ABSTRACT

This report provides an overview of Scottish Government’s Further Education (FE) Spending Plans (and the implications of those plans) for the period 2012-2015.

1 RECOMMENDATIONS

1.1 It is recommended the Council:

(i) note the terms of this report
(ii) note the extent of budget reductions envisaged
(iii) note that these reductions will be managed against the backdrop of significant organisational change and reform of the FE sector and
(iv) note that, on the basis of information currently available, the proposed budget reductions are unlikely to have adverse affects on school-college partnership arrangements in place or planned.

2 BACKGROUND

2.1 At its meeting on 19 October 2011 the Education Committee instructed the Director of Education to meet with the Principals of Angus College and Dundee College with a view to bringing a report to Angus Council at its meeting on 15 December 2011, outlining the impacts of cuts in public funding on school-college transitions for Angus school leavers and on the future of vocational courses for S3 and S4 pupils in Angus schools.

2.2 The Director met with Mr John Burt, Principal, Angus College, on 4 November 2011 to explore in depth the background to the strategic spending review for the Further Education sector in Scotland and the implications of the indicative budget statement, announced by Scottish Government on 21 September 2011. The opportunity was taken in that meeting to explore the likely impacts of the significant budget reductions now anticipated on the core teaching grant for Angus College and in particular any effects on Angus school pupils and school leavers.

2.3 School-college liaison and related service level agreements currently in place relate to courses provided by Angus College. There are no corresponding arrangements in place with Dundee College, albeit individual leavers in Angus may seek and take up places in Dundee College. In these circumstances, arrangements were simply made to discuss by telephone with Christina Potter, Principal, Dundee College, the challenges of the FE spending review and the implications of these challenges.

3 NATIONAL CONTEXT

3.1 On 21 September 2011, the Scottish Government announced its spending plans for the Further Education sector for the period 2012-2015. Ministers acknowledge that the review settlement for Further Education colleges is unquestionably tough. The net effect of the settlement is that, nationally, College Programme Funding will reduce year on year over the period of the spending review, from £544.7m in 2011-2012 to £470.7m in 2014-2015.
This settlement was announced against the backdrop of a major consultation exercise in relation to a radical reform of post-16 learning in Scotland. On 14 September 2011, Scottish Government published ‘Putting Learners at the Centre: Delivering Our Ambitions for Post-16 Education.’ This consultative document, which is considered to be a ‘pre-legislative paper’, sets out a range of proposals for reforming the post-16 learning landscape in Scotland. The Government’s stated objectives in undertaking this reform process are to:

- provide a sharper focus on jobs and economic growth
- improve students’ life chances and employment prospects by meeting their learning needs and
- ensure a sustainable post-16 sector for the years ahead.

In view of the undoubtedly challenging nature of the Spending Review for the Further Education sector, Scottish Government is minded to consider options for delivering immediate efficiencies and related changes. Key adjustments, that are expected to be made, with effect from the start of the academic year 2012-13, are:

(i) a guarantee that every young person aged 16-19 be given an appropriate place in learning, with 20-24 years olds having access to a similar offer of learning, where possible. [There is an expectation that colleges will work ever more closely with key partners including local authorities, Skills Development Scotland, Job Centre Plus, Community Learning Development and third sector providers.]

(ii) a major new emphasis on improving retention rates in colleges by more effectively matching the needs of individual learners and the courses on which they are enrolled.

(iii) an equally clear emphasis on the need to ensure that courses are fit for purpose, credible with employers and better targeted on the needs of learners, in particular, vulnerable learners.

(iv) an expectation that the college sector should take account of ‘necessarily reduced resources’ by developing what the Government considers to be more efficient arrangements for the delivery of post-16 provision through regional groupings of colleges. [It is anticipated that regionalising college provision could take the form of college mergers, a federation of colleges managed through a joint board, the establishment of a ‘lead’ college in respect of specific aspects of further education provision or, simply, through a formal collaboration between a college and other colleges and, as appropriate, universities.]

It should be noted that, on 14 November 2011, the Scottish Government issued a consultation paper in relation to arrangements for taking forward the ‘regionalisation’ process. There is an intention that this process be in place across Scotland at the start of the academic year 2012-2013.

ANGUS COLLEGE AND DUNDEE COLLEGE PERSPECTIVES

In the meeting between the Director of Education and the Principal of Angus College on 4 November 2011, Mr Burt shared concerns held by colleagues in Scotland’s further education colleges in relation to the spending plans announced by the Government for the period 2012-2015. In the light of an initial analysis of national funding data, Mr Burt anticipated that:

- core teaching funding for the college will fall by 13.5% in cash terms over the next three years on top of an already severe 10.3% cash cut in 2011-2012
- the overall reduction in college core teaching funding of 23.8% over the period of the spending review will lead to a bleak future for the college, with a possible reduction of 400 full-time student places per annum and 1600 part-time places per annum.
- despite Scottish Government hopes to the contrary, it may prove very difficult for Angus College to give an absolute commitment to a policy of no compulsory redundancies
- reductions of this scale will almost certainly be exacerbated by a loss of fee income following cuts in the number of available courses.

