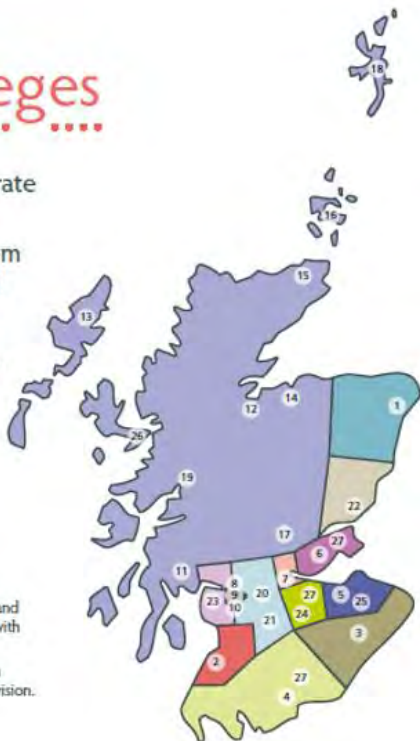


Advanced Science and Learning Directorate Colleges Overview

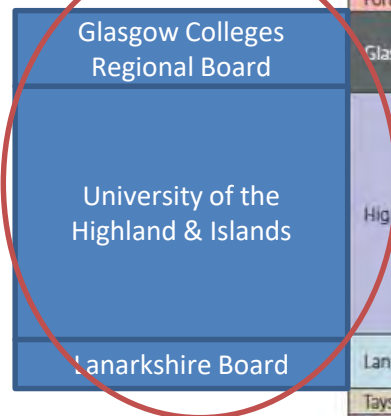
Our Colleges

Our Colleges

The 26* colleges operate in 13 regions across Scotland, allowing them to plan regionally and deliver locally for the benefit of individuals, communities, the economy and wider society.



*includes Newbattle Abbey College and Sabhal Mòr Ostaig UHI which sit outwith regional arrangements.
SRUC is a higher education institution which delivers further education provision.

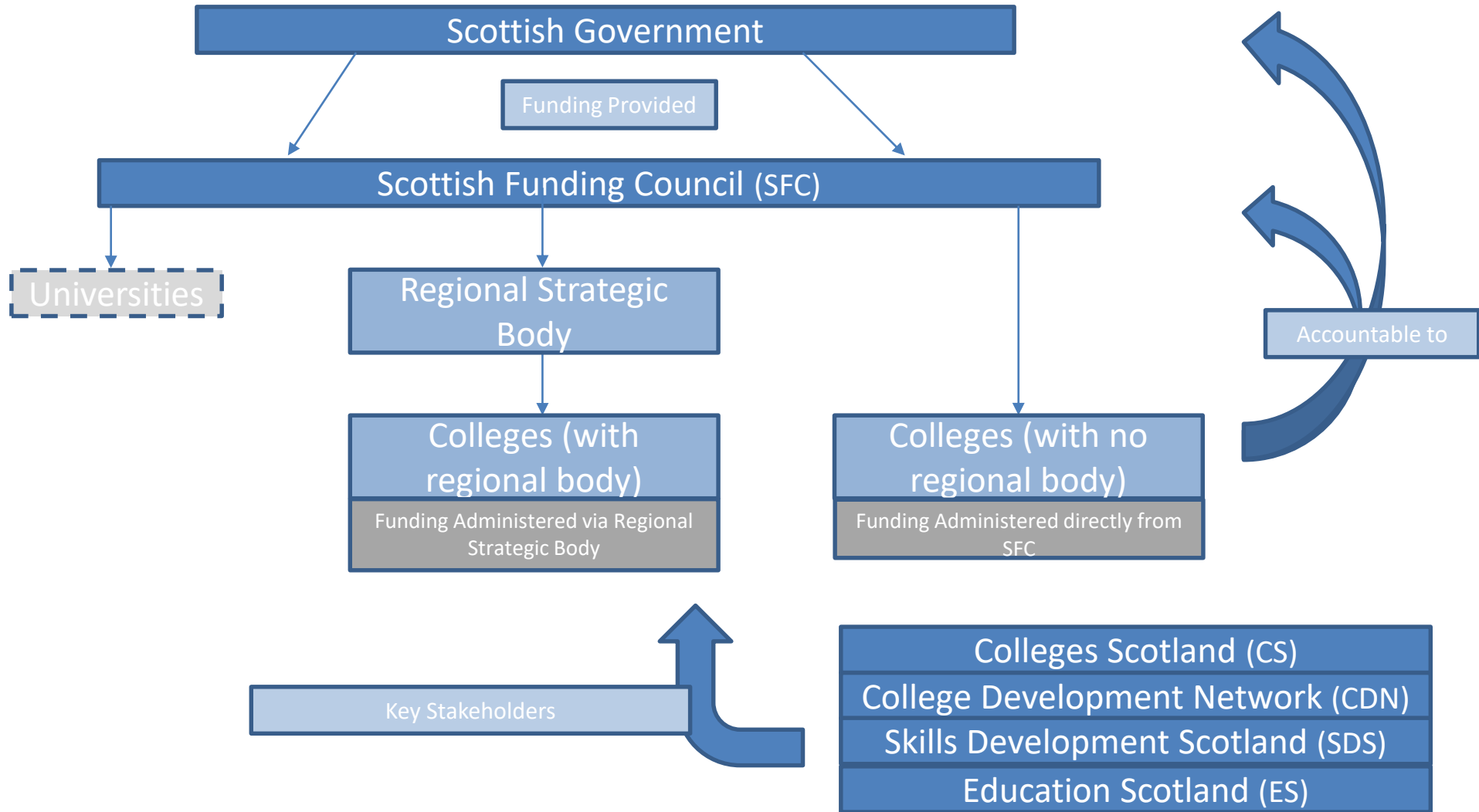


Region	College
Aberdeen and Aberdeenshire	1. North East Scotland College
Ayrshire	2. Ayrshire College
Borders	3. Borders College
Dumfries and Galloway	4. Dumfries & Galloway College
Edinburgh and Lothians	5. Edinburgh College
Fife	6. Fife College
Forth Valley	7. Forth Valley College
Glasgow	8. City of Glasgow College
	9. Glasgow Clyde College
	10. Glasgow Kelvin College
	11. Argyll College UHI
Highlands and Islands	12. Inverness College UHI
	13. Lews Castle College UHI
	14. Moray College UHI
	15. North Highland College UHI
	16. Orkney College UHI
	17. Perth College UHI
	18. Shetland College UHI
	19. West Highland College UHI
Lanarkshire	20. New College Lanarkshire
Tayside	21. South Lanarkshire College
Tayside	22. Dundee & Angus College
West	23. West College Scotland
West Lothian	24. West Lothian College
	25. Newbattle Abbey College
	26. Sabhal Mòr Ostaig UHI
	27. Scotland's Rural College (SRUC)

Some colleges have regional bodies, as circled above. These bodies receive funding from the SFC and distribute them to the colleges under their remit. Other colleges receive their funding directly from the SFC.

