

REVIEW OF SCOTLAND'S COLLEGES  
*Delivering a Smarter Scotland*

The Difference Scotland's Colleges Make to Learners,  
the Economy and Wider Society

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## Delivering a Smarter Scotland

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the Economy and Wider Society

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## Summary

Scotland is changing, and that brings a future with both challenges and exciting opportunities. The effects of a changing age structure within our population are unavoidable and will take up an increasing share of our resources. Even the partial solution to this issue of higher levels of inward migration from the rest of the UK, the rest of Europe and the rest of the world will present us with new challenges, many of which we haven't encountered before.

Against this backdrop we seek to remain competitive in an increasingly globalised and dynamic economy within which regularly updated knowledge and skills will be our most significant resource. To be successful within this environment we must strive to enable our people to make the best use of their talents and opportunities and our businesses to be competitive and innovative.

In order for our communities to thrive as safe and tolerant hubs within which our people can live their lives, it is important that all of our people can identify with society and feel that society is interested in them. This is true whether we are talking about communities in our cities, our towns or our more remote areas.

Through a wide range of strategic relationships, our colleges already work toward many objectives which will help us meet the challenges Scotland will face. This paper, which follows on from the *Unlocking Opportunity* report presents 12 outcomes toward which Scotland's colleges, working with key partners, can make a decisive contribution to a smarter Scotland.

The outcomes are:

- **Addressing Scotland's NEET Problem**
- **Enhancing Vocational Education for Scotland's School Pupils**
- **Improving the Flow of Knowledge Between Colleges and Business**
- **Building Scotland's Skills Base**
- **Developing Scotland's Care and Health Sector Workforce**
- **Addressing Disadvantage in Scotland's Most Deprived Communities**
- **Developing and Sustaining Scotland's Remote and Rural Communities**
- **Delivering English Language Training for Scotland's Inward Migrants**
- **Addressing Low Levels of Adult Literacy and Numeracy in Scotland**
- **Nourishing Scotland's Culture of Enterprise and Entrepreneurship**
- **Developing Community Hubs Across Scotland**
- **Promoting Volunteering Activities in Scotland**

These are all areas in which colleges can build upon existing activity and expertise. Colleges are uniquely placed to lead on delivery and doing so successfully will help more clearly define the specific role of Scotland's colleges in relation to other sectors such as schools, universities and private training providers.

## Scotland's Priorities

There is consensus across the political spectrum that more sustainable economic growth is Scotland's overarching priority. Addressing long-term economic underperformance compared to the rest of the UK and many of our main economic competitors underpins the response to many of Scotland's wider challenges. This requires increased productivity across the Scottish economy and a greater sense of enterprise and entrepreneurship among our people. Increased attention to and investment in innovation is also required.

Both today, and in the future, Scots will have to be highly skilled and adaptable to succeed in the globalised economy. We need to be prepared to move with the times and to keep ourselves up to speed with the changes which technological advance will bring. Only through taking flexible educational opportunities throughout our lives will we be able to do this.

It is essential that we build Scotland's reputation overseas as a place in which to study, work, live and do business. Developing our reputation as a country with a vibrant economy and an open labour market with opportunities for those with the right skills and attitudes is a key to doing this. We must also ensure that Scotland's physical infrastructure is second to none to encourage investment and relocation.

To fully reap the benefits of existing and future economic success, it is essential that Scotland achieves social justice for all its people. This can only be done by tackling the causes and effects of poverty and deprivation. In particular we must tackle exclusion from employment and education among those capable of making a contribution to our economy and society. It

is widely recognised that we have particular challenges among the diverse group of young people classified as NEET (not in employment, education and training) and among those adults who have been out of work for a significant period. Education is a key weapon in the battle for social justice.

It is also important that we develop as a society which is connected to the rest of the world and which values all its members irrespective of gender, ethnic origin, sexuality, religion, faith, disability, background or specific circumstances. These are not simply social issues. If we wish to retain and attract the sort of people who can generate wealth in the modern economy, we must offer an environment of tolerance which encourages free thinking and creativity. It is in all of our interests to educate Scots of the value of equality, diversity and an understanding of the world.

No matter what our attitudes are to the rest of the world, Scotland can never be isolated in terms of environmental impacts. Scotland must work hard to promote environmental welfare and we must be prepared to make difficult individual and collective environmental choices. To achieve this we must place an understanding of environmental issues at the heart of our education system.

