

## Colleges: Reclassification

**Organisation:** Learning and Justice

**Source:** Scottish Parliament - Scotland Written Answers

**Date:** 02.06.13

Liam McArthur (Orkney Islands) (Scottish Liberal Democrats): To ask the Scottish Government what the implications are for (a) borrowing by the college sector, (b) learners, (c) planned capital programmes in the college sector, (d) procurement in the college sector, (e) charitable status in the college sector, (f) college governance, (g) access to the European Social Fund, (h) capital funding and investment, (i) commercial income, (j) UK-wide activity, (k) international activity, (l) cash reserves and (m) colleges that are not incorporated as a result of the decision of the Office for National Statistics to reclassify colleges as part of central government in Scotland.

(S4W-14991)

Michael Russell: The implications of the decision of the Office for National Statistics to reclassify colleges as part of central government in Scotland are as follows;

(a) Borrowing - Consolidated Budgeting Guidance, available at:

[http://www.hm-treasury.gov.uk/d/consolidated\\_budgeting\\_guidance\\_201314.pdf](http://www.hm-treasury.gov.uk/d/consolidated_budgeting_guidance_201314.pdf)

sets out the treatment of borrowing for central government sponsored bodies at chapter 9. Scottish Ministers are committed to working with colleges to minimise the impact on Scottish budgets from this change whilst maintaining any planned investment funded from borrowing.

(b) Learners - none. We set out our ambitions for improving the Post 16 education system for our learners in 2011 through Putting Learners at the Centre. Those ambitions remain following reclassification.

(c) Planned Capital Programmes in the college sector - Ministers are committed to working with colleges to maintain their current capital investment plans. Ministers have already taken steps to mitigate any risks to the affordability of the three college NPD projects, by ensuring the continued use of accumulated reserves for the purpose defined within their business cases.

(d) Procurement - none. We do not expect reclassification to have an impact on procurement. Colleges are already subject to EU Procurement Directives and would continue to be so when reclassified as central government bodies.

(e) Charitable status - none. Reclassification will have no impact on the charitable status of the affected colleges.

(f) College governance - none. Existing arrangements and our plans set out in the Post-16 Education (Scotland) Bill currently before the Scottish Parliament are unaffected by reclassification.

(g) Access to European Structural Funds (ESF) - none. We do not expect reclassification to have an impact on colleges' ability to access ESF.

(h) Capital funding and investment - none. Ministers will maintain previously announced levels of capital funding and investment to colleges.

(i) Commercial income - none. Reclassification does not impact on colleges' ability to secure commercial income.

(j) UK wide activity - none. We do not expect reclassification to have an impact on UK wide activity undertaken by the affected colleges.

(k) International activity - none. We do not expect reclassification to have an impact on international activity undertaken by the affected colleges.

(l) Reserves - Consolidated Budgeting Guidance sets out the treatment of reserves for central government sponsored bodies at chapter 9. Ministers are committed to working with colleges to find ways of mitigating the impact of the change on deployment of reserves.

(m) Unincorporated colleges - none. The Office for National Statistics classification decision relates only to incorporated colleges.

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