Source: Colleges Scotland Keyfacts 2018 Pg 16/17

High Level Overview - Colleges



College Funding 2018/19

Revenue funding £588.2m which includes National Bargaining (harmonisation and job evaluation) costs of £34.2m

Further revenue funding as follows:

- Additional Student Support £5.2m
- Flexible Workforce Development Fund £10m

Capital funding £76.7m

30% of colleges' income does not come directly from the Scottish Funding Council.

Colleges have exceeded activity targets (currently 116,000 FTEs) since 2011.

Estates

Over the last 10 years, the **Scottish Government** has allocated over **£730m** in college estates, creating:

- **15** new campuses,
- **9** major campus upgrades and
- **5** new specialist facilities.

The college estate covers a total of **1 million** square metres – equivalent to 140 football pitches.



Source: Colleges Scotland Keyfacts 2018 Pg 18-19

Student Info at a glance...

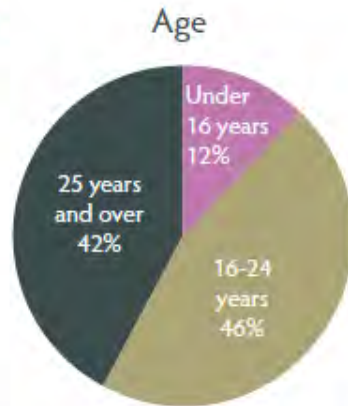
Our Students

There are **235,737** students in colleges

97% of all learning hours lead to a recognised qualification

95% of those achieving their qualifications go into positive destinations, with **75%** continuing with further study *

Colleges deliver **28%** of all higher education in Scotland (44% of Scottish undergraduate entrants) **



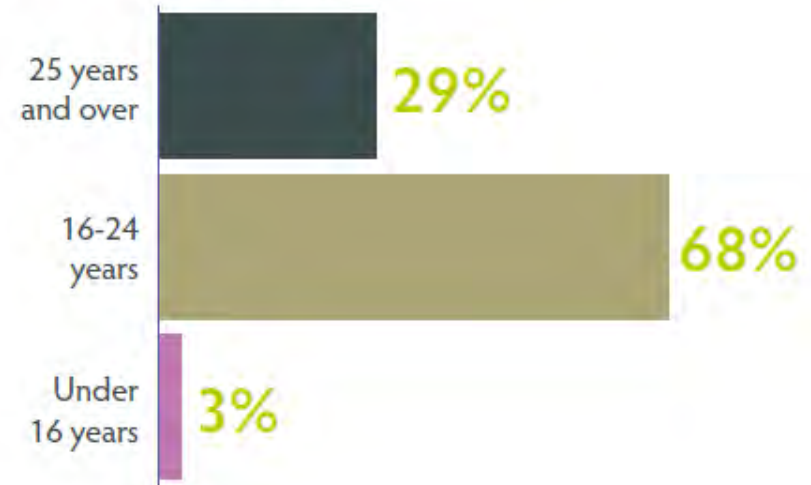
The median age of a college student is **20**

Gender
Female: **50%**
Male: **50%**

Hours of Learning

Colleges delivered **70.5 million** hours of learning

Hours of Learning by Age:



Source: Colleges Scotland Keyfacts 2018 Pg 22/23

* these figures relate only to those student who have confirmed destinations and not all qualifiers

** 28% of entrants into HE in Scotland not all those studying HE in Scotland

Student Info at a glance...

Student Funding (2017/18)

Bursary: **£85.9m** Discretionary: **£7.1m**
 Childcare: **£14.7m** EMA: **£7.4m**
 (2016/17 spend)

Overseas Students

Europe including the EU: **505** International: **607**



195 nationalities are represented in colleges

Staff in Colleges

Total Staff **10,891**



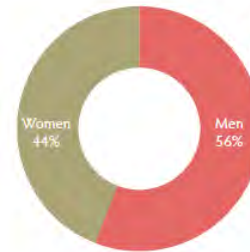
Note: these figures are full-time equivalent



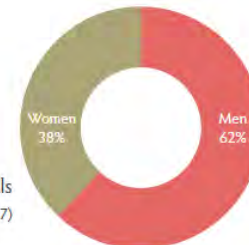
89%
of full-time lecturing staff have a formally recognised teaching qualification

2%
of staff are from black and minority ethnic backgrounds

5%
of staff have a declared disability



Gender split on college boards
(as at 1st October 2017)

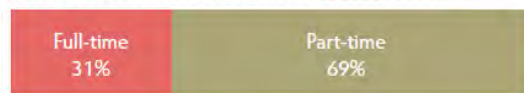


Gender split of principals
(as at 1st October 2017)

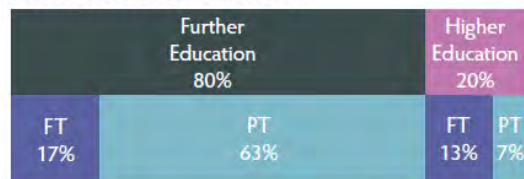
Source: Colleges Scotland Keyfacts 2018 Pg 28-31

Student Info at a glance...

