



**Thursday 22 June 2017**

**Colleges Scotland's Statement on Audit Scotland's 'Scotland's Colleges 2017' Report**

Shona Struthers, Chief Executive, Colleges Scotland said:

“The Audit Scotland report demonstrates that colleges continue to be great places to learn and to develop the technical and professional skills that, not only support people’s career goals, but benefit the wider society and economy overall.

“It is encouraging that the report recognises that most college students are satisfied with their college experience and go on to further study, training or employment, whilst colleges continue to meet the Scottish Government target to deliver learning. The sector is also playing its part in helping to close the attainment gap and we are pleased that the report notes that attainment in colleges has improved over the last year.

“We acknowledge that the report highlights some of the challenges facing the sector. The news comes as little surprise as the 2016 Audit Scotland Report highlighted a growing number of colleges facing financial challenges and the colleges’ accounts published in April 2017 confirmed this. We appreciate the Scottish Government’s additional funding made available for 2017/18, which recognises the circumstances the sector faces but the overall number of colleges forecasting deficits is increasing and this is not a sustainable situation.

“We agree with the report that National Bargaining is a significant financial challenge for colleges. Without additional resource year on year, the ongoing costs are not affordable for the sector, without impacting severely on the student experience.

“However, colleges continue to manage their finances well, and the pressures highlighted in the report reflect tighter public finances, changes in accounting rules, and increased cost pressures outwith the control of colleges e.g. pension and national insurance contributions. Most colleges are operating at a near break-even position, with all our colleges continuing to be well managed and remaining resilient in difficult financial circumstances.

“We are continuing to work with the Scottish Government and the Scottish Funding Council to understand student demand and to develop long-term financial plans as well as ensure sustainable funding for the sector and manage cost pressures.”

**ENDS**

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