (ONS) data. The Scottish unemployment rate is 8.6 per cent, above the UK average of 7.7 per cent.

Many of the applicants to college in these circumstances are mature students who want to gain new skills or refresh old ones to get them back to work. These types of students do not apply to college in such high numbers at times of high employment – because many of them will have jobs. However, this surge in applications by older people means larger numbers of younger students – in the 16-24 year-old age bracket – are pushed out and cannot get a college place.

In broad terms, the 16-24 age group are more likely to be living with their family and have lower living costs. The 25-plus age groups are more likely to live independently, have children or other family members to care for – and higher living expenses. Many older applicants are on benefits – and will usually be worse off if they study full-time because they will lose those benefits. Put simply, student support funds do not

match benefits. Many older applicants are surprised to learn that doing a full-time course means they will lose benefits – because of the 16-hour rule.

This report is not about the 16-hour rule, but it is significant. Alan Birks, a former college principal, said: 'The 16-hour rule refers to the maximum number of hours per week an adult can study at college without being deemed to be attending full time. The significance of this is that if you attend college for any longer, you are deemed to be attending full time. If you attend college full time, you are deemed to be unavailable for work. If you are unavailable for work, you lose your benefits.' (3)

As a result, some potential students decide they cannot afford to go to college. Many others decide to study part-time instead of full-time so they can stay on benefits – to allow them to meet their personal financial commitments.

So what does this mean? Firstly, those who choose not to study at all do not acquire the skills and knowledge they need to prepare for a return to the workforce and are likely to remain economically inactive, especially in a tough economic climate, for a longer period – and claim more benefits over time.

Secondly, students forced to go part-time rather than full-time are delaying their potential entry into the workforce – and also draw on benefits over a longer period. At the same time, this longer study period blocks off college places to others and slows the flow of students coming out of college with valuable new skills.

Linda McTavish, Convener of Scotland's Colleges' Principals' Convention, says: 'Many students want to take up a full-time college place, but can't do so – they can't afford to study full-time because if they do, they will lose their benefits. We would never counsel would-be students to come off benefits to study full-time if it meant they were worse off. As a result, they study part-time – and claim benefits for longer.'

It is impossible to quantify the number of students who make decisions like this – because the Department for Work and Pensions does not keep records on how many of the 300,000-plus part-time students in Scottish colleges are claiming Job Seekers'

Allowance or other benefits. This information would be very useful.

At times of recession, colleges need to act as an accelerator to get people back to work by equipping them with the skills they need. Yet the current system does not fast-track those who want to get into the job market – it moves them through college more slowly, at a potentially greater cost to the economy, both in terms of increased benefit payments and a reduced flow of skilled graduates. This makes no sense – and it is time for a debate on how to change the rules to help get Scotland back to work.

It is not government regulations that are the problem – it is the interpretation of ‘full-time’ education. The deciding factor appears to be whether or not a course or qualification has been designated full-time or part-time by the learning provider. However, there can be flexibility - as shown in Northern Ireland (See Page 7).

The quote at the top right of this page suggests the financial situation is not going to get any easier for Scottish colleges. Yet they will continue to be highly flexible and responsive to need – and provide what government wants. Secretary of State for Scotland Michael Moore said the government was ‘more determined than ever to achieve sustainable economic growth for all parts of the UK’ and the coalition was ‘taking real steps to ensure we create a secure economy which in turn creates long-term, quality jobs’. Scottish Enterprise Minister Jim Mather was more explicit and said: ‘Using the powers currently available to us, we are prioritising skills and training and generating significant numbers of jobs in the Scottish economy.’

It is also worth pointing out that Scottish colleges are the only body in the skills system that generates income which is then invested back into providing more skills.

In short, colleges can do an awful lot, but the system must play its part too. Linda McTavish says: ***“The 16-hour rule is something we have kicked against for years and it must be time to look at relaxing the rule again. The system must be more flexible.”***

‘The SFC has sought to maintain funded student places in academic year 2010-11 and will increase student support resources for colleges. But its actions thereafter will be determined by available resources.’