Mode of Attendance



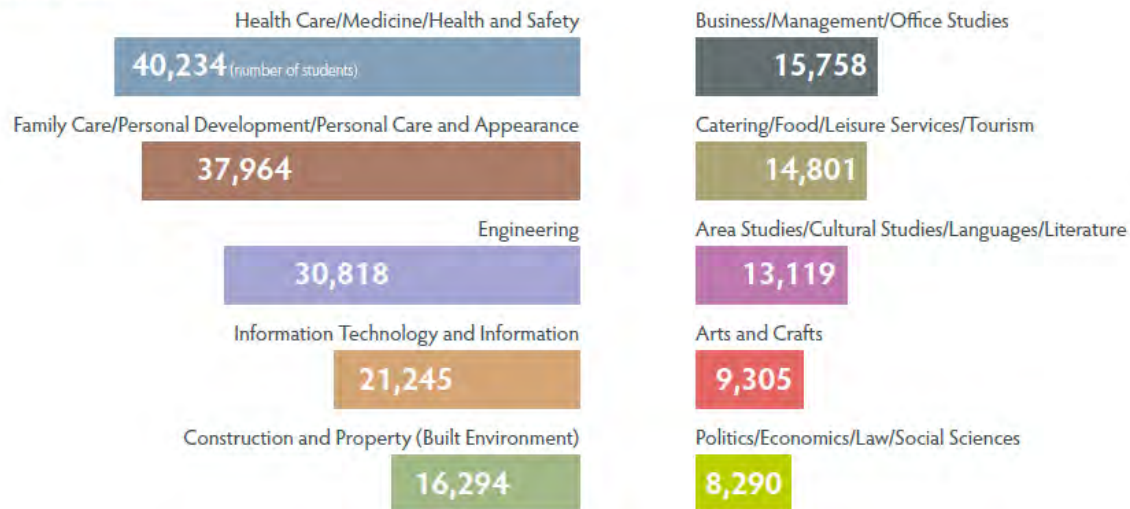
Level of Study



42% of all full-time college activity is in higher education

68% of higher education entrants are on HNC or HND programmes

Top 10 Subject Areas



Source: Colleges Scotland Keyfacts 2018 Pg 24-27

Key Priority: Robust Sponsorship of the SFC

The Sponsor team introduced measures to develop and improve our working practices with the SFC, including:

- **Strategic Letter of Guidance** and guidance on the **Outcome Agreement process** - a new method taken allowing for a more systematic approach to SFC performance reporting and our scrutiny of that.
- **Regular progress reporting** - enabling a more robust dialogue with the SFC about performance and challenges.
- **Official liaison meetings; Official finance meetings; and Ministerial liaison meetings** - a new approach to these meetings including **action trackers** for Ministerial and senior official level meetings to ensure that any Ministerial asks are highlighted and taken forward.
- **Skills alignment and E&S governance** – supporting the SFC in their engagement with this work, and with the new Strategic Board for E&S.
- **Board membership and appointment of a new Chair/members** - we support the SFC on Board induction.
- **Recruitment and subsequent induction of new Chief Executive** - supporting the Chair in this process.
- **Relationship/capacity building including** - additional check-in meetings; SFC/SG introduction to sponsorship and finance meetings; improvements to SFC analytical capacity; workshops involving senior colleagues.
- **Other engagement** - routine Ministerial deep dives with SFC and SG officials; routine SFC input to SG briefings and advice to Ministers as appropriate; giving the SFC (and/or its Board) a lead responsibility for specific policy development; engaging the Minister, very selectively, in performance monitoring; more regular joint engagement with the sectors, individually or jointly, on key strategic issues.

Key Policy Priority - National Bargaining

National Joint Negotiating Committee (NJNC) – Scope

- The National Joint Negotiation Committee (NJNC) was established to jointly agree terms on issues such as pay & terms and conditions of employment in Scotland's colleges in partnership with trade unions (EIS, GMB, UNISON & UNITE). NJNC covers negotiations for teaching & non-teaching staff, not senior college staff.

Colleges Scotland Employers' Association

- The Employers' Association (EA) is the forum through which National Bargaining is being implemented by the employers, in partnership with the trade unions, in the college sector. The EA is jointly responsible for implementing National Bargaining in partnership with the trade unions.

Latest Position - Lecturers

Both sides last met on 21/6 on cost of living pay. The EA restated it was their final offer on pay - both sides are now not due to meet until 27 September.

Meanwhile, EIS will open a consultative ballot on 11th September; EIS actively encouraging members to reject management offer of a consolidated 2.5% pay offer over three years; EIS view cost of living as distinct from deal secured through harmonisation.

Latest Position - Support Staff

7/6 - NJNC side table - first dispute meeting on cost of living pay and concluded with no progress made.
26/6 – Informal meet, promising progress made, therefore 2nd dispute meeting scheduled for 27/6 postponed.

Support staff unions are close to securing a 29 month pay deal however some issues remain around the mechanism for job evaluation of staff support staff grading.

Key Policy Priority – College Good Governance: Task Group & Consultation

Why do we have it?

Angela Constance MSP set up the group following governance failures over the preceding years at a number of colleges

What have the group achieved?

The group published its recommendations for governance reform in March 2016. Ministers were given a number of recommendations on which to consult around the themes of:

- improving board member recruitment and;
- the consideration of wider measures and sanctions.

What input was received?

A consultation ran from April to June 2017.

[REDACTED]

[REDACTED], under the theme of improving board member recruitment:

- Trade Union Nominees – [REDACTED]
- Advertising on the CDN website - [REDACTED]
- Candidates to have the ability to work well as a team - [REDACTED]

[REDACTED]

Officials are currently finalising advice on the following submissions:

- Highly Regarded Candidates
- Remuneration of Assigned College Chairs
- Powers of the SFC
- Ministerial Powers of Direction
- Removal Orders
- Powers of the Auditor General for Scotland

Key Policy Priority – Developing the Young Workforce

- **Developing the Young Workforce (DYW)** is Scotland’s youth employment strategy and through DYW, we aim to reduce youth unemployment levels by 40% by 2021.
- The aim is to create a significant work based education offer to give young people the skills for the current and anticipated jobs market.
- This includes: new vocational options; learning in a range of settings; embedding employer engagement in education; and introducing new standards for careers guidance and work experience.
- Together with Getting It Right for Every Child and Curriculum for Excellence, DYW is the key policy approach through which the SG is creating excellence and equity in Scottish education.
- The overarching target to reduce youth unemployment by 40% by 2021 has been achieved - **Scotland’s youth unemployment level** has fallen from **52,000 in 2014** to **28,000 in 2018**, a decrease of **24,000 (46.4%)**.