We must also work hard with all our young people to make sure that they are fully equipped to prosper in a future which we cannot yet fully comprehend. This means that they have to move into the world of work with the attitudes and transferable skills that will help them achieve success no matter what challenges they face. The education we give our young people is our

legacy to them and we must make sure it is a valuable legacy.

Scotland faces significant health challenges across the population. Some of these must be addressed by a well-trained health workforce applying modern techniques efficiently to meet needs. It is essential that we ensure that all those working in the delivery of healthcare have the best health education possible.

With an aging population Scotland will face increasingly complex medical demands and the costs associated with those. For this reason resources are likely to be more thinly spread than in the past and preventative care will become progressively more important. Essentially this is an educational challenge as much as a health challenge.

Our communities are made up of the people who live in them and the facilities available within them. In order for our communities to thrive it is essential that our people have public spaces in which they can come together. We can achieve the creation of a new type of public space through the smarter development and co-development of new public and private building. We also need to ensure that our people feel safe within their communities. In order to achieve this we must encourage our people to take responsibility for protecting one another. Education will be a significant element of achieving this.

Scotland must work hard to improve its standing in the world. This can be achieved by reaching out to the world to share our culture with others and absorb others' cultures. It can also be achieved by demonstrating the effectiveness of democracy in our country and building a

healthy relationship between our people and their government. A prerequisite to achieving this is through a strong and academically liberated education system from which all our people can benefit.

## Twelve Outcomes for Scotland

### *Addressing Scotland's NEET problem*

By international standards Scotland has a high proportion of young people who are not in education, employment or training (NEET). It is estimated that 35,000 (13.5%) of young people in Scotland between the ages of 16 and 19 are NEET. There is evidence to suggest that 20,000 of these will need some additional support to access and sustain opportunities in the labour market.

In June 2006 the Scottish Executive published *More Choices, More Chances: A Strategy to Reduce the Proportion of Young People not in Education, Employment or Training in Scotland*. The overarching aims of the strategy's approach are to:

- Stem the flows into NEET – prevention rather than cure;
- Have a system-wide (pre and post 16) focus on, ambitions for, ownership of – and accountability for – the NEET group;
- Prioritise education and training outcomes for the NEET group as a step towards lifelong employability, given their low attainment profile; and
- Position NEET reduction as one of the key indicators for measuring the pre and post 16 systems' success.

### *What difference could colleges make?*

As stated above the proportion of young Scots who are NEET in Scotland is high on an international comparison. A breakdown of these figures, however, reveals a more complex picture of how Scotland performs. OECD data shows that, although Scotland has a high proportion of NEET compared to other OECD countries, Scotland also has one of the highest employment rates for 15-19 year olds out of OECD countries.

This apparent disparity is explained by lower education participation within Scotland compared with OECD countries. Young people who are within the core 20,000 NEET group (those that have no obvious or planned route out of NEET) are more likely to have low levels of education than other young people. Despite the often complex range of additional factors which might contribute to these young people being NEET, improving their skills will generally be the most significant component to helping them achieve a sustainable move out of NEET. Colleges, working in partnership, are well placed to offer the educational opportunities these young people need before and after the ages of 16.

This is not simply an option to reduce the number of young people who are NEET. It is a sustainable option to help young people avoid moving into long-term adult economic inactivity. Colleges can help young people across Scotland to move out of NEET by helping them to:

- develop skills that enable them to enter, sustain and progress in employment;
- improve their literacy and numeracy skills; and
- build self confidence, self esteem and raise personal aspirations.

### *What do colleges need to make a difference?*

Evidence suggests that the two main factors relating to NEET are disadvantage and educational disaffection manifested by truancy, exclusion, low attainment and poor motivation. There are also a series of individual circumstances and barriers which are strong indicators of NEET or at risk NEET status.

Specific groups targeted by the Executive's NEET Strategy include care leavers, carers, young parents, offenders, those with low level or no qualifications, persistent truants, those with physical and/or mental health problems and those with substance abuse issues. Some young people who are NEET will fall into more than one of these groups.

