

Tuesday, 25 January 2022

Looming Skills Emergency due to Loss of College Funding

Ahead of the Stage 1 Budget Debate in the Scottish Parliament this week, Scotland's colleges are warning of a looming skills emergency if the £51.9 million cut to sector funding goes ahead.

The Draft Budget would mean colleges losing £23.9 million because of inflation, with an additional £28 million removed because of the loss of Covid-19 funding previously received. This has provided much needed support for deferred students, Foundation Apprenticeships, mental health and wellbeing initiatives, and vital digital equipment for students.

Ken Milroy MBE, Chair of Colleges Scotland, said:

“This is a real emergency for colleges coming after years of underinvestment. Regarding the sector, the debate on Thursday should focus on the perilous choices some colleges will now have to make, and on the significant challenge this Draft Budget poses for the next academic year.

“The total funding loss of £51.9 million means, for example, freezing recruitment, outsourcing of support activities, possible changes to temporary contracts, increasing class sizes and consolidating classes. All of these would be a last resort, however after years of under investment this Budget leaves no more space to manoeuvre in. Unless there are improvements in the Budget, noticeable changes to colleges are inevitable.

“We believe this risks Scotland sliding into a skills emergency. Figures released today* from the Scottish Funding Council show that colleges even in the midst of a pandemic exceeded their activity targets during 2020/21. But in order to continue there has to be investment based in reality. Scotland's recovery depends on creating year after year a workforce that is qualified and able – with the proposed Budget settlement colleges will be challenged in ways not seen for many years.”

The forecast cut is calculated without even bringing increased pay and rising energy costs into account. Colleges were already facing a series of cost pressures prior to the impact of Covid-19, including pay awards, employers' pension contributions, changes in National Insurance costs, maintaining the college estate, and the UK's exit from the European Union.

Last week, Audit Scotland reported that the lack of leadership around Scotland's skills agenda is harming economic objectives. Mr Milroy added: “The great irony around leadership in the skills sector is that colleges locally and regionally already deliver exceptional results in training, upskilling and reskilling people for what their local economies need. More investment in colleges would bring even better outcomes.”

Today, the Scottish Funding Council in its College Statistics report has noted:

- In 2020/21, colleges exceeded their activity target in delivering full-time equivalent to 117, 914 students, exceeding the target by 1,645.
- More than one fifth (21.5%) of 18-19 year olds attended college full-time, up from 20.9% in 2019-20.
- The proportion of all school leavers noted as attending college also rose from 27.3% to 28.1%.

ENDS

Notes to Editors:

In December 2021, the Cabinet Secretary for Finance and the Economy announced that colleges would receive £675.7m in Revenue, plus £74.7m for Capital.

The Scottish Funding Council's College Statistics report is available at <https://www.sfc.ac.uk/publications-statistics/statistical-publications/2022/SFCST012022.aspx>

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