Source: Labour Force Survey (ONS): **Jan-Mar** 2018.

Key Policy Priority – Learner Journey

- The **Learner Journey** review considered how best to increase the efficiency of the learning system while enhancing quality and access for learners.
- The Review concluded in May 2018, and we are working now to deliver the report recommendations.
- **The report sets out the Scottish Government’s ambition for a world class education and skills system.** A system which delivers best value to the learner, so all learners are on the right route to the right job with the right skill set.



Deputy First Minister at
Edinburgh College 10/5/2018
to launch Learner Journey
Review

Key Policy Priority: Community Learning and Development

- Community learning and development (CLD) is a field of professional practice in Scotland that enables people of all ages to engage with issues that matter to them, identify their own individual and collective learning goals, and take action to bring about change for themselves and their communities. CLD practitioners work in many different roles in the public and third sectors including:
 - **Youth work** - engaging young people and supports their wider achievement, health and wellbeing, volunteering, personal and social development, and transition into the world of work.
 - **Adult and family learning** - engaging individuals, families and groups in community-based learning.
 - **Community development** – supporting effective community engagement and helping community groups and organisations to build their own capacity.
- The Scottish Government supports Community Learning and Development (CLD) as a means of meeting the aims and aspirations of learners of all ages and groups in communities, particularly those facing inequality and disadvantage.
- CLD makes important contributions to a range of Government’s priorities – including to closing the poverty-related education attainment gap and empowering Scotland’s communities. CLD activity has a strong focus on early intervention, prevention and tackling poverty, inequalities and disadvantage.

Key Policy Priority – College Improvement Project

Phase 1

Phase 1 of the project (academic years 2017-18 and 2018-19) is **designed to raise attainment** by using a Quality Improvement (QI) methodology in selected courses and with specific groups of students at 5 colleges (Dundee & Angus, Edinburgh, Inverness, New College Lanarkshire and West College Scotland).

Scottish Government provides a collaborative leadership role, working with key stakeholders and the wider college sector to provide support in using improvement methodology and link up and align the project with wider policy landscape.

We are at the halfway point of the first phase of the Project. Feedback from the five improvement colleges involved has been positive and Performance Indicators show improvements have been made. We have seen the emergence of a collective effort, with testing and approaches developing between the colleges. However, data linking specific change to improvement needs to be strengthened in future testing over the coming academic year and beyond.

Phase 2

As the project develops, the learning from the first phase of the project will be extended across the college sector as a whole, adapting to local contexts with the aim of contributing to a nationally improving picture for learner retention and attainment. The spread of the project [REDACTED].

Innovation

The Fund was
launched in
May 2018

The **£0.5 million** College Innovation Fund is helping colleges to work more effectively with universities and innovation centres and in partnership with employers to assist businesses to be more productive and prepare for new technological developments.

Colleges have effective relationships with small and medium sized enterprises, allowing them to focus on skills development and process innovation within these organisations.

By providing an innovation pipeline, colleges are developing new skills and techniques, alongside new and emerging technologies to improve business productivity in Scotland.

Paul Wheelhouse - Minister for Business, Innovation and Energy said of the launch:

“The fund will establish dynamic links between our colleges and our innovation centres helping us drive increased productivity, competitiveness and growth, playing a vital role in creating the jobs of the future.”

STEM



73,383 (25%) students are enrolled in STEM subjects in colleges

Eight colleges are STEM Assured, accredited through the STEM Foundation

161 students are studying for Foundation Apprenticeships in STEM subjects

Skills Pipeline

Skills Pipeline

9 out of 10 students are satisfied that their time at college has helped them develop knowledge and skills for the workplace

Health Care/Medicine/Health and Safety has the largest number of enrolments linked to industry (**10,143**)

Over **39,675 (17%)** students are enrolled in colleges as part of their occupation

346 school pupils undertook Foundation Apprenticeships in **18** colleges across **8** industry sectors

81% of Scottish employers recruiting college leavers found them well prepared for work

11,108 students in colleges are on Modern Apprenticeship programmes

Colleges work closely with employers to deliver flexible bespoke training and develop innovative solutions to skills, training and business processes.



- The college sector has also welcomed the opportunity to administer and deliver the Scottish Government's £10m **Flexible Workforce Development Fund (FWDF)**.
- Year 2 of the fund was launched in 2018 and provides employers with **an opportunity to upskill and retrain the existing workforce.**

The College Sector has equality at its very heart....

- **28%** of students studying full-time higher education in colleges are from Scotland's most deprived areas
- **32%** of full-time students are from Scotland's most deprived areas (SIMD 20)
- **14%** of students have a disclosed disability, of which **Dyslexia** is the most commonly reported disability
- **19,000** enrolments were students from black and minority ethnic backgrounds
- There are approximately **1,800** care experienced students in colleges

Source: Colleges Scotland Keyfacts 2018 Pg 14-15

The Value of College Graduates to the Scottish Economy

An independent study by the Fraser of Allander Institute (Sep 2017), which assessed the value of college graduates to the Scottish economy, has found that:

- Scotland's colleges will generate additional value worth **£20 billion** for the Scottish economy in the long term.
- This represents an additional **£55,000 boost** to productivity per graduate over their working lives.
- Scotland's colleges spent over **£663 million** to support this economic activity, helping to create jobs and boost economic growth.
- The increase in public sector revenues is estimated to be **£6.8 billion**.
- The total costs to the public sector of investing in these learners through nationally-recognised qualifications was approximately **£2.4 billion** – just 35% of the cumulative tax revenues generated over the long term.
- As well as the direct impact of providing employment, **colleges also create an economic ripple effect through staff and college spending, benefitting local and national suppliers.**

Source: Colleges Scotland Keyfacts 2018 Pg 10-11

Brexit

Funding

- Since 2010/11, £67.7m EU funding distributed via the core grant in aid allocation to college sector for teaching & student support
- From 2000 to date, £169m EU grants received by college sector to support teaching & student funding.
- ERDF infrastructure grants for that period totalled £40m.