Clearly a person-centred approach involving all the appropriate agencies working together effectively will be required to deliver effective outcomes. In many cases the range of complex factors present will slow progress. However, the key to success is sustained and intensive engagement. This is likely to require a higher rate of funding than normal. However, as *More Choices More Chances* states, the estimated additional direct resource cost associated with being NEET is £45,000 (and this figure is possibly higher when opportunity cost is taken into account), so additional investment in this group over and above the normal rate of funding will represent value.

### *Enhancing Vocational Education for Scotland's School Pupils*

For many of our young people a purely academic route is not the best option as they move toward and beyond the school leaving age. This does not mean that education becomes a redundant option for them. If anything, making the right educational choices at this stage is more critical for young people who might enter the labour market at an earlier age than those who choose to go directly to university.

A key element to helping young people make the correct choices is to give them the opportunity to explore all their options including vocational

education options, ideally when they are still at a stage where a range of options are still open to them. In addition to simply giving young people exposure, it is important that any vocational education they participate in is accredited and can lead to qualifications which are recognised by employers and learning providers.

### *What difference could colleges make?*

*Lifelong Partners*, the school and college partnership strategy, sets out how appropriate, meaningful and effective school and college partnership can help deliver vocational education opportunities to our young people. Such partnerships are flexible enough to offer local solutions focussed on the needs of individuals.

The new Skills for Work courses which are mainly delivered through school and college partnerships, are an exciting new development in the school curriculum. These practical courses are designed to be an equivalent option to an existing qualification. They are suitable for all and have employability skills at their core.

Essentially colleges offer something unique to school pupils – vocational education opportunities with qualification options, often delivered in an adult environment, with options to move seamlessly into post-16 vocational education. In addition, the range of vocational opportunities offered to school pupils can help address historical issues relating to gender and other stereotyping of training/occupations. Experience of college at an early age represents a relevant and effective form of careers guidance for many young people.

Options offered to school pupils by colleges within a wider support infrastructure can help young people avoid falling into the NEET group at 16. This is something that our other educational sectors may not be in a strong position to offer to our most disaffected young people.

### *What do colleges need to make a difference?*

School and college partnerships have been successful across Scotland, appealing to many young people who might otherwise have struggled to make the transition between school and vocational education. Such has been the success of partnerships that additional provision could be quickly and effectively absorbed by our young people.

It is important that colleges can offer additional and better quality provision to school pupils without reducing provision to other groups. This is not only important in protecting provision for other groups but it also protects the value to pupils themselves of learning in an adult environment which is similar to that which they might move into after they leave school. Therefore additional funding would be required to further improve the effectiveness and increase the volume of school and college partnership activity.

### *Improving the Flow of Knowledge Between Colleges and Business*

In order to strengthen Scotland's economy and ultimately the success of Scottish businesses, colleges need to build on the work that they do in the areas of business transformation and business improvement. All colleges in Scotland participate in some form of knowledge exchange

with local businesses, however, there is now scope to develop this work further. This should be regarded as a two-way process.

### *What difference could colleges make?*

Colleges are well placed to provide ongoing support to new start up and existing businesses within their locality. This offers huge potential for colleges to engage in knowledge exchange particularly with small and medium-sized enterprises. For some colleges their specialist expertise provides them with a platform for consultancy and involvement in innovation in related industries locally, nationally and internationally.

Colleges have a wealth of expertise and experience in teaching people of all ages and academic ability. This presents us with an invaluable resource at a time when we are encouraging all businesses in Scotland to invest in their human capital. Colleges already have a proven track record in knowledge exchange including the delivery of tailor made training and training needs analysis for the purpose of staff development and skills development for businesses across Scotland.

### *What do colleges need to make a difference?*

There will have to be initial investment to identify, share good practice, build capacity and develop initiatives that strengthen the existing links between colleges and small and medium-sized enterprises and ultimately create an effective knowledge exchange environment in which colleges can play a major role. As part of this work it is crucial that colleges invest in the creation of an increased market demand for the wide variety of knowledge exchange

work that they can offer. Partnership working with other bodies whose role it is to support business development will be essential to this.

### **Building Scotland's Skills Base**

Scotland requires well-trained individuals to operate at all levels of our workforce. This is an essential requirement in the drive to improve our productivity and hence our economic performance. Our skills needs are wide ranging and dynamic. Responding to these is an ongoing process of providing effective and relevant opportunities to learners and businesses. This point is highlighted elsewhere in the recommendations of the Review.

