

Glasgow Kelvin College

Learning and Teaching Committee Meeting of 28 February 2024

Flexible Workforce Development Fund

Report by Director of Student Experience and Enterprise

1. Introduction

This paper informs the Learning and Teaching Committee that the Flexible Workforce Development Fund for 2022/23 and 2023/24 has been withdrawn by the Scottish Government and the likely impacts of that withdrawal on the College.

2. Withdrawal of Flexible Workforce Development Fund and Impact on the College

Members are referred to the last Flexible Workforce Development Fund (FWDF) paper which was presented to the Learning and Teaching Committee on the 8th March 2023. That paper detailed how the FWDF supports the College's strategic objectives and its contribution to the College's financial sustainability. The following is an extract from that paper which showed that, although the national FWDF had been cut, it nonetheless generated significant income for the College.

"For 2022/23, there was a significant budget cut across the national FWDF programme. For Glasgow Kelvin College, this equates to around 45% reduction in the Levy Fund allocation and 26.5% reduction for the SME Fund allocation from last year's allocation total of £588,000. The College's total allocation for FWDF 2022/2023 is £322,939."

The 2023/24 FWDF allocation had not been announced in time for the start of the operating year. Consequently, all expressions of interest from employers had to be delayed until the Fund was announced. Thirty-nine employers had contacted the College about the 2022/23 FWDF programme.

However, on the 20th December, the Scottish Funding Council was informed by the Scottish Government that there would be no FWDF available for 2023/24. Furthermore, on the 21st December, it was announced that there would be no FWDF for 2024/25 either, removing FWDF from the College business support portfolio and revenue stream for the foreseeable future.

Appendix 1 shows the communications between the Scottish Funding Council and the sector with regards to these decisions.

3. Impact on Glasgow Kelvin College

Two members of the