Impact to Students

- Since 2012, colleges recorded 75,000+ (47% Polish) enrolments from EU nationals (~ 6% of total enrolments).
- Typically, 15% of EU student enrolments for HE level courses; 85% for FE level
- Since 2014: 658 Erasmus + projects in Scotland, involving 15,135 participants and funding of 64.8 million Euros.

Impact to Workforce

- A large cohort (c.59%) of EU students take language courses (including ESOL) - teaching staff in this area are likely to be greatly affected.
- Estimates from colleges (supplied to SFC in 2017), are that around 3% of current college staff are EU nationals (approximately 350 FTE).

What is the issue/
Brexit impact?

What have we
done/identified?

- The SFC have secured funding from UK Govt for 6 FTE positions looking at Brexit. 2 x FTE will look specifically at Colleges.
- [REDACTED] seconded from South Lanarkshire College to produce a Think Piece Paper on Brexit: “The impact of Brexit and opportunities and challenges for Scotland’s College sector” [under development]
- Third –party income: e.g SDS are major recipients of EU funding (£33.5 million over the 5 year period to 2016/17). Pressing need for further analysis of third-party ESF income received by colleges and the impact of the loss of that income.

Planned Next
Steps:

- Establish a Brexit forum for Colleges to ensure colleges, students & staff continue to thrive in the context of the UK’s withdrawal from the EU;
- Support individual colleges prepare Brexit readiness plans to mitigate impacts and/or manage risks;
- Ensure Scotland’s colleges remain in groups that promote cooperation e.g. ERASMUS+ programme
- Develop links with Europe by liaising with partners e.g. British Council & Association of Colleges;
- Fully exploit possibilities for the college sector in the new European Union programmes post 2020.

College Policy Stakeholders



Redacted
Team Leader
Advanced Learning
and Skills Analysis
C2

Redacted
Principal Research
Officer
C1

Redacted
Statistician
Higher & Further
Education
C1

Redacted
Statistician
Access to HE
C1

Redacted
Economic Advisor
C1

Redacted
Senior
Research
Officer
B3

Redacted
Senior
Research
Officer
DYW
B3 (due to
start 27th Aug)

Redacted
Senior
Assistant
Statistician
B3

Redacted
Assistant
Statistician
B2
(due to start
28th Aug)

Redacted
Senior Assistant
Statistician
B3

Redacted
Assistant
Statistician
B2

Redacted
Assistant
Statistician
B2

Redacted
Assistant
Statistician
B2

Redacted
Assistant
Economist
B2

Redacted
Assistant
Economist
B2

January 19

Advanced Learning and Skills Analysis

Aileen McKechnie, Director
Advanced Learning and Science Directorate

Higher Education and Science

SAAS

Roddy Macdonald
Deputy Director

Colleges, Young Workforce and SFC Sponsorship

Paul Smart
Deputy Director

Higher Education
Governance and Quality
Assurance

Higher Education
Partnerships

Higher Education
Partnerships

Commission
on Widening
Access

University
Research and
Knowledge
Exchange

Science Policy
Management

International

Accreditation

Sponsorship and
Funding

Developing the
Young Workforce
Programme (Wood
Implementation)

Enable a well governed and financially sustainable university sector that meets the needs of students and contributes to a strong economy and fair society.

- Implementation Government Bill
- Teaching Excellence Framework
- Quality Assurance
- Institution Issues

Support access to HE based on the ability to learn, not the ability to pay and help tackle inequality by increasing participation from disadvantaged groups and households

- ASFC HE Funding and outcome agreements
- Spending Review
- Audit Scotland Report
- Office of National Statistics Renew

Implementation of Commission on Widening Access

- research and KE policy
- research and KE grant funding
- innovation centres
- UK and EU funding
- international research collaboration

Support the effective use of science in government.

- Secretariat for SSAC
- Support for CSA
- Science in Government

Enhance the international reputation and reach of Scotland's HE Sector.

- Mobility schemes
- Post-study work visa and students
- Bologna immigration

Covers college regionalisation, including college structure, funding and provision: National Pay Bargaining; FE Student Support, elements of Wood Commission implementation and college outcome agreements

Leading on SFC strategy, performance, finance and corporate governance matters; supporting Directorate and portfolio budget management and planning; interface with E&S Strat Board

Provides a high quality service to DYW Programme Board and National Advisory Group

ADVANCED LEARNING & SKILLS ANALYSIS (ALSA) EDUCATION ANALYTICAL SERVICES

Overview

- The Analytical Services unit provides analytical support to the Minister and policy on Further and Higher Education delivered at Colleges and Universities. We also provide analytical support on Student Support modelling.

Higher Education Institutions (HEIs)

- In 2016-17, there were 241,935 enrolments at the 19 Scottish HEIs. This covers all years and levels of study. Of this number, 101,295 were entrants.
- Of all enrolments, 66% were Scottish domiciled, 13% were rest of UK, 9% were EU and 13% were from outside the EU.
- 67% of all enrolments were on first degree courses, 9% were on other undergraduate courses, 5% on taught postgraduate and 19% on research postgraduate.
- Over the last decade, the number of Scots domiciles entering a full-time first degree course has increased by 12%.

Colleges

- In 2016-17, there were 291,849 enrolments at Scottish Colleges. This is a large decrease from 2006-07 as colleges have focussed on more substantial courses.
- Despite the changes, 73% of all college enrolments are still on part-time courses.
- The number of Full-time Equivalent (FTE) places at colleges has remained fairly stable since 2006-07.
- In 2016-17 Colleges delivered 117,502 FTEs, above the 116,000 FTE target set in the manifesto.
- 17.4% of all enrolments at college are on Higher Education (HE) courses and 82.6% on Further Education (FE) courses.
- Entrants to colleges in 2016-17 made up 37% of the total undergraduate students starting in higher education across HEIs and colleges.