Discussions with the Principal of Dundee College indicate a similar range of concerns in relation to the spending review and its likely impacts on that college’s provision.
5 SCHOOL-COLLEGE LINKS

5.1 Angus Council and Angus College have collaborated successfully in establishing well managed arrangements to support school-college liaison activity. In addition to the service level agreements between the education service and Angus College, a range of options for individual schools to access courses at or provided by Angus College are the subject of specific service level agreements.

5.2 In the current session, school-college provision for school pupils across all eight Angus secondary schools, includes:

- full-time attendance at Angus College across a range of courses by 49 S4 Christmas Leavers
- vocational courses delivered at Angus College in which a total of 112 S3 pupils are enrolled
- in-fill to selected Higher National Units by S6 pupils
- vocational courses delivered on site in vocational learning centres, established in partnership with Angus College in Brechin High School and in Forfar Academy
- involvement of 135 S4 students in vocational courses delivered at Angus College, with 177 S4 students participating in courses delivered by Angus College on one or other school campus
- the involvement of 161 S5/S6 pupils in Higher Psychology courses, either by attendance at the college or via in-school provision delivered by Angus College staff
- attendance by a number of pupils as link students, either on a full-time basis or on a part-time basis, in the college’s ‘Skills Zone’ programme or in the Transitions Programme for Supported Education.

5.3 The college currently meets the costs of the Christmas Leavers and Skillzone and 9 S3/S4 courses, with the Council meeting the direct instruction costs (£150,000) for the remaining 40 S3/S4/Highers courses. (There is no payment for indirect costs such as administration).

6 IMPACT OF THE FURTHER EDUCATION SPENDING REVIEW ON SCHOOL-COLLEGE LIAISON AND POST-SCHOOL TRANSITION ARRANGEMENTS

6.1 The Cabinet Secretary for Education and Lifelong Learning has acknowledged in communications with the Scottish Further and Higher Education Funding Council that the spending review settlement for colleges in the period 2012-2015 is unquestionably tough. Moreover, he has made plain his understanding that over the period of the spending review colleges will operate in an environment of ‘necessarily reduced resources’.

6.2 At this stage, while there is clear information available about the indicative levels of national funding, it is not yet possible to be precise about the actual level of funding which will be available to Angus College or Dundee College in the period 2012-2015.

6.3 The actual levels of funding available and actual provision of courses in each college may also be affected by whatever arrangements are finally agreed for the regionalisation process which, on the basis of current advice, is expected to be in place at the start of the academic year 2012-2013.

6.4 In the absence of funding data specific to individual colleges, it is difficult to be absolutely precise about the likely impacts on college provision in the near future. However, if college budgets are reduced in line with the indicative national funding already announced, there is likely to be a major impact on the services which colleges provide.

6.5 Notwithstanding the major funding challenges which lie ahead, the emphasis which the Government is placing on school-college partnerships within the context of Curriculum for Excellence and the expected guarantee in respect of a ‘learning place’ for all 16-19 year olds mean that at this stage it is not envisaged that there will be reductions in the number of Angus College courses, targeted at school pupils, already agreed and planned for the next two school sessions. However, there may be some changes to courses, to reflect the expectations of Curriculum for Excellence.

7 RISK

7.1 This report does not require any specific risk issues to be addressed.
8 FINANCIAL IMPLICATIONS
8.1 There are no financial implications arising from the terms of this report.

9 HUMAN RIGHTS IMPLICATIONS
9.1 There are no Human Rights implications arising from the consideration of this report.

10 EQUALITIES IMPLICATIONS
10.1 The issues contained in this report fall within an approved category that has been confirmed as exempt from an equalities perspective.

11 SINGLE OUTCOME AGREEMENT
11.1 This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2011-2014:

- our children and young people are confident individuals, effective contributors, successful learners and responsible citizens
- adults maximise their potential through learning opportunities.

12 CONSULTATION
12.1 In accordance with the Standing Orders of the Council, this report has been the subject of consultation with the Chief Executive, the Director of Corporate Services, the Head of Finance, the Head of Law & Administration and the Principals of Angus College and Dundee College.

NEIL LOGUE
DIRECTOR OF EDUCATION

BACKGROUND PAPERS

Note: No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information), were relied on to any material extent in preparing the above report.

ED/NL/AM