An uplift in skills across the labour market will make a real impact on the productivity of Scotland's economy. This applies equally to those who are already highly skilled, to those with low skill levels and to those who lie somewhere in between. To enhance our productivity through upskilling we must continually consider the needs of our workforce as a whole and address these through flexible, ongoing improvement at the level of the individual worker.

### **What difference could colleges make?**

Our colleges provide a range of flexible opportunities up to SCQF level 10. These provide opportunities to everyone from those with no qualifications and low skill levels who are seeking to enter and move up within the labour market to those with high skill levels who seek to improve through continuous professional development.

Recent dips in Scotland's higher education participation rate highlight the challenges of engaging with learners even when the economic

benefits to the individual of participation are most apparent. Colleges already offer a wide range of higher education options to those who might otherwise never engage in higher education. An increased focus on this area of higher education provision based around collaboration between colleges and universities where appropriate is likely to prove fruitful in raising Scotland's participation rate and hence our high-level skills set.

Colleges have a strong track record of working effectively and collaboratively with businesses of all types, particularly those within the SME category for whom any investment in training will be significant and must produce results. To improve effective collaboration with businesses, colleges must offer greater flexibility in terms of content and mode of delivery. It is also essential that colleges can provide learning opportunities built around equipment that meets modern industry standards.

### **What do colleges need to make a difference?**

There are costs associated with increasing flexibility and in ensuring that our colleges' buildings and equipment retain their relevance. Increases in volume would also require appropriate additional investment from government, businesses or both.

### **Developing Scotland's Care and Health Sector Workforce**

Scotland's population structure has started to change and will continue to do so over the next 20 years. In particular we will see a greater share of the population aged 65+ and many more people living into the 80s and beyond. This is a result of improved health care and longer

life expectancies. Scotland will undoubtedly continue to accrue significant benefits from our older people and, as health among older people improves further, we can expect to see interesting developments in how people spend their golden years.

However, we will undoubtedly see an expansion of Scotland's care and health sectors as a result of our aging population. It is essential that our older people have access to high quality care and health services which meet their needs. These sectors will have to be staffed by suitably trained and qualified individuals.

### *What difference could colleges make?*

While existing models of training provision are adequate to meet existing demands, they are unlikely to be suitable to meet future demands. In health we already see pockets of the country where NHSScotland struggles to recruit suitably qualified health professionals and where healthcare demand is beginning to exceed supply. This problem is accentuated by developments in healthcare and related CPD needs.

It is essential that NHSScotland makes best use of its existing workforce to alleviate some of these problems. This challenge is sometimes emphasised by the disjuncture that can exist between demand for training in different parts of Scotland and provision by our higher education institutions (HEIs) who have traditionally trained our health professionals and others who work in the health sector.

This might not have mattered too much in the past when the traditional school-university-employment route was the predominant route into the health professions. Young people are

generally in a position to move to the provision. However, as we seek to make better use of our existing workforce (particularly our existing NHS workforce) such moves are not so straightforward for individuals who might have commitments which make it difficult to move to where the provision is located. Even if learners are in a position to move this might not be the best solution for NHSScotland, since individuals may not choose to return to the areas where they were previously based.

Partnerships between colleges, HEIs and NHS Education (NES) to develop provision across Scotland would alleviate this problem. Even if full training could not be provided locally, any move to reduce the need to move for a significant length of time would open up health education to people around Scotland who already have a commitment to working in NHSScotland.

On the care sector side, colleges already provide a significant proportion of training to meet Scotland's modern care workforce demands and should continue to work with the public and voluntary sectors to expand and enhance this work as care demands increase.

### *What do colleges need to make a difference?*

Colleges and HEIs need to be encouraged to work together to meet Scotland's care and health workforce needs. NES and NHSScotland are already reaching out to our colleges and HEIs to promote new solutions to NHS training needs across Scotland. It is essential that funding arrangements facilitate and encourage collaboration of this type. It is also important that professional bodies are reassured that colleges and HEIs working together can provide health education of a sufficient standard to

meet professional requirements and maintain standards of patient care.

In terms of working with the care sector there is likely to be continued expansion of existing demand and new areas of professionalisation. Colleges are in a leading position to respond effectively to increasing demand if sufficient resources are available.