Student Support & Debt

- Student Awards Agency Scotland (SAAS) figures covering 2016-17 show we are investing a record amount in student support.
- Total student support is up 3.6% to £834.8 million last year (tuition fees, tuition fee loans, bursaries/grants and living-cost loans).
- Student Loans Company (SLC) data for 2017-18 shows that Scottish student debt is continuing to increase, but is still the lowest in the UK.
- The statistics show average student loan debt on entry to repayment in Scotland is £13,230; compared to £34,800 in England, £21,520 in Wales and £22,440 in Northern Ireland.

Upcoming Releases

- The Universities & Colleges Admissions Service (UCAS) are currently publishing acceptance statistics (placed applicants) for 2018. The first release was on SQA results day (7th Aug) with an update on A-level results day (16th Aug). Daily clearing updates will also be released up until the 31st August. Final acceptance numbers are published in Nov/Dec by UCAS in their End of Cycle report.
- In September the Scottish Funding Council will publish College Leaver Destination statistics covering those leaving college in 2016-17.
- A publication planner covering upcoming releases is circulated each month.

Assignment of Argyll college to the University of the Highlands and Islands (UHI).

1. A proposal made by the Scottish Funding Council, in March 2018, to the then Minister for Further Education, Higher Education and Science that Argyll College be assigned to UHI.
2. On 28 May the Scottish Government published a consultation paper on the Assignment of Argyll College to the Regional Strategic Body for the Highlands and Islands, the University of the Highlands and Islands (UHI) this closed on 25 June.
3. 7 responses were received, all of which were in favour of the proposal to assign Argyll College to UHI.

Next Steps

4. Officials will send final policy instructions to legal colleagues to begin to draft the order to proceed with the assignment. The aim is to make the order by the end of the year.

[REDACTED]

BREXIT AND UNIVERSITIES

Top Lines

- We are proud that Scotland is a destination of choice for students and academics from elsewhere in the UK, EU nations and all over the world.
- We welcome confirmation that the UK Government's plans to continue to participate in EU science and innovation programmes. However, as set out in Scotland's Place in Europe, we firmly believe that the best way to guarantee EU funding is by maintaining our existing relationship with the EU.
- We will continue to discuss any issues raised by universities, colleges, their staff and students on the impact of the referendum result – with the aim of championing them and protecting Scotland's interests.

Redacted

College Improvement Project

Background

1. The national college improvement programme launched in 2017 with the aim of improving retention and raising attainment in FE in colleges¹ through taking a quality improvement approach to developing evidence based practice.
2. By building a deeper understanding of the system, its impact and its users, and combining this with learning from testing and data, colleges will be able to bring about significant local improvements.
3. A key aspect of the approach is to embed a culture of continuous improvement based on the use of a methodological framework which compliments the new college quality arrangements and refreshed professional standards.
4. Five colleges² have formed an improvement team for the initial phase (academic years 2017-18 / 2018-19);
5. As work progresses, all colleges will be expected to focus on ensuring the improvement approach and learning insights from phase one are extended across the sector and adapted to local contexts, to contribute to a nationally improving picture for FE retention and attainment.

Current status

6. From year one of the project, we have seen the emergence of a collective effort, with testing and approaches developing between the colleges. Feedback from the five improvement colleges has been positive and PIs indicate improvements have been made. However, data linking specific change to improvement needs to be strengthened in future testing.
7. Over the summer break, the five colleges have set out their own strategies to consolidate learning from year one. The project is now also aligning itself with the findings of the 15-24 Learner Journey Review and ensuring it is focussed on supporting other existing commitments of the Developing Young Workforce Programme; Enterprise and Skills Review; CoWA and the findings from the first year of *How Good is Our College?*
8. As we plan for year 2 of the first phase of the project, three key themes have been identified to form the focus of testing: services to support learning, engaging in college life, and teaching and learning.
9. Over the next academic year, we will continue to build, expand and refine the evidence base on which changes have led to improvement, while also seeking to engage more with the wider college sector.

The College Improvement Project Advisory Group

10. To support this work, we have established an External Advisory Group that meet on a quarterly basis to provide oversight for the project and promote awareness within the sector through their networks.

¹ Currently around a third of students who enrol on an FE course for a recognised qualification fail to complete the course successfully. This trend has continued with only minor improvement since AY 2008/09 when stats started to be published.

² Dundee and Angus College, Edinburgh College, Inverness College UHI, New College Lanarkshire and West College Scotland.

COLLEGES AND THE OUTCOME OF THE EU REFERENDUM

Two main EU funded projects make up the bulk of college income derived from EU – Developing Scotland's Workforce (DSW), within which there is Highlands & Islands transitional funding & Youth Employment Initiative (YEI). The YEI was approved from AY 2015 – 2018 & the DSW is subject to approval until AY to July 2021.

Redacted

Top Lines

- Scotland is an outward-looking and inclusive country which has benefited (socially, economically and culturally) from students from the rest of the EU and from access to EU programmes.
- That is why the Scottish Government is determined to protect our place in Europe and will explore all options to do so. We believe that EU membership is in the best interests of Scotland, its colleges, and their staff and students.
- The UK vote to leave the EU presents a period of uncertainty for our education sector, including colleges **and our ability to fully assess the different options will be constrained until we start to get some clarity about what the UK Government is seeking to achieve.**
- We will continue to discuss any issues raised by colleges and students on the impact of the referendum result and how we can all ensure Scotland's colleges remain attractive and enhance their competitiveness in a global education market.
- We will look to the Scottish Funding Council and other partner bodies such as Skills Development Scotland to work together to determine the impact on the sector in terms of EU funding, EU students and EU staff.

Redacted

COLLEGES FMQ NOTE

Redacted

Financial Sustainability Risks to colleges' financial sustainability include: national bargaining impact, building maintenance costs, Brexit's impact.

Daily Record 23/6: 'Paisley college hit by £4.5million repair bill' West of Scotland MSP Maurice Golden is demanding action from college bosses over the mushrooming costs

Report's recommendations for SG and SFC include - Work with colleges to identify why attainment gap between students from deprived areas and wider population is growing, identifying actions to reduce it.