Scottish Funding Council evidence to Independent Budget Review
April 2010

‘The next three years present particular and significant challenges for colleges.’

From *Scotland’s Colleges Strategic Plan, 2010-12*

Executive Summary

- Scottish colleges are a key driver of the economy and are uniquely equipped to get Scotland back to work at a time of economic downturn. They play a crucial role both economically and socially, helping individuals rebuild their lives and gain the skills to get back into the workplace.
- Scottish colleges offer a huge range of flexible programmes and adapt well to changing economic conditions. They are delivering skills for the six key sectors.
- Public spending cuts present huge challenges; there is greater pressure on college places because more people want to gain skills due to the lack of job opportunities, at the same time that colleges are facing pressure on their own budgets.
- Gaining new or enhanced skills is vital in making people more employable in a tough economic climate. This is also hugely significant for the individuals, their families, their communities and for Scotland's economy as a whole.
- The system of benefits and student support is complex and can act as a barrier to those wanting to study at college.
- In tough times, far more mature students apply to Scottish colleges to gain new skills or refresh old ones. At times of high employment, many would have a job. They displace younger students and are more likely to have children and to be on benefits.
- Many would like to study full-time – but the 16-hour rule means if they do so, they would lose their benefits. This is not a financial option for many people.
- As a result, some would-be students don't go to college at all. Others do part-time courses and keep their benefits. This means they study for longer and claim benefits for longer. Although they are often keen to get off benefits and into work, their opportunity to return to the workplace is delayed. Extra benefit costs and a slower flow of skilled students have an overall negative impact on the economy.
- Scottish colleges are not a 'diversion' to work; they are a pathway to work. The 16-hour rule has to stop being a barrier to gaining new skills. It has been relaxed in the past and is interpreted flexibly in Northern Ireland. This could happen across the UK.
- Scottish colleges urges more flexibility in the interpretation of regulations – and calls for government to look urgently at how the system is working in practice.
- Benefits and student support must be seen to work together, not against each other. The system as a whole must be simpler, more flexible and more joined-up.

The 16-Hour Rule

The 16-hour rule was introduced across the UK in 1990 amid fears that a 'work-shy' element could become permanent students. It was designed to tackle the suggestion that people should not be diverted from entering the job market by going to college. Scottish colleges argue that people go to college as a way of gaining the skills to get into the job market, especially in tough economic times. Going to college helps them into work; it is not a 'diversion'.

In a House of Lords debate in 2006, Lord Hunt, Parliamentary Under-Secretary for Work and Pensions, explained the rationale behind the 16-hour rule: 'The principle ... was that those opting to study full-time in both higher and further education were seen to be the responsibility of the education system.' [not the welfare system] (4)

Yet the 16-hour rule has been relaxed on several occasions, most notably following the collapse of MG Rover in the West Midlands with the loss of 6,000 jobs in 2005.

Many local employers had potential jobs for redundant car workers, especially in the construction industry – but they needed the workers to gain additional skills quickly. However, by training for more than 16 hours a week, the former Rover staff wouldn't have been able to claim benefits. The MG Rover Task Force intervened and got the 16-hour rule waived. The redundant workers were allowed to attend intensive construction courses of up to 35 hours per week – and many quickly found jobs, while helping to address local skills shortages and putting money into the local economy.