### Addressing Disadvantage in Scotland's Most Deprived Communities

A key objective for Scotland is to address inequality and social exclusion. In this respect, colleges are unique. In July 2004 the Scottish Executive launched its six *Closing the Opportunity Gap* objectives. These are:

- To increase the chances of sustained employment for vulnerable and disadvantaged groups – in order to lift them permanently out of poverty;
- To improve the confidence and skills of the most disadvantaged children and young people – in order to provide them with the greatest chance of avoiding poverty when they leave school;
- To reduce the vulnerability of low income families to financial exclusion and multiple debts – in order to prevent them becoming over-indebted and/or to lift them out of poverty;
- To regenerate the most disadvantaged neighbourhoods – in order that people living there can take advantage of job opportunities and improve their quality of life;
- To increase the rate of improvement of the health status of people living in the most deprived communities – in order to

improve their quality of life, including their employability prospects; and

- To improve access to high quality services for the most disadvantaged groups and individuals in rural communities – in order to improve their quality of life and enhance their access to opportunity.

### *What difference could colleges make?*

By their very nature colleges are well placed to work with people from our most disadvantaged communities across the range of objectives listed above. In 2004-05, 27% of college activity was attributable to students in the 20% most deprived areas. However, many colleges can and do go into those areas in Scotland with deepest deprivation, reaching into our 10% and 5% most deprived areas.

Life in our most deprived areas is tough. There are a wide range of complex circumstantial and environmental factors that can affect the ability of people from these areas to engage consistently in learning. However, there is aspiration among people in our most deprived communities and there is a sound economic case for helping them improve their situation. Colleges are equipped to help them realise these ambitions, touching on all six *Closing The Opportunity Gap* objectives.

### *What do colleges need to make a difference?*

For many people in our most disadvantaged communities, particularly adults with low skill levels, the long-term economically inactive and those young people in the NEET group, college offers the most realistic option for improving their skills, qualifications and life chances. As outlined above, colleges are already significantly

engaged in working with people from our most deprived communities.

However, given the complexity colleges often encounter when working with people from our most highly-deprived communities and the need to work with a range of organisations to deliver effectively, the general funding levels are often insufficient. Additional funding allocated on the basis of the Scottish Index of Multiple Deprivation (as per the current allocation of Scottish Funding Council – Social Inclusion Funding and the Community Regeneration Fund) or other relevant measures of deprivation would help colleges and their partners to deliver more effective outcomes for learners from these communities. It is also essential to ensure that any additional institutional funding to support learners from our most deprived communities is matched with appropriate levels of bursary and other student support.

### *Developing and Sustaining Scotland's Remote and Rural Communities*

All over Scotland we have remote and rural communities facing a complex set of issues. Many of the issues faced by our remote and rural communities are the same as those faced in our large towns and cities. These include modern economic development needs and social challenges.

However, there is an additional set of difficulties directly related to living in remote and rural parts of Scotland. These include fragile economies, high reliance on specific industry clusters such as agriculture, fisheries, tourism and energy, infrastructure gaps, outward migration and public service delivery challenges.

### *What difference could colleges make?*

Our rural colleges lie at the heart of our rural communities. They provide learning opportunities that would otherwise be inaccessible within rural communities. In many cases colleges make a significant direct contribution to rural economies both as relatively large scale-employers themselves and as the only training providers servicing key local industries comprising mainly micro businesses.

New communications technology gives our rural colleges new opportunities to offer new modes of learning to learners based in remote and rural communities. If effective partnerships could be forged with other colleges and HEIs in Scotland and elsewhere to capitalise on opportunities, then the possibilities for learners might grow exponentially. Partnership among UHI partner colleges across the Highlands and Islands demonstrates the power of collaboration to help positively transform rural Scotland.

### *What do colleges need to make a difference?*

The biggest challenges facing Scotland's rural colleges are scale and geography. Class sizes tend to be smaller and learners are more widely dispersed than elsewhere and this has a direct effect on the viability of rural delivery. Funding must be designed to effectively maintain and develop the future relevance and range of learning opportunities offered by our rural colleges.

### *Delivering English Language Training for Scotland's Inward Migrants*

Another aspect of Scotland's changing population is the increasing number of incoming migrants being attracted here to live, work and study. These include people from EU accession states in Central and Eastern Europe, people from outside the EU attracted to Scotland through the Fresh Talent Initiative and asylum seekers and refugees who have settled in Scotland.