- Publish the criteria for prioritising capital investment in the college sector.
- Assess and report publicly on the extent to which the regional strategic bodies are meeting the aims of regionalisation in multi-college regions.

TOP LINES

Redacted

- Student numbers increased by around 4% in 2016/17 (by 8,483 students to 235,737 - headcount). Colleges also exceeded the Scottish Funding Council's activity target and delivered more credits than in 2015/16.
- Report also finds colleges exceeded our full-time equivalent (FTE) target - delivering 117,502 FTE places against our target of 116,269.

ESTATES BACKLOG – CAPITAL FUNDING

Redacted

Our 2018/19 budget increased capital funding by £29.3 million to £76.7 million compared to 2017/18 (up 59.4% real terms, or 61.8% cash terms).

FINANCIAL SUSTAINABILITY

Audit Scotland found that the sector's financial health remains stable

- Audit Scotland confirms there has been a 10.4% real terms increase in our funding over the past two years (between 2016/17 and 2018/19).
- Looking just at revenue funding, Audit Scotland confirms this increased by £28 million in cash terms in 2018/19 – that is a 5% real terms increase.
- Report says: "The Scottish Government's revenue funding for the college sector for 2018/19 is £570.7 million. This represents a real-terms increase of £28 million (five per cent) in the revenue budget from 2016/17. This is the highest real-terms settlement in the last five years." (Report pg 13)

Redacted

Audit Scotland found that the sector's underlying financial position improved in 2016/17

- Report found Scotland's incorporated colleges reported an underlying surplus of £249,000 in 2016/17 - compared to an underlying financial deficit of £8 million in 2015/16.
- Audit Scotland found the net assets of the sector increased by 10% to £230 million in 2016/17.

Redacted

ATTAINMENT GAP

Redacted

LECTURER'S DISPUTE

Redacted

WIDENING ACCESS

We welcome the significant role our colleges play in widening access – equality is at the heart of the sector.

- The proportion of FE and HE college students reported as care-experienced increased for all modes of study between 2015/16 and 2016/17 (2.4% for full-time FE – up from 0.4% in 2013/14).
- Over a fifth (20.3%) of full-time FE students at college had a declared disability in 2016/17 – this is up 6.5 percentage points from 2006/07.
- In 2016/17, females were better represented than males within full-time college students from Scotland's 20% most deprived areas (by 4.3 percentage points in HE, 5.2 percentage points in FE).
- There was a higher proportion of BME college students from Scotland's 20% most deprived areas compared to the overall sector in 2016/17.

The proportion of college students from the most deprived areas is now at record high levels

- Over a third (33.9%) of full-time FE college students came from Scotland's 20% most deprived areas in 2016/17.
- Over 28% (28.2%) of full-time HE college students came from Scotland's 20% most deprived areas in 2016/17.
- That is an increase of 2.9 percentage points from 2006/07 and the highest on record.

AUDIT SCOTLAND – COLLEGES 2018 REPORT

This is the sixth AS published report covering the position of colleges. This year's report highlights an improving sector but also reports on some challenging areas particularly around financial reporting/management and governance.

Scotland's Colleges 2018: Key messages, criticisms and recommendations
The report is split into three parts: management of finances, performance of colleges, and progress in multi-college regions. Key messages include:

- The underlying financial position improved in 2016-17 but some colleges still face significant financial challenges (incorporated colleges had an underlying surplus of £0.3m in 16/17 vs £8m deficit in 15/16).
- Staff costs remain the highest area of spending and are forecast to increase – cancelling out any anticipated savings from college reform - SG providing funding to cover additional staffing costs up to end of AY 2018-19.
- The Scottish Funding Council (SFC) 2017 estate survey indicates urgent investment required – SFC providing £27m in capital funding to cover very high priority needs.
- Colleges are not considering a number of factors in their financial forecasting – but are working to address this by including Brexit, estate maintenance and uncertainties around staff pay agreements.
- The sector exceeded its target for learning activity and FTE student places in 2016-17.
- At least 82% of all successful full-time college leavers entered positive destinations.
- Gender imbalance has improved on some courses (e.g. engineering) but less improvement on other courses. Imbalances remain on college boards too.
- Unclear on the benefits as a result of regional strategic bodies – this is particularly the case for Lanarkshire where AS state the arrangement adding little in meeting the aims of regionalisation.

Key Criticisms

- Staff costs as a result of national bargaining and harmonisation will absorb any anticipated savings as a result of college regionalisation
- There is a £360m backlog of capital investment needed in the sector. While SFC are investing the necessary £27m to meet the very high priority needs of the sector, they need to set out publicly their criteria for managing the competing demands for major capital investment.
- Students from the most deprived areas tend to have lower levels of attainment with the gap increasing since 2011-12. For FE students the gap between the ten per cent least deprived and ten per cent most deprived areas has increased from five percentage points in 2011-12 to seven percentage points in 2016-17. In 2016-17, attainment for students from the ten per cent most deprived areas was 62 per cent, compared to 70 per cent for students from the ten per cent least deprived.
- The three multi-college regional strategic bodies (RSBs) are fulfilling their statutory duties by setting targets for individual colleges and distributing funding, but the extent to which they are delivering upon the anticipated benefits of regionalisation varies:
 - o UHI Court has made good progress focussing on changing culture and developing effective relationships to achieve balanced income and sustainability.

- o Glasgow Colleges Regional Board (GCRB) is making progress with collaborative regional activity but needs to do more to deliver a fully effective regional partnership.
- o New College Lanarkshire and South Lanarkshire College work together to meet core statutory requirements but are not delivering any significant regional benefits.

Recommendations for SG and SFC:

- Develop criteria for prioritising capital investment;
- Work with colleges to examine why the attainment gap is growing and identify actions to reduce;
- Assess and publicly report on the extent to which regional strategic bodies are meeting the aims of regionalisation.

Recommendations for SFC:

- Revise its accounts direction to ensure colleges calculate their underlying financial position consistently;
- Progress its work with colleges to improve common assumptions for future financial forecasting returns, including clarifying when departing from the assumptions would be justified;
- Determine what other actions are required to tackle the greatest gender imbalances to deliver its gender action plan;
- Agree with the regional strategic bodies in multi-college regions the most appropriate way of collecting information on college activities and clarify both why and when it needs to engage with, or college information from, assigned colleges.

