

Scottish Labour Scottish Policy Forum - Colleges Scotland Submission – February 2025

Introduction

Colleges Scotland is the voice of the sector, supporting the delivery of thriving colleges at the heart of a thriving Scotland. When Colleges Thrive, Scotland Thrives. As the membership body, Colleges Scotland represents all 24 colleges in Scotland, which deliver both further education and around 13% of the provision of all higher education in Scotland.

We are pleased to provide our views to the Scottish Policy Forum to support Scottish Labour and create a strong position in policy terms for colleges.

In essence:

- Colleges have a dual mandate – to produce qualified and skilled graduates which aid Scotland’s economic productivity, and in alleviating poverty in our communities. College leaders act autonomously without clear Ministerial guidance on their mission. Is this the way forward?
- Colleges are underfunded and unequally funded compared to other parts of the education system, for the work they carry out.
- There is duplication in the system which could be removed. This would be politically challenging to achieve but would improve the tertiary experience for students and bring a financial return to the taxpayer.

Key Points

Colleges

1. How can we enhance the role of colleges in widening access to the workplace and/or to higher education?

Colleges Scotland would welcome a specific designated role of colleges in supporting the widening access agenda, and for the role of the Commissioner for Fair Access to be expanded to include all of tertiary education.

There is an overarching view that widening access for learners into both Further and Higher Education is something colleges do intrinsically. There needs to be a holistic approach to access, which includes changed methods of measuring learner retention and evidencing success, as opposed to just simply getting learners ‘through the door’.

Colleges play a significant role in offering individuals opportunities for progression and pathways into work and university, particularly those from under-represented groups. This is illustrated in the Scottish Funding Council’s [Report on Widening Access 2022-23](#).

In the [Renewing the Alliance for Fair Access: Annual Report 2024](#), the Commissioner For Fair Access recommended that the remit of the Commissioner is widened to include all of tertiary education. The Scottish Government disagreed with this recommendation, however the college sector would welcome this change.

2. How could we support parity of esteem between vocational and other routes post-school?

Parity of esteem should be established through parity of funding, and cultural perception change. Colleges Scotland would welcome a national discussion on parity of funding.

Parity of Funding - A Scottish Parliamentary answer ([S6W-01165 published on 28 July 2021](#)) shows the stark differences in the baseline amounts invested in college students. It should be noted that the figures in the parliamentary answer have not included tuition fees.

Extract from parliamentary answer:

Average expenditure per place for each education level in real terms (2020-21 prices)	
Education level	2019-20
Pre-school	£7,397
Primary School	£6,143
Secondary School	£8,278
College	£4,321
University	£5,913

College students deserve parity of investment and Colleges Scotland has consistently called for stronger, longer-term funding to help colleges thrive. Currently, college funding covers the teaching element, but for a great student experience, equity of opportunity and to ensure adequate support for students with additional needs colleges require more investment.

Cultural Perception – College education receives significant investment from taxpayers. Although perceptions are changing, the social value of college qualifications in Scottish society could be more highly valued. This could be achieved by a national marketing campaign aimed at employers, teachers, and pupils, and changes in recruitment processes by public bodies. CIPD should be consulted on their view of how qualifications gained college are viewed, understood, and valued by employers. Highlighting routes to university from college could also be more strongly articulated nationally.

There is a continued need to work with all stakeholders across education, skills and wider society in Scotland to both communicate and evidence the value of vocational based qualifications and the learner pathways available for learners into Higher Education through college-based learning. The role of language in this context is crucial.

3. How can we ensure that all elements of education in Scotland prepare young people for the future world of work?

Colleges Scotland would recommend continued, and closer, collaboration between schools, colleges and universities and employers to prepare young people for the world of work, whilst also ensuring lifelong learning is realised and delivered to learners of all ages. This should sit alongside consistent provision of Careers Information, Advice and Guidance for all learners.

Colleges Scotland supports a dedicated expansion of School-College Partnerships and strengthening Articulation arrangements between colleges and universities to streamline and strengthen learner pathways. This should focus on recognising what is right for the learner at all times and to ensure that current funding levers do not drive behaviour which could undermine this principle in practice.

