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FE COLLEGES NEED TO IMPROVE TIMETABLE FOR CLEARING DEFICITS

In his latest overview report on the further education sector in Scotland, the Auditor General, Robert Black, has expressed concern about the length of time colleges say they will take to clear their deficits.

By 2000/1 the net accumulated deficit for the sector as a whole was £17.5 million, including 22 colleges with deficits totalling £30 million. Of these 22, 10 had deficits of over £1 million, with Inverness and Clydebank the highest at £5.177 and £3.567 million respectively. While some colleges have now put together recovery plans, they say it will take three to 10 years to balance their books.

“While I am pleased to see action on a wide range of initiatives designed to improve the management of colleges, I would like to see a clearer picture of the expected impact of these changes and a timescale for these,” said Mr Black.

Following a decision by the Scottish Executive to provide extra help, one-off sums totalling £7 million were allocated to nine colleges in serious financial difficulty earlier this year. Clydebank received the most at £2.5 million with the others gaining between £250,000 and £1 million. The total income for the sector was £458.3 million.

“Core funding has been increased and some colleges have been granted additional funds specifically to tackle their difficulties,” said Mr Black. “It is important now that realistic and plausible deadlines are set for achieving financial improvement.”

The full financial picture for 2001/2 will not be available until the end of 2002 but it is expected that there will be a net accumulated deficit across the sector of £12 million, with an accumulated surplus of around £4 million forecast by 2003/4 .

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Notes

1. The report, Overview of further education colleges in Scotland 2000/1, was compiled by Audit Scotland for the Auditor General
2. The Auditor General is responsible for securing the audit of the Scottish Executive and most other public bodies in Scotland, except local authorities. He investigates whether spending bodies achieve the best possible value for money

and adhere to the highest standards of financial management. The Auditor General is independent and is not subject to the control of the Scottish Executive or the Scottish Parliament.

3. Audit Scotland is a statutory body set up in April 2000, under the Public Finance and Accountability (Scotland) Act, 2000. It provides services to the Accounts Commission and the Auditor General for Scotland.

4. Colleges accumulated historic cost surpluses/(deficits) as of 31 July 2001

College	Accumulated surplus/(deficit) /£000
Glasgow College of Building & Printing	2579
Elmwood	1159
Angus	1044
The North Highland	997
Dundee	912
Edinburgh Telford	897
Motherwell	822
Cardonald	599
Glenrothes	597
Oatridge Agricultural	592
Stevenson	498
Banff and Buchan	410
Central College of Commerce	357
Kilmarnock	350
Cumbernauld	339
Barony	317
Fife	302
Anniesland	99
Dumfries & Galloway	54
Glasgow College of Food Technology	47
Glasgow College of Nautical Studies	42
Lauder	(166)
Ayr	(201)
Langside College Glasgow	(206)
John Wheatley	(237)
Jewel & Esk Valley	(324)
South Lanarkshire	(327)
Borders	(350)
Stow	(422)
Coatbridge	(429)
Lews Castle	(511)
Clackmannan	(643)
West Lothian	(846)
Perth	(1010)
Falkirk	(1095)

James Watt	(1552)
North Glasgow	(2341)
Moray	(2467)
Bell College of Technology	(2843)
Reid Kerr	(2927)
Aberdeen	(2935)
Clydebank	(3567)
Inverness	(5177)
TOTAL	(17563)

Source: Audit Scotland