Recommendations for Colleges:

- Work with the SFC to further develop their approach to long-term financial forecasting;
- Focus on reducing the attainment gap and improving student performance;
- Where appropriate, examine opportunities for getting a better gender balance on their boards to meet new statutory targets.

GCRB and its assigned colleges should:

- Address concerns among senior staff and college board members about its role to further improve collaborative working across the region.

The Lanarkshire Board should:

- Develop a clear plan for improving collaborative working across the region.

COLLEGE RISK REGISTER

The Scottish Funding Council (SFC) keeps a risk register for colleges in Scotland to determine the level at which they must engage with each institution. Officials provide quarterly Ministerial, or as and when significant changes occur. Colleges are monitored under three headings: Finance & Governance, Activity, and Learning & Teaching. A summary is below of the current escalations/de-escalations but a fuller document is available if needed.

[REDACTED]

COLLEGES STRATEGIC FUTURES GROUP

Background

The group first met in November 2017 (chaired by the previous Minister, Ms Somerville) and meets on a quarterly basis. The meeting planned for November 2018 will be the fourth time the group has met. Ministers do not attend every meeting but the November meeting would be a good opportunity to meet and speak to the collective senior leadership of the sector.

Purpose	To provide a forum to consider strategic questions, opportunities and challenges influencing the future successful development and continued improvement of Scotland's colleges over the next decade and beyond.
Remit	<ul style="list-style-type: none">• To identify challenges and opportunities presented to the sector in Scotland and generate suggestions on effective responses from government, support agencies, the sector and individual institutions.• To monitor and discuss sectoral and wider economic sustainability including long-term financial planning and risk mitigation.• To identify opportunities for enhanced collaboration between the sector, support agencies and the Scottish Government in pursuit of shared objectives, including exploration of new or enhanced income streams and associated business models• To identify approaches to maximise the contribution of the sector to key shared priorities and programmes including widening access, the contribution of skills and innovation to stimulating economic growth, productivity and regional development.• To act as a facilitator of dialogue between the Scottish Government and the sector on the annual budget preparation process and to identify opportunities for greater efficiency including new or alternative models of delivery.
Organisation	<p>The Strategic Futures Group will meet on a quarterly basis and will be chaired by the Director of Advanced Learning and Science. Secretariat support will be provided by the Scottish Government (SG).</p> <p>The attendee list is flexible and based on expertise and interest in the subjects identified for discussion. Two weeks prior to each session, Colleges Scotland and the Scottish Funding Council will submit any papers and advise SG who will attend from their organisation.</p> <p>SG will circulate a reminder email to the standing membership one month prior to each session, and will then circulate the agenda and papers one week prior to each session to all attendees.</p>

	Following each meeting, SG will circulate a record of the discussion for approval at the next meeting.
Membership In attendance	<ul style="list-style-type: none"> • Aileen McKechnie (Chair) – Director of Advanced Learning and Science, SG • Paul Smart – Head of Colleges, Young Workforce and SFC Sponsorship Division, SG • Redacted - Head of College Policy, SG • Redacted – Chief Executive, Colleges Scotland • Redacted – Chair, Colleges Scotland • Redacted – Chair, College Principals Group • Redacted – Chair, Colleges Scotland Funding and Finance Committee • Redacted - Employers Association Chair, Colleges Scotland • Redacted – Interim Chief Executive, Scottish Funding Council • Redacted – Chair, Scottish Funding Council (if Ministers attending) • Redacted – Director, Finance – Scottish Funding Council <p>Flexible attendee list based on expertise and interest in the subjects identified for discussion. SG secretariat support will also attend.</p>

Draft agenda for November meeting

Agenda Item	Lead
1. Chair's welcome & opening remarks	Aileen McKechnie
2. Ministerial remarks	
Deputy First Minister & Cabinet Secretary for Education and Skills	
Minister for Further Education, Higher Education and Science	
2. Minutes of previous meeting and actions	Redacted
3. Budget 2019/20 – shared approach to securing long-term sustainability of the college sector	
4. Learning estate strategy - supporting the college sector's digital ambitions	
5. AOB	

UNIVERSITY RESEARCH AND KNOWLEDGE EXCHANGE

Scotland's world class research plays a key role in sustainable economic growth delivering highly skilled people to the labour market, creating new businesses, improving the performance of existing public and private organisations, and attracting foreign direct investment through the creation and application of new knowledge.

Top Lines

- Research and innovation at Scottish universities remains cutting edge and **truly excellent in global terms**.
- The core grant for university research and innovation from SG via SFC for 2018-19 **increased by 6.4% to £296 million** to strengthen this status and encourage more partnerships with industry.
- Scottish universities also continue to be very successful in competing for funding from other sources, receiving almost 75% of their research and innovation income from UKRI, EU, third sector and private sector sources.

Scotland's university research base is amongst the best in the world

- Scotland has **4 universities in the World Top 200** of the Times Higher Education (THE) World University Rankings **2018-19**. This is more per head of population than any other country except Luxembourg (Sept 2018). **Three of these universities are in the World Top 200 for research (volume, income and reputation) and four for research influence (citations). Nine Scottish universities are in the World Top 200 for international outlook (staff, students, research)**
- In the Times and the Sunday Times Good University Guide 2019, St Andrews was ranked 3rd in the UK and top in Scotland, University of Glasgow was 17th in the UK (Sept 2018).

University research and innovation funding is increasing

- Scotland's universities have benefited from a significant increase in **Scottish Government investment into university research and innovation in 2018/19**.

Redacted

- In 2016-17, Scottish Universities **secured £282 million** (9.2%) of the £3 billion of UK Research Council spending on grants, studentships and fellowships.

Redacted

- The Scottish Parliament held a debate on the impact of Brexit on science and research in Scotland on 7th November 2018.
- We will continue to invest in core research and knowledge exchange in Scottish universities, allowing them to compete successfully for other funding. At the same time, SG is actively engaging with the UK Government, European Commission and others to ensure such funding will remain accessible and relevant to Scotland after Brexit.

Redacted