

**Monday 31 October 2016**

**Comment on Deficits**

Shona Struthers, Chief Executive, Colleges Scotland said:

“It is crucial that funding to the college sector is protected to ensure that colleges can continue to deliver high quality courses that support economic growth and productivity in Scotland. Colleges also deliver on a number of key Scottish Government policies such as economic growth, widening access, raising attainment, reducing inequalities, fairness, Developing the Young Workforce and gender balance.

“Colleges have already taken a 27% cut in funding since 2010/11, and the recently published Audit Scotland report is clear that the college sector is showing signs that it is facing significant financial pressures, with 11 colleges out of 20 forecasting deficits for 2016/17, although we understand from conversations with the Scottish Funding Council that it could be as many as 16 colleges forecasting deficits this year. College budgets have very little room for flexibility now as they are heavily made up of staff costs. Colleges are also committed to the Scottish Government policy of no compulsory redundancies and, as public bodies, they can no longer hold reserves. This means that sustainability is becoming increasingly difficult for the sector.

“That said, Colleges Scotland is committed to working with the Scottish Government to ensure that colleges, as public bodies, are as financially stable and sustainable as possible.”

**ENDS**

**For further information, please contact Joanne Buchan, Public Affairs and Communications Officer:**

Tel: 01786 892012

Mobile: 07590 229 707

Email: [joanne.buchan@collegesscotland.ac.uk](mailto:joanne.buchan@collegesscotland.ac.uk)