In 1997, the then Chancellor of the Exchequer Gordon Brown MP relaxed the 16-hour rule for the unskilled as part of New Labour's Welfare to Work programme. He said: 'There are 350,000 adult men and women who have been out of work for two years or longer ... many of them who lack skills are debarred by the 16-hour rule from obtaining them. For this group – the unskilled – the 16-hour rule will be relaxed, so that when the long-term unemployed sign on for benefit they will now sign up for work or training.' (5)

Ten years later, as Prime Minister, Mr Brown pledged to scrap the 16-hour rule, but three years later, government is still grappling with it. Just before Prime

Minister David Cameron MP's first Conservative Party conference as Prime Minister, a report on plans for welfare policy change said: 'Sources said the reform will also abolish the 16-hour rule.' (6)

In Northern Ireland, there is a flexibility apparently lacking in other parts of the UK. The benefits system there is different and although the 16-hour rule applies, education opportunities have been adapted to make studying on benefits possible. A student is classed as full-time for FE purposes if they attend a minimum of 15 hours per week for seven sessions over a 30-week period. This allows the college to get funding to provide the learning, but claimants can still collect benefits, as they are available for work and the course is less than 16 hours per week. Colleges are careful how they describe courses as full-time or part-time – and stick very strictly to the guidelines.

The Case For Change

Existing rules governing benefits and student support are complex, confusing and frustrating. They make it harder, not easier to get students into college – and slower, not faster, to get them through college. At a time of economic difficulty, this seems crazy.

The Scottish Funding Council has said: 'The record of colleges in recruiting from deprived postcodes is a strong one.' Yet the system is not making it easier for colleges to bring in more students from these areas – it is making it more difficult.

Forced to make tough decisions about personal finances at a time of huge economic uncertainty, most would-be students will choose the option that leaves them with more money to care for themselves and their families. This invariably means they choose to stay on benefits by studying part-time – or not studying not at all.

There are a number of groups of claimants who would benefit specifically from being allowed to keep welfare payments while studying at Scottish colleges:

- Older (25-plus) unemployed claimants, who need significant learning to move into developing industries or existing industries with skills shortages (for example, re-training electricians to work in the renewable energy sector)
- The long-term unemployed, who might also need a significant period of learning to gain both generic and job-specific skills
- Those on Employment Support Allowance who might be able to make a return to the workforce on a part-time basis with new skills
- 25-plus newly unemployed individuals, needing a smaller amount of retraining or up-skilling to make a return to the workforce – such as graduates who have the theory but not enough practical experience.

If would-be students in these groups could take up places on full-time courses in Scottish colleges and keep benefits, there would be a number of positive outcomes. They would be better-off for the duration of their course and would get through the course and be ready to enter the job market more quickly. This would also open up places – and release bursary funds – to 16-24 year-olds, the group for whom

bursaries/loans are generally a more realistic option because they are more likely to still be living at home.

The costs of this approach to the welfare bill would be broadly neutral – and although it is impossible to calculate, the bill could actually be cut by reducing the period of dependency on benefits by so many people. There are also clear benefits to Scotland's economy by equipping people with skills to enter the workplace more quickly.

This approach could also help to balance Scotland's uneven skills system. At the moment, Scotland has a workforce shaped like an egg timer – large numbers of highly-skilled people in the top part, a lesser number of 'medium-skilled' people in the middle and many lower-skilled workers at the base.

Skills in Scotland



High Level Skills

Intermediate Skills

Low Skilled and Unskilled

Widening the range of training opportunities available to those who are unemployed in the lower-skilled group would increase their skills and make them more employable. This would also widen the middle of the 'egg timer' and make Scotland's workforce more like competitor countries where skills are more evenly balanced.

At the top end of the egg timer, there are growing numbers of unemployed graduates who have high-level knowledge but need to acquire practical work and job-related skills before they can become effective, productive members of the workforce.

A good example here is life sciences, where graduates can benefit from college courses to enhance their practical laboratory skills as well as their knowledge

of industry regulation. Forth Valley College is one institution providing such skills – and by doing so, it helps to fulfil colleges’ commitment to provide a modern and appropriate workforce for Scotland’s six key sectors.