Responding successfully to English language training needs will be a significant factor in the success of Scotland's inward migration strategy. The ability of migrant workers and other new arrivals to speak English is a key factor in helping them and their families to settle in Scotland and to help them make the required impact on our labour market.

#### *What difference could colleges make?*

The Executive published in March 2007 its Adult English for Speakers of Other Languages (ESOL) Strategy for Scotland, which focuses on publicly funded ESOL provision. Our colleges are well placed to work with partners to meet the needs of the various strands of the ESOL strategy. Colleges already have a presence across communities in Scotland and are widely known for their accessibility to and reputation among learners in those communities.

There is already significant ESOL training activity within the college sector with a number of institutions regarded as centres of expertise. Scotland can capitalise on this to ease the transition for newcomers and improve the 'stickability' and effectiveness of migrants coming to work in our key sectors.

### *What do colleges need to make a difference?*

Colleges provide a cost-effective and responsive option for the delivery of ESOL training around Scotland. As mentioned above, Scotland can draw on significant experience and expertise within our college sector in delivering on any ESOL strategy. Ensuring that colleges are sufficiently funded to develop and disseminate expertise as well as making sure they are funded to meet demand will pay dividends for our economy in the short, medium and long term.

### *Addressing Low Levels of Adult Literacy and Numeracy in Scotland*

Estimates suggest that around 800,000 adults in Scotland have low levels of literacy and numeracy. This has a significant negative impact on their life chances and overall quality of life. It also impacts negatively on the Scottish economy and the skills levels of the Scottish workforce as a whole.

Although this presents Scotland with a significant challenge we can be optimistic about our chances of addressing the issue. Significant resources have been invested to support those who wish to improve their skills, and activities such as, *The Big Plus*, are helping to remove the stigma attached to having literacy and numeracy difficulties.

#### *What difference could colleges make?*

Our colleges are well placed to work with Adult Literacy and Numeracy (ALN) partnerships to address these issues. Indeed this is already well up the list of our colleges' priorities across the country.

By its very nature literacy and numeracy issues tend to affect those for whom formal education

has not previously worked well. This can happen for a range of diverse reasons. Scotland's colleges build their business around offering alternative educational approaches to those for whom traditional educational approaches have not worked well. Embedding literacy learning within vocational training is one way of helping to ensure that learners are given the greatest opportunity to succeed in their learning.

Colleges are not the only organisations who are effective in this field. However, they are key players and, working with others, have a crucial role to play in helping learners achieve their true potential.

### ***What do colleges need to make a difference?***

There are costs associated with this work. Progress can be slow and different methods work for different people. Research has shown that an effective method of colleges delivering real change is through providing embedded literacy support in vocational courses. This reduces drop-out rates, and increases attainment levels by ensuring that literacy learning is set within the context of the learner's vocational learning. Additional dedicated funding would allow this practice to be rolled out and help deliver real change.

### ***Nourishing Scotland's Culture of Enterprise and Entrepreneurship***

If we are to successfully grow Scotland's economy we need to improve the rate of business start up and encourage our people to be more enterprising. For a range of reasons Scotland has lower rates of entrepreneurship than other parts of the UK. The Scottish Executive and other bodies are working

together to engender a spirit of greater enterprise and entrepreneurship across Scotland. Successful entrepreneurs are participating in this work, lending their expertise and passion to encourage our young people to engage in entrepreneurial activities.

### ***What difference could colleges make?***

Each year somewhere in the region of 370,000 people pass through Scotland's colleges. Most do so to improve their skills and employability. This presents us with superb opportunities to encourage and empower people of all walks of life to start their own business. Many of these people would never otherwise have the confidence or wherewithal to even contemplate such a move. Many courses already cover aspects of self employment and business start-up.

Building on the work of *Determined To Succeed* among young college learners and developing new methods to promote entrepreneurship among older college learners could help transform latent aspiration into business start-ups. Approaches such as enterprise modules, enterprise strands within seemingly unrelated courses, business incubators and input from successful entrepreneurs could all be utilised to engender a greater spirit of entrepreneurship within learners at Scotland's colleges.

### ***What do colleges need to make a difference?***

We can take advantage of the opportunities our colleges offer to help create a cultural move toward enterprise and entrepreneurship in Scotland. An approach specifically designed to build on the enterprise in education elements

of *Determined To Succeed* in a college setting could prove most appropriate. A forum to engage with successful entrepreneurs, other experts and other agencies operating in the enterprise and entrepreneurship arena interested in helping develop this work would be extremely useful as would some seed corn or venture capital funding to allow learners to gain practical experience of running a business as part of their course.