There should also be consistent careers information, advice and guidance for young people regardless of their age and stage within the education and skills system. There has been an

inequity of provision of careers services within the college sector in comparison to schools and universities which should be remedied.

Whilst it is crucial to prepare young people for the world of work, there needs to be a continued focus on enabling lifelong learning. Skills that can be applied throughout a career are increasingly important, whilst enabling upskilling and reskilling of the existing workforce as will be required by key industries for Scotland.

4. What support do colleges need to fill the skills gap, to train students for priority growth sectors like the green economy and digital technology, and for key public services such as health and social care, and education?

Colleges in Scotland require sustainable multi-year funding, underpinned through a new funding model, to enable them to maximise their agility and flexibility to deliver this key aim.

Colleges are, and will continue to be, the powerhouses of Scotland's economy and are the place where this generation and the next are supported into careers by joining the workforce or continuing their education. Colleges are characterised by an ambition for greater collaboration across the skills and learning landscape, between schools, colleges, universities, and other providers, and outwards with employers, businesses, and industry sectors.

However, the consistent reduction in college funding in recent years has reduced opportunities for students and has created significant challenges for college leaders. College leaders make difficult choices about which courses colleges can deliver, which buildings can be repaired, or remain viable, and how to cope with rising staff costs.

Both the [Financial Sustainability Report](#) published by the SFC (January 2024) and the [Audit Scotland Report](#) (September 2024) evidence the precarious and accelerating decline in college funding. There have been steep reductions in revenue funding for colleges since 2021/22, which Audit Scotland calculates is equivalent to a 17% real terms reduction (taking into account inflation). The college sector is in a dire financial position.

The inevitable cycle of "less for less" will impact social and economic development in Scotland and must be reversed. On that basis, the college sector requires :

- A restoration of funding for Scotland's colleges, to deal with the immediate deficit and to prevent colleges from becoming technically insolvent.
- Colleges to receive an inflation-proof increase in future funding settlements, on a multi-year basis, and support to implement transformational changes to better prepare them for the future, including a fundamental review of the funding model which creates an enabling environment for colleges and focuses on output versus input. .

There is also a need for greater Cross Portfolio Working within Directorates in Scottish Government, with a clear policy direction and endorsement from Government for all upskilling and reskilling requirements to be addressed for Health and Social Care and NetZero and Energy through the college sector, maximising the value of the public pound in doing so.

5. What are the role of colleges in apprenticeships? How might we enhance a regional approach to skills provision and planning?

Colleges Scotland is calling for the implementation of the 'Think Colleges First' principle for Apprenticeship delivery, wherein colleges are the leading provider of apprenticeships and are key implementing authorities for both skills provision and planning.

Colleges are the biggest delivery agent of Modern Apprenticeships, supporting 14,830 students across Scotland every year with contributions from in addition to being a key delivery partner for

Foundation Apprenticeships in partnership with secondary schools. The costs of delivery associated with these programmes are extensive and increasingly challenging for colleges to manage, yet they are delivered in order to service the needs of local and regional economies. The college sector has the ambition of expanding this role whilst simultaneously enhancing the level of funding available to support the future sustainability of Apprenticeship delivery.

A key output identified through the Think the Unthinkable workstream taken forward by College Chairs and Principals through Colleges Scotland is the need for the college sector to be the leading provider of the apprenticeship family and a key implementing authority for skills planning and delivery, in support the 'Think Colleges First' principle for public spending on Education and Skills.

To simplify and maximise the impact of apprenticeship funding, we propose that College Skills Led Regions would 'plan and control' a single skills budget (incorporating the apprenticeship family, and classroom-based learning and teaching) for their locality, through a national and regional skills planning approach. Within this skills budget targets for MA starts will be allocated, in line with outcome agreements for colleges.

Colleges have the knowledge and expertise of leading this at an operational level, by being connected, networked and an existing (and respected) part of regional economic development and employer ecosystem, and also have the vision required to deliver the apprenticeship family and skills planning more effectively and at greater value for the public purse.

