

## News release

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# Colleges feeling impact of funding cuts

**Scotland's colleges face changing how they operate due to ongoing financial pressures.**

The sector has experienced a 20 per cent real terms cut in funding over the last five years. Colleges are already delivering less teaching to fewer students to balance their books. And there is a risk that colleges could prioritise courses that are less expensive to deliver over those that meet local need.

The college workforce shrank by over seven per cent in 2023/24 as savings were sought through voluntary severance schemes. Despite these cost-cutting exercises, seven out of 24 colleges reported a deficit in 2023/24. Two colleges also required emergency funding from the Scottish Funding Council to stabilise their finances.

Colleges are generally providing good quality services, with high satisfaction rates and proportionally more students going on to further study or employment. But the need to reduce costs has impacted on students and staff. Overall student numbers are down, and colleges are unable to meet the student and employer demand for some courses and apprenticeship programmes.

Stephen Boyle, Auditor General for Scotland, said:

"Scotland's colleges are providing good services despite facing ongoing financial pressures.

"Funding has reduced and the demands on the sector are changing, with fewer older students enrolling, increasing competition from universities, and the impact of digital technology on delivering teaching.

"If those pressures continue, colleges will need to change how they operate rather than trying to deliver more of the same with decreasing resources."

For further information contact:

Patrick McFall Tel: 07786660171

[pmcfall@audit-scotland.gov.uk](mailto:pmcfall@audit-scotland.gov.uk) or [media@audit-scotland.gov.uk](mailto:media@audit-scotland.gov.uk)

## Notes to Editor:

**1.** In 2023/24, Scotland's colleges' net resource allocation from the Scottish Government was set at £675.7 million for the third consecutive year.

2. Over 30,000 fewer students were taught in 2023/24 compared to 2022/23.
3. See Appendix 2 of the report for the seven colleges that reported a deficit in 2023/24.
4. Severance numbers and the cost by college can be found in Appendix 3.
5. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at [www.audit.scot](http://www.audit.scot)
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**ENDS**