

News release

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Reforms continue to transform and challenge Scotland's colleges

Scotland's college sector is financially stable and achieving learning targets, whilst still adjusting to major changes to the way it operates. However, several issues remain outstanding if the full effects of government reforms are to be understood and addressed by the sector.

Audit Scotland's annual review of the sector has examined how substantial reforms, including mergers, regionalisation and Scottish Government policy ambitions, are affecting colleges' finances, governance, staff and students. It reports that the Scottish Government and the Scottish Funding Council (SFC) have still not set out how they will measure and report the benefits of the reforms introduced in the last four years.

There have been significant changes to student participation. Government policy changes have led to a 14 per cent increase in under-25s on full-time courses in the last eight years. Student numbers overall have decreased - while full-time learning has increased, there has been a steep decline in part-time learning. The biggest reductions are among women and people aged over 25.

Attainment steadily increased between 2009-10 and 2013-14, then dropped in 2014-15. Student retention also fell after a period of increase. The sector has attributed this, in part, to widening access to colleges and the major changes experienced by the sector. At least 82 per cent of students who left in 2013-14 went on to a positive destination, and almost 90 per cent were satisfied with their college experience in 2015.

Staff numbers decreased by nine per cent between 2011-12 and 2013-14 and increased by five per cent in 2014-15. Staff feedback on the impact of mergers is mixed. Despite significant changes in the sector, colleges do not prepare organisation-wide workforce plans.

The sector's overall financial health is relatively stable, but its financial performance has deteriorated and four colleges face challenges. Colleges do not prepare long-term plans to help address future financial pressures, such as national bargaining, estate maintenance and student support.

Caroline Gardner, Auditor General for Scotland, said: "Scotland's colleges are operating in a very different environment which has presented several challenges. While the sector has exceeded its learning targets and maintained relatively sound finances, managing the ongoing impact of reform alongside further change and financial pressures will be a complex and demanding task for colleges.

"The Scottish Government, the SFC and colleges need to work together to improve their understanding of the demand for college courses across the country and create long-term plans for how they will commit finances and staff to meet future need."

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Notes to editors

1. Audit Scotland has produced a number of overview reports about Scotland's colleges. Today's report provides an update on the various changes taking place in the college sector and, where

possible, assesses their impact. It also comments on the financial standing of the sector and looks at student participation and outcomes. The report has four parts:

- Part 1: Progress with reform
- Part 2: Students and staff
- Part 3: College finances
- Part 4: Governance and the role of the SFC

2. The Post-16 Education (Scotland) Act 2013 included provisions to support the reform of the sector into 13 regions, including arrangements for how the merged colleges were to be run. There are a total of ten colleges formed through mergers, with City of Glasgow College having formed in 2010. The number of incorporated colleges reduced from 37 in 2011-12 to 20 in 2014-15.

3. Scottish Government funding to the sector decreased by 18 per cent between 2010/11 and 2014/15 (Exhibit 9, page 27). Overall funding for 2015/16 will be increased by 0.2 per cent from the 2014/15 level. The total proposed allocation for 2016/17 represents a reduction of 1.4 per cent (£7.9 million) from the 2014/15 level.

4. The Auditor General prepared three statutory reports following the 2014-15 audits on Edinburgh College, Glasgow Clyde College and Glasgow Colleges' Regional Board. These are detailed in Exhibit 13, which also includes an update on previous reports by the Auditor General on the former North Glasgow and Coatbridge colleges.

5. Colleges and the SFC agree targets for the amount of student learning that each region will deliver each year. The sector has consistently exceeded this target each year, although the level of over-delivery has fallen over time.

6. In 2014-15, 221,660 students were studying at the 20 incorporated colleges. The largest was West College Scotland, with 21,607 students, and the smallest was Lews Castle, with 1,237 students. Student numbers overall peaked in 2007-08 but declined by around 41 per cent between 2007-08 and 2014-15. Part-time student numbers decreased by 48 per cent. Exhibit 3 has more detail.

7. Retention rates measure the percentage of students who completed all or part of their course. The overall percentage of full-time further education students successfully completing their course increased year-on-year between 2009-10 and 2013-14, from 59 to 66 per cent, but dropped to 64 per cent in 2014-15.

8. Audit Scotland has prepared this report for the Auditor General for Scotland. All Audit Scotland reports published since 2000 are available at www.audit-scotland.gov.uk

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