### *Developing Community Hubs Across Scotland*

Scotland is currently modernising its public service buildings. Our schools, hospitals, healthcare centres, leisure facilities, libraries and other public buildings are being overhauled and in many instances replaced. This is a national project with two overriding priorities – cost effectiveness and fitness for purpose.

### *What difference could colleges make?*

Our colleges are also going through an estates transformation. All over Scotland colleges are building facilities fit for the 21st century. In many cases new and improved facilities within our colleges are open to the public.

Allied to this there are some notable examples where we are seeing a new approach surface. Colleges are emerging at the centre of community hubs where a range of facilities and public services are available under one roof. Developments such as this are more than just cost effective, they can transform communities and offer a new, vibrant and relevant type of civic centre, sometimes in areas where no such centre previously existed. An ongoing spirit of partnership between colleges, public service providers such as local authorities and

NHSScotland, and private sector organisations can continue to transform the heart of our communities.

### *What do colleges need to make a difference?*

Ongoing capital investment, allied with the freedom and vision to forge creative partnerships with the widest range of partners, will allow our colleges to make a contribution to the development of Scotland's infrastructure beyond what could have been imagined a decade ago.

### *Promoting Volunteering Activities in Scotland*

In Scotland we are seeking to 'embed a robust culture' of volunteering. We want it to be commonplace for people to volunteer whilst they are at school, college or in higher education. It is therefore important that all education institutions in Scotland have a volunteering ethos. The benefits of volunteering to the individual volunteer, the local and wider society are now widely recognised in Scotland and we must use this to encourage people in colleges to engage in volunteering activities. Beyond volunteering, the importance of the accreditation of both prior and informal learning is important to consider.

### *What difference could colleges make?*

There are real benefits to be had by progressing volunteering development in our colleges. For the simple fact that colleges reach 350,000 people a year covering all age ranges places them in a good position to promote the benefits of volunteering to a wide range of people.



Importantly our colleges now recognise the role that volunteering can play to help them meet some of their aims: skills – vocational and employability – and personal development; enhancing student employability; supporting the local community; developing active citizenship; engendering a culture of commitment; and engaging learners. Working in partnership with the voluntary sector colleges need to develop volunteering opportunities at a local level that are flexible enough to match both students' circumstances and their interests. A critical element of this partnership is developing some consistency of accreditation of prior learning related to volunteering activities as a recognised means to accessing college courses and other educational opportunities.

### *What do colleges need to make a difference?*

Current action on volunteer development in Scotland's colleges is uneven so there is a danger that the benefits volunteering can bring to students are not maximised across the entire college sector. More needs to be done to collect and effectively share good practice that shows how volunteering can contribute to key priorities such as citizenship, employability, learner engagement, individual learning plans, exit guidance, personal development and accreditation of prior learning right across Scotland. This work would be enhanced by a short-term forum of enthusiastic and experienced college staff in the area of student volunteering development. This group would have the ability to draw on the expertise and advice of national volunteering organisations and would also be well placed to take forward the preparation on best practice documents.

## Specific Pressures on Scotland's Colleges

Like all organisations colleges face a wide range of day-to-day pressures in delivering against their core mission. These will often make contrasting demands on college resources. However, such pressures will always be with us and dealing with these is within the remit of college management teams. However, Scotland's colleges currently face a number of significant, specific challenges which may limit their effectiveness in delivering against existing and future objectives. This section of the report seeks to identify and to an extent quantify these pressures.

### Delivering Financial Sustainability Across the Sector

Improving and maintaining the financial sustainability of the sector has been a high priority for the last few years. The Funding Council has provided significant additional funds to the sector to help it address financial sustainability. This has been in addition to an overall focus on improving college management and making better use of the resources available.

To date, the financial sustainability campaign for the college sector has been largely successful. This can be demonstrated by the sharp reduction, 18 in 2002 to three in 2005, in the number of Scotland's colleges with an underlying operating deficit.