Simultaneously, Colleges Scotland is proposing that the college sector will have a leading role in developing and delivering a comprehensive model of skills planning, in partnership with the Scottish Government. To support this, a proposed model has been developed following consultation on current Skills Planning approaches with stakeholders within the existing Regional Economic Partnerships in Scotland and with those located in other regions of the United Kingdom, including Wales, Northern Ireland and Greater Manchester.

6. How well are current employability programmes integrated into the school, college and university system?

Colleges Scotland would recommend continued moves to co-locate skills and employability programmes within colleges given their role as civic anchors within communities across Scotland for disadvantaged learners and their reach into both schools and universities, in addition to their role in delivering Community Learning and Development.

Colleges across Scotland have significant expertise running employability programmes, providing learners with the opportunity to develop both practical employability and life skills and have successfully delivered key initiatives around the Young Persons Guarantee and Developing the Young Workforce whilst providing vocational pathways and careers services. To build on this role, there needs to be further co-location of employability services within colleges to enable both current and future learners to access employability and skills focused supports in the same location.

Colleges across Scotland offer opportunities for the most vulnerable learners, to ensure they can achieve their full potential and have a significant track record in delivering Community Learning and Development (CLD) programmes across Scotland, delivering Equality and Opportunity within Communities for learners to succeed and move into the workplace and/or other education settings.

However, there is also recognition within the sector that the employability and CLD landscapes are cluttered and could present difficulties for individuals to identify relevant learning and employability opportunities. A key factor in ensuring prospective learners find the learning they need or want is suitable signposting and information, advice and guidance from partners and developing a shared

understanding across schools, colleges and universities of learner pathways and routes that are available, such as Articulation.

7. How could we develop a stronger voice for trade unions and employers (public, private and third sectors) in the college system?

College Employers Scotland would welcome accelerated progression of the recommendations outlined in the Strathesk Lessons Learned Report to address current structural issues within National Bargaining and to improve industrial relations.

College Employers Scotland (CES) provided written correspondence to the Committee on the employers' response to independent Lessons Learned report on [7 June 2023](#). It is the employers' view that only by fixing the structural and behavioural issues within the NJNC and NRPA, as highlighted by the independent Lessons Learned report, that employers and trade unions will be able to achieve better industrial relations within the college sector.

Trade Unions already have a strong voice within the college sector, which has been enhanced by their representation on college boards. However, this has not led to positive industrial relations between trade unions and employers over the past 10 years of National Bargaining.

This lack of positive industrial relations is due, in part, to structural and behavioural problems within the National Joint Negotiating Committee (NJNC) machinery and the National Recognition and Procedures Agreement (NRPA).

These problems within the NJNC and NRPA were recognised by an independent report commissioned by the Scottish Government, and which reported back to Ministers in March 2022. This independent report was [shared by the Scottish Government](#) with the Scottish Parliament's Education, Children and Young People Committee in October 2022, and featured in the Committee's own report on [21 March 2023](#).

8. What does the college workforce of the future look like, how do we plan for this?

Colleges want their workforce to be highly skilled, diverse, resilient and valued and will work with staff to inform future workforce planning.

Colleges want their workforce to be highly skilled, diverse, resilient and valued. This will allow colleges to adapt to several drivers for change that colleges are experiencing simultaneously, such as:

- The need to enhance student experience
- The ability to attract and retain the best staff
- The ability to adapt to the outcomes of recent reviews of the education/tertiary systems
- Scottish Government funding changes
- Demographic changes of the general population

9. What support do students need to get the most out of college?

The financial support available to college students now needs to be examined closely. Colleges Scotland is also seeking the restoration of funding for mental health counsellors and for offsetting Digital Poverty for the benefit of students, whilst overseeing the increase and improvement in student support funding in line with the Living Wage.

The financial impacts of the pandemic, Brexit, and the cost-of-living crisis mean many college students learn in poverty and have to rely heavily on earning while learning.

The [Student Finance and Wellbeing Study](#), published in December 2024, evidences that between half and two-thirds of students experienced financial difficulty during the last academic year, with FE students and students from under-represented groups more likely to say this.

Gaining a college qualification is the key to increasing opportunities and boosting personal income, so the financial challenges facing college students can't and shouldn't be ignored.