The innovative Futures Plus scheme at Forth Valley was visited by Employment Minister Chris Grayling at the end of October. The project – covering life sciences, oil and gas and hospitality – boasts a 65 per cent success rate in getting participants into work. The scheme matches employment vacancies with JobCentre Plus customers and then tailors training for them in an effort to get them back to work as quickly as possible. Savings and contributions – from a combination of benefits, National Insurance contributions and tax – already total in excess of £1 million.

As Linda McTavish reminds us in the introduction to this report, Scottish colleges provide flexible and relevant solutions to meet the specific demands of local job markets across the country. In challenging economic times, they need all the help they can get to do this effectively.

There is a strong case to take a fresh look at how the system of benefits and student support can better serve colleges, students, communities and the wider Scottish economy.

The most persuasive arguments always come from real people. Over the next four pages, the stories of seven students at Scottish colleges highlight real problems that exist for real people in the current system.

‘Making the system more understandable would help. It’s a very difficult process for students and for staff and can be demoralising.’

Sue Pinder,
Principal, James Watt College

Case Studies

All these case studies are real people studying at Scottish colleges. Only one – Robbie – asked to be anonymous, but all the details in his story are genuine.

Michael's Story

Michael Craig, 19, is on the first year of a full-time course in Horticulture and Garden Design at Elmwood College in Cupar, Fife. He didn't think he would be able to study full-time because he cares for his disabled father James. His father had been homeless for several years but was offered a flat in Crail, Fife, and Michael agreed to move in to care for him as he father has severe needs and is on multiple medication.

Encouraged by his father, Michael applied for a bursary to study at Elmwood but was told he would be getting an Education Maintenance Allowance (EMA). He thought EMA was for younger students and isn't clear how he's supposed to survive on £30 per week, go to college and care for his father. They are £100 worse off per week as a result and at the time of writing this report, James Craig says they will run out of money in two weeks unless an appeal to secure extra discretionary funds is successful – and Michael will have to leave college.

The college is more than 20 miles away and Michael would have to get a bus at about 7.15am but doesn't finish getting his dad up and ready until about 8.30am – and he has to come home as soon as he can when college is finished to make sure his dad is OK. This means he has to drive –and he gets no travel allowance.

'I've been absolutely shocked by the system,' says Mr Craig senior. 'Michael spends pretty much all his spare time looking after me and I really wanted him to do this course. ***The course really appealed to him and he's obviously enjoying it; it would be wrong if he had to stop because he can't get the funds. I am really keen for him to keep going but it might not be possible.***'

Jennifer's Story

Jennifer Scruton, 30, from Isle of Whithorn in south-west Scotland, is doing one-year SVQ in Business Administration (Intermediate) at Dumfries & Galloway College (Stranraer campus). She had to move back in with her parents to afford to study.

'When I sat down and wrote it all down, the only way it worked out was going back to live with mum and dad - living independently, I

wouldn't have been able to do it. I would not be able to come to college if it weren't for my parents allowing me to live with them, to enable me to do this course.

'I was living independently but made the decision to move in with my parents once I had checked about the situation regarding benefits and college. Being a full-time student I would not be able to claim housing benefit or Jobseekers Allowance.'

Alison's Story

Alison Sutherland is 38 and lives in Cumnock, Ayrshire with husband Davie and three children aged 16, 10 and 9. She is a part-time student doing the first year of an HNC Accounting course at Ayr College.

Alison did the books for a family business for several years, then worked as an accounts assistant and wages clerk. She was keen to try accountancy for herself – and in 2006, completed her National Qualification with a plan to do the HNC. Most NQ classmates took out student loans to move onto the HNC, but Alison's husband was out of work and they had three children to think of – so she took a job instead. If she had done a full-time HNC, she would have lost her benefits under the 16-hour rule and had to support the entire family with her student loan – getting deeper into debt as a result. She says: ***'It would have been financial suicide.'***

In November 2009 she gave up her job when her father fell seriously ill. He died in February 2010 and later in the year, Alison started wondering what to do next – and signed up for the HNC at Ayr College two nights a week. She drives 20 miles from her Cumnock home to Ayr and doubles up with a big shop to save on petrol.