It is important to note that to date the financial sustainability for the college sector is being achieved at a time when the sector faces significant above inflation costs pressures for other things such as:

- legislation and regularity requirements, e.g. disability, equalities, disclosure;
- increasing utility costs;
- improving social inclusion and widening access;
- the cost of maintaining and improving college estates;
- pensions (see below); and
- salary pressures.

The Funding Council has provided additional funds to help reduce the impact of these factors on the financial sustainability campaign. However, it is likely that these funds will only partially cover the full costs of dealing with these issues.

### Reductions in European Funding

Colleges have historically been very successful in attracting and accessing European funding. In 2004, 3% (£21.8 million) of college income came through direct European Social Funding (excluding ERDF). However, this figure understates the impact of reductions as the college sector also accrues significant additional income from participating in European Social Funding (ESF) funded partnership projects.

For the majority of colleges, ESF income has to date been used to support social inclusion and widening access programmes and to deliver targeted skills training for small businesses. It has also enabled colleges to review and invest in course design and development, including e-learning and staff development, thereby adding value to activities and ultimately improving the outcomes from education and training. The ERDF grant received has been used to support substantial estates and infrastructure investment which has greatly improved the learning environments for Scotland's students.

If colleges are unable in the future to access the same levels of European funding or some public sector replacement funds, then it will reduce their capacity to offer programmes aimed particularly at those re-entering the labour market and those in disadvantaged communities and will ultimately result in a loss of educational outcomes for Scotland.

### Increased Pension Costs

All across the UK employers are experiencing the pressure of increased pension costs. There is, however, no escaping that pensions in general are consuming a larger proportion of salary costs for colleges in Scotland than ever before. Whilst colleges had been expecting, and had budgeted, for a rise in the Local Government Pension Scheme (LGPS) pension rates, the changes to the Scottish Teachers Superannuation Scheme (STSS) and the additional associated costs totalling £3 million over academic years 2006-07 and 2007-08 were unexpected. Neither of these pension schemes have officially announced employer contribution rates beyond the year end 2009.

Current estimates suggest that the publication of the STSS consultation response will see the sector pension costs increase by around £4 million from 2007-08 to 2010-11. These predictions are based on staffing volumes and salary levels remaining unchanged.

Scotland's colleges have received additional funding to reduce the impact of increased pension contributions. It is likely that colleges will again in the future need support in covering pension costs too if we are to ensure no damage to overall college provision.

### Continued Investment in College Estates

With the extensive capital programme in place we need to ensure that colleges have the resources to progress. Colleges that have not executed complete rebuild of their estates need sustainable capital in order to ensure that their estates do not fall into a state of extensive disrepair.

The college estate is essentially in a transitional state, given that more than 50% of colleges have, or are in the process of preparing to, implement major capital projects. Although a number of these approved developments are dependent upon the availability of capital funding beyond 2007-08. The majority of the other 50% of colleges are currently developing infrastructure investment proposals for their estates.

We believe then that there is a need for sustained levels of capital investment to bring all of Scotland's College estate to a position of relative parity and to ensure the long-term sustainability of Scotland's Colleges in state-of-the-art 21st Century learning environments.

## Annex

# Membership of the differences colleges make working group

John Burt, Angus College (Chair)  
Gerald Wilson, Further and Adult Education, Scottish Executive (Secretariat)  
Lilian Anderson, National Union of Students Scotland  
Col Baird, Review of Scotland's Colleges, Scottish Executive  
Lesley Berry, Skill Scotland  
Carl Bow, Scottish Enterprise  
Garry Clark, Scottish Chamber of Commerce  
Karen Corbett, HM Inspectorate of Education  
Gordon Craig, Scottish Funding Council  
Jacqui Hepburn, Scottish Skills Development Agency  
Adam Gaines, Equalities Co-ordinating Group  
Julie Gilstrap, Association of Scotland's Colleges  
Brian Lister, Cumbernauld College  
Colin MacBean, Analytical Services, Scottish Executive  
Gordon MacDougall, Careers Scotland  
Linda McTavish, Anniesland College  
John Duffy, Scottish Funding Council  
Gerhard Mors, Analytical Services, Scottish Executive  
Christina Potter, Elmwood College  
Audrey Robertson, Further and Adult Education Division  
Gordon Rogers, Scottish Qualification Authority  
Mary Senior, Scottish Trades Union Congress  
Sean Stronach, Learning Connections/Communities Scotland

The Working Group met 6 times between June 2006 and January 2007.

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