Most students in Scotland have their tuition fees paid by the Scottish Government, however it is concerning that a significant proportion of students still face considerable financial difficulties that impact their study choices and experiences, including their wellbeing. The financial support available to college students now needs to be examined closely and increased.

There is also a continued need for Mental Health and Wellbeing support for Scotland's college students, given the [ongoing demand](#) for counselling and wellbeing services from learners. The original commitment from the Scottish Government for Student Mental Health and Wellbeing was for four years of counselling funding, has not been continued, after the conclusion of a Student Mental Health and Wellbeing Transition Fund in 2024. Specific funding for counsellors should be re-introduced to meet this ongoing demand.

Skills

1. How can we plan for a Just Transition by delivering improved re-training options for those affected by decarbonisation of the economy?

Colleges across Scotland will be better placed to deliver improved re-training options, building on the work taken forward through Energy Skills Partnership, to ensure a Just Transition, with additional funding for increased capacity building.

Last year, research conducted by the Open University and the British Chambers of Commerce found that 71% of organisations in Scotland are currently facing skills shortages, while 39% of organisations said that they were not engaged in any initiatives, skills programmes or adjustments for specific talent pools, including underrepresented groups.

This considerable skills gap is keenly felt in the renewables and green energy sector. Colleges Scotland work closely with the Energy Skills Partnership (ESP) who liaise with colleges to assist in developing their renewables and green energy courses. They also focus on courses which are helping to deliver skills for a green economy, which range from Electric Vehicle training to welding, which will be required to build the infrastructure needed to reach Net Zero. Many of these are reskilling and upskilling opportunities which can be completed at pace allowing learners to get back into the workforce.

Working with the Scottish Government and the offshore wind and renewables industry, the college sector has the ability to utilise the increased investment in offshore wind to develop and deliver the required substantial increase in the skilled workforce and talent pool which is capable of seizing job opportunities and addressing increased demand across sectors, whilst supporting workers and young people in transitioning to net-zero roles. This role can be formalised through a national college-led Offshore Programme.

This will build a sustainable pipeline of skilled labour to increase Offshore Wind growth and associated economic activity, whilst also increasing opportunities for learners to enter highly skilled, well-paid work to support household income, supporting inclusive economic growth in communities across Scotland. It will be essential to utilise the expertise of ESP to help engage with the college sector to develop the workforce pipelines required for this Just Transition.

2. How can we boost on-the-job training by incentivising employers to invest in workforce development?

Colleges Scotland is calling for the reinstatement of the Flexible Workforce Development Fund given the original [success of this initiative](#) in incentivising employers to invest in workforce development.

The Scottish Government's Flexible Workforce Development Fund significantly enhanced the way colleges engaged with their business communities on a local and regional level – strengthening links to SMEs and providing those businesses with training development opportunities to support inclusive economic growth. The Scottish Government's decision to discontinue this funding in 2024 has been detrimental to not only colleges but to employers, many of whom are no longer seeking workplace training as a result. Labour should consider signalling support for the re-introduction of FWDF.

3. How can we re-train and up-skill people so that they can return to the workplace, such as women returning after maternity leave, or stay in work, such as older people?

Colleges Scotland is seeking a reintroduction of the National Transition Training Fund which offers a tested and proven model for retraining and upskilling people to enter new workforce areas.

Colleges offer opportunities for people from all backgrounds to access education and improve their lives. Colleges are well placed to provide reskilling and upskilling opportunities across many study areas. There are growing digital and data skills gaps across a range of industries brought about by the introduction of new and evolving technologies. As well as this there are micro credentials.

To aid retraining and upskilling a reintroduction of the National Transition Training Fund (NTTF) would be valuable. The NTTF was introduced in 2020 as a direct response to the economic impact of the Covid-19 pandemic. In its first year over 9,000 training opportunities were provided in sectors most impacted by the downturn, supporting staff retention, diversification and training for new and future skills needs.