Alison is doing the course over two years rather than a single year if she had been able to go full-time. Alison explains: 'I hope to go on to do the HND after the HNC and that will be another two years, so four in all - it could have been two if the full-time option had been there. ***If I could keep my benefits and didn't have to go into huge debt, I would prefer to do full-time.*** I really want to get off benefits and make something of myself. It's a struggle, but we're managing – I see it as a necessity to do this for my family in the long-term. The system has to change – I feel people on low incomes are being shunted aside for those who can afford college.'

Robbie's Story

Robbie Brown, 48, is in the first year of a two-year part-time HNC in Social Science at a college in central Scotland.

'I did an Accountancy course 30 years ago, but never finished it and lapsed into a chaotic lifestyle of drug addiction and homelessness. I also have epilepsy and I'm not quite ready to go back into the job market so I thought I would go back to college to learn skills for the job I want to do – I am a Christian and I want to work for a charity like Cross-Reach or Turning Point, helping drug addicts and the homeless.

'I want to put something back in for the help I got when I had my own problems – I think I'd have real empathy with people. ***But the system works against me – and against itself. I'd have done the course full-time and could have been in work next summer, but the part-time course is two years. They are costing themselves money by keeping me on benefits for longer, and delaying the speed I can get into the job market.'***

Christine's Story

Christine Rodgers, 25, from Glasgow, has just started an Access course in social studies at City of Glasgow College's Adelphi Centre. She studies from 9am-4pm on Tuesday and 10am-5pm on Wednesday. She has a four-year-old daughter.

She explains: 'I initially wanted to go full-time because it will take me five years part-time – the one-year Access course, a two-year HNC and a two-year HND. After that I want to go to university and my ultimate aim is to work as a child psychologist.'

Christine says a full-time course wasn't really an option: 'I have a four-year-old daughter and the main issue was figuring out childcare. I didn't have a clue how the whole funding system worked.'

'I'm renting and I would have lost my housing benefits. I'd have had to work full-time to study full-time – it would have been impossible. Even if I'd topped a bursary up with a student loan, I'd have been getting further into debt with extra childcare costs.'

'It's still a big challenge doing two full days – I want to get off benefits, but the system means I have to study part-time and that means two more years. It's a nightmare.'

Kevin's Story

Kevin Hemingbrough, 46, is taking a one-year SVQ2 course in professional cookery at the Stranraer campus of Dumfries & Galloway College.

'I have been unemployed for quite a while – the jobs situation isn't great down here,' he explains. 'I was attending a programme for the unemployed called Working Links and I said I had always liked cookery – so I was asked why I didn't give it a go.'

'I thought I would try it. ***To be honest it was tough and go whether I could afford to do the course – going full-time meant I lost my housing benefit and Jobseekers' Allowance.*** I rent a little cottage and pay £76 per week rent – and the bursary is £89 a week, which doesn't leave me much to live on!

'I was lucky and got an additional discretionary grant of £30 a week, but I'm much worse off than before I started the course. I only have about half the income I did before it and I'm just about scraping by.'

Kevin suggests a system where a percentage of housing benefit could be awarded to take into account the bursary would make attending college more financially viable.

'I hope there are no more immediate changes to the funding system and that I can finish the course,' he says. 'I'm really enjoying it – it's brilliant – and I just hope I can get a job at the end of it. There's quite a big hospitality industry down here.'

'I'm lucky and I have a supportive family who will help me out if need be – but I don't really want to have to rely on that.'

'The system definitely puts some people off getting new skills and helping them back to work. About eight years ago, I did an IT course at the same college and when I went to the Jobcentre, I was straight onto the course and I kept my JSA because I was getting skills to help me find a job – now I can't do that and there is so much more paperwork. It seems much more of a hassle – for the college and for me.'

Sharon's Story

Sharon Monteith, 34, is doing a part-time HNC in Administration and IT at Ayr College. Childcare is a big issue: 'I used to work in hotels but I have a four-year-old daughter and it's a really difficult business when you have a wee one. I'd done some computing courses because I wanted to get experience in IT so I could work in an office or even from home which would suit my circumstances better.

'There wasn't the course I wanted to do in Stranraer where I live, so I get the train to Ayr every Wednesday and it takes me an hour and a half or more each way and costs £16. I've been looking into European funding to see if I can get travel costs paid.'

Sharon says the option of full-time study was too difficult: 'When I looked at what I'd have been left to live on, it's not very much. ***At one point, when I was trying to work out how to balance my childcare costs, benefits and student support, I found it really hard and wondered if it was all worth it.***

'I have felt a bit gutted because some of the girls on the course just did it in a year and can move on – but one of my friends has not gone back at all because it was too hard for her to balance everything including childcare.'

Conclusion

The students featured in this report are all caught in a squeeze between benefits and student support – and have made sacrifices as a result. Jennifer gave up her independence to move back in with her parents, while both Kevin and Michael are substantially worse off as a result of doing the full-time course that they think can provide them with a pathway to work.

Sharon, Robbie, Christine and Alison all chose to study part-time when they would have preferred to take a full-time course – because the full-time option wasn't really a viable option at all. The three women couldn't take the financial risk of coming off benefits to study full-time, especially with childcare costs to take into account.

Robbie's story is poignant. He wants to give something back to society by working with a charity for the drug-addicted and homeless, to repay those who helped him when he had a chaotic lifestyle. He is frustrated by part-time study, but can't afford to lose benefits. He wants to get into employment as soon as possible and had hoped to be seeking work next summer. Instead, it will be well into 2012 before he can start looking. In that extra year of study, he will continue to claim benefits – and take up a college place that could have been opened up for someone else. As he says: 'The system is working against me – and also working against itself.'

With a little more flexibility, the system could work far better for Robbie and others. The Northern Ireland experience suggests it is the interpretation of the 16-hour rule, NOT the rule itself that is the real barrier for students and would-be students.

These case studies are all people who want to go to college to gain skills so they can come off benefits and move into the workplace. The current rules make it harder for them to come off benefits in the first place – thus delaying their chance to find a job. As a result, the benefits bill is higher and limited college places are 'blocked' by students who would sooner have completed their course and be looking for work.

There is surely a case here for more joined-up thinking. Does it make sense to keep students at college for longer than they wish when it is in the

interests of neither the student nor the college – not to mention Scotland's economy?

There are no easy answers. This is a complex area, cutting across many different agencies and covering both reserved and devolved powers. However, when the 16-hour rule is implemented strictly, it is clearly a disincentive to study – and to progress. Liam Burns, NUS Scotland President says: 'Especially during the recession, the arbitrary nature of cutting someone off the second they study over 16 hours will make little sense to a student.'

More flexibility would not just benefit individual students – it would also benefit their families and communities and the Scottish economy, as more skilled people would come through the system more quickly. Not only that, it could also benefit the tightly-strung public purse. It is hard to quantify, but by helping college students become economically active more quickly, they will come off benefits sooner.

Scottish colleges urge the governments in Edinburgh and London to consider its recommendations – and to better align student support with benefits. The Westminster coalition is looking at simplifying the whole benefits system and Scottish colleges support any move towards greater clarity and simplicity. Any policy change offering students a wider, more open choice is welcome. More help and guidance for support staff who help students through the funding maze should also be a priority.

Scottish colleges want to get people back to work – by offering them the widest range of opportunities to gain the skills they need to find employment. It is crucial that the system offers these people clear, consistent guidance and assistance – and does not act as a barrier.

If the systems of student support and benefits work together more effectively, there are obvious advantages for students and potential students, but also for their families and communities and for Scotland's economy as a whole. Greater flexibility will help colleges to put Scotland back to work – in an extremely cost-effective way.

Recommendations

- The governments at Holyrood and Westminster should open a dialogue on the 16-hour rule and how it is interpreted. They should look at the Northern Ireland example and consider a similarly flexible approach to the 16-hour rule across the UK.
- Westminster and the devolved administrations should work together to ensure that the rule is interpreted consistently across the UK, and that it works in the best interests of students and the wider economy.
- Scottish colleges urge governments to take an urgent look at complex rules surrounding benefits and student support to see if there are areas where they can be simplified. Plans to simplify benefits are welcome, and could be used as an opportunity to tackle the anomaly of the 16-hour rule.
- Greater dialogue is encouraged between the Scottish Government and all the relevant agencies – Job Centre Plus (and DWP), the Scottish Funding Council (SFC) and Skills Development Scotland as well as the college sector - to consider how the system can work best to benefit individuals, communities and the Scottish and UK economies, especially in getting people back to work.
- While discussions continue, consideration should be given to setting up a pilot scheme in the near future – or looking at specific, targeted interventions in areas of high unemployment in the groups highlighted on Page 8.
- The Scottish Government should examine areas of future skills needs and ensure the current system isn't working against getting more skilled workers into the key sectors.
- Government should consider additional guidance and assistance for student support teams to give the full range of help and advice to those who need it.
- Scottish colleges recommend that the Department for Work and Pensions carries out research to find out how many people are claiming Job Seekers' Allowance (JSA) while studying part-time at college.

Scottish Colleges: The Facts

There are **41** colleges at the heart of Scotland's communities, many of them in areas poorly-served by other education provision.

Applications to colleges for the academic year 2010-11 rose by approximately **25 per cent**. (7)

Scottish colleges have more than **70,000** full-time students and **315,000** part-time students.

There are **213** different subject areas and thousands of different courses available in Scottish colleges, tailored to meet specific local and national needs. (8)

Students of all ages come to Scottish colleges to learn new or enhanced skills to meet their specific needs. The average age of a college student in Scotland is **30**.

An estimated **35,000** would-be students applied for a place in Scottish colleges this academic year, but were unsuccessful.

Scottish colleges play a key role in providing skilled personnel for the **SIX** key sectors identified by the Scottish Government – creative industries, energy, financial and business services, food and drink, life sciences and tourism.

For every £1 invested in Scottish colleges, the economy benefits by **£3.20**. The net economic benefit to the Scottish economy through improved qualification levels has been estimated at **£1.3 billion**. (9)

Scottish colleges do not just provide Further Education. Around **24 per cent** of their students are on Higher Education courses.

Scottish colleges are working hard to modernise their facilities. **50 per cent** of the college estate in Scotland has been built since 1990. (10)

62 per cent of Scottish college and university students said a lack of money was damaging their studies, with **36 per cent** saying they had considered dropping out over financial concerns. (11)

If students are at college for more than **16 hours**, they are usually classed as full-time and are therefore unavailable for benefits.

Footnotes

- (1) Skills for Scotland: A Strategy for Lifelong Learning, Scottish Government 2007
- (2) Scottish Government's refreshed skills strategy, October 2010
- (3) Article in Times Educational Supplement, 30 September 2005
- (4) House of Lords debate, Hansard, March 2006
- (5) Gordon Brown's first Budget speech, Wednesday July 2 1997
- (6) guardian.co.uk, Sunday 3 October 2010
- (7) Figure not yet official – calculated by speaking to a number of colleges, autumn 2010
- (8) From Scottish colleges Superclass count
- (9) Review of Scotland's Colleges, Scottish Executive report, October 2006
- (10) Scottish Funding Council evidence to independent budget review, April 2010
- (11) Still In The Red, report by NUS Scotland, September 2010

* Thank you to everyone who helped in the preparation of this report, especially all the case studies and NUS Scotland.

David Lee, October 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@scotcol.ac.uk Web: www.scotlandscollleges.ac.uk