In its second year, the scope of the programme was expanded. It continued to respond to the impact of the pandemic, while also offering assistance in key sectors affected by EU Exit or sectors with opportunity for growth. Year 2 of the Fund also placed a more significant emphasis on supporting individuals and employers in the transition to net zero. NTTF funding was invested in 33 projects to continue to support individuals and sectors. The reinstating of a similar programme would be beneficial to help bolster the lifelong learning work already taking place at Scotland's colleges.

4. Is the architecture of the skills system – including Skills Development Scotland, the Scottish Funding Council and our colleges and universities – set up to deliver the workforce of the future?

Colleges Scotland is supportive of moving towards a skills system architecture which simplifies funding and maximises the level of funding for learning and teaching activity, whilst reducing complexity for learners

The college sector has long recognised the need to simplify funding and responsibilities for apprenticeships, in order to meet accelerating demand from industry, and student support as part of the overall post-school education and skills reform.

The Scottish Government proposal for two funding bodies – one for student support, the other for college and university funding – will significantly reduce complexity and enhance simplicity for learners to navigate, and maximise the level of funding going towards the delivery of learning, teaching and apprenticeships in Scotland's colleges to deliver the workforce of the future.

We look forward to working with the two new agencies to ensure that colleges can provide the best possible services for the learners, businesses, and communities they serve as the architecture of the skills system is crucial to delivering the workforce of the future. The needs of learners, communities, employers, and the economy must be at the centre of planning and decision-making for how skills are delivered now, and in the future.

Cohesive working between the organisations and stakeholders that make up the architecture of the skills system is vital in ensuring seamless transition between education, training and employment. These organisations must work collaboratively to ensure that they plan for the future skills needs of both current and emerging sectors and can deliver on workforce upskilling and retraining. The removal of successful initiatives like the Flexible Workforce Development Fund will impact the ability of colleges as part of the system to respond to the needs of employers and in being agile and responsive to provide flexible, lifelong learning opportunities to allow individuals to upskill or reskill throughout their careers. Other streamlining within the system is required, particularly in relation to Apprenticeships delivery and maximising the value of the public pound in delivery.

5. How can we ensure those who are thinking of doing a Modern Apprenticeship are prepared and is the Foundation Apprenticeship working?

Colleges Scotland is seeking the re-design of Foundation Apprenticeships to maximise learner progression into Modern Apprenticeship programmes, with a stronger learner pathway through Pre-Apprenticeship programmes.

In principle, we are supportive of vocational pathways for learners, and to move towards a system in practice in which learners can progress from school into the workplace through a Foundation Apprenticeship to a Modern Apprenticeship and onto a Graduate Apprenticeship in future.

However, the current Apprenticeship family system, and constituent funding and qualification elements, in Scotland is not enabling this pathway to be delivered.

Engagement with the college sector on their experiences of delivering Foundation Apprenticeships indicates that the existing fifteen Foundation Apprenticeships are currently too narrow in terms of the range of employment sectors available, and the frameworks vary in length for learners, impacting on learner engagement and experience.

The existing Foundation Apprenticeship model is also extremely bureaucratic and expensive to deliver for both college and school partners and requires significant institutional commitment in terms of staff and facilities, increasing costs as a result. There is a place for a Foundation Apprenticeship style qualification as a first step for learners into vocational learning, but this needs to be rebranded and re-designed with close engagement with the college and school sectors.

There is significant experience across the college sector in delivering Pre-Apprenticeship programmes for learners as a first step in vocational learning before progressing onto a Modern Apprenticeship with an employer. This experience should be used to re-design the Foundation Apprenticeship, or equivalent future qualification.

6. How do we reform and strengthen the Modern Apprenticeship system to deliver more apprentices across the economy, both in new innovative sectors and the everyday economy, such as retail?

Colleges Scotland is calling for the implementation of the 'Think Colleges First' principle for Apprenticeship delivery, wherein colleges are the leading provider of apprenticeships and are key implementing authorities for both skills provision and planning.

There is now a national and regional consensus in support of the devolution of the apprenticeship family and skills planning to regional levels, underpinned by clear policy priorities at a national level. The college sector has the ambition of delivering Skills Led Regions, within which colleges would be the leading provider of the apprenticeship family and implementing authority for skills planning and delivery, which would support the 'Think Colleges First' principle.

The funding mechanism for all aspects of the apprenticeship family as currently offered, including Modern Apprenticeships, should be adjusted and aligned, so as to support the more open allocation of funding across this provision at the discretion of the college Skills Led Region.

This would require MA funding to be transferred to Scottish Funding Council (SFC) (or the new single funding body) and would necessitate a 'colleges and universities first' approach as recommended by the Skills Delivery Landscape Review.

The advantages of this model are:

- i) all publicly funded training and skills are within the SFC (or the new single funding body) remit and organised, and coordinated, via the established college regional arrangements;
- ii) a single college budget for activity with Regional Outcome Agreement type targets agreed with regional stakeholders that would facilitate a more agile and response approach to matching delivery capacity/capability to the needs (and aspirations) of a regional economy.
- iii) opportunities for colleges to determine how best funding for the apprenticeship family is invested in local communities (if demand is stronger for MA's then within region funds could be transferred according – this is already the model in Universities for GA's).
- iv) a more flexible approach to contracting for numbers of MAs and FAs in order to meet employer demand and maximise the value of the public pound invested into the apprenticeship family in Scotland.
- v) delivery of the apprenticeship family being aligned with national skills planning through close partnership working with the Scottish Government.

As Skills Led Regions develop, whilst colleges will be funded directly, they will be guided by the establishment of Regional Advisory Boards. These boards will oversee the provision of intelligence, insights and priorities for colleges to deliver within their Skills Led Regions, in addition to the development of skills and apprenticeship provision, including the determination of activity targets.

The college(s) would have control over (and responsibility for) the quality and value for money of all subcontracted delivery and would retain a small management fee. These arrangements would contribute to the removal of the current funding silos arrangement and maximise the value of the public pound invested into the apprenticeship family and skills delivery by the Scottish Government.

Existing Managing Agents may continue to have a role in this new MA ecosystem. But it will be for college regions to determine if they wish to engage with Managing Agents (and what services they wish to purchase) or if they wish to directly deliver all parts of the MA.

7. In what ways can we drive growth and uptake of Graduate Apprentices, for those at all stages in their careers? How can we ensure that money available from the Growth and Skills Levy is utilised to deliver effective, relevant and appropriate training to workers, focusing on those in typically disadvantaged groups?

Colleges Scotland is seeking an enhanced role for colleges in the design and delivery of Graduate Apprenticeships, and for the Growth and Skills Levy to be utilised to enable the return of the Flexible Workforce Development Fund to provide effective, relevant and appropriate training.

Colleges Scotland is of the view that there was a missed opportunity for colleges to be involved in the original design and delivery of the Graduate Apprenticeship qualification, given the reach that

colleges have with local and regional employers in delivering Modern Apprenticeships and this should be rectified in future.

We are currently engaging with the Scottish Government through the Graduate Apprenticeship Enhancement Group, and from that experience would advise there needs to be a clearer policy direction for the role and purpose of a Graduate Apprenticeship as part of the wider Apprenticeship offer, which we believe would enable greater growth and uptake. This should include a clearer role for colleges, through the “Colleges First” approach to hold more Graduate Apprenticeship provision, to drive growth and uptake of this qualification.

In terms of maximizing the utilisation of the Growth and Skills Levy, there is an immediate priority to address the ongoing lack of transparency over Apprenticeship Levy funding which comes back to Scotland to ensure this is focused on delivering effective, relevant and appropriate training. What is not in doubt however is that Scotland needs more high-quality apprenticeships, and that industry needs access to local, value for money and sector specific training opportunities for employees.

The Treasury currently top slices the £3.6 billion revenue generated by the Apprenticeship Levy by approximately £500million. This should end and there should be greater clarity over the funding available in Scotland. Levy-payers in Scotland should be able to directly access the funds they pay as part of the Levy. In addition to restoring funding to colleges to provide high quality opportunities to employers and meet the needs of communities, businesses and workers, as previously delivered through the FWDF, Scotland’s colleges should have access to a skills development fund so that colleges are able to keep pace with industry training needs.

Colleges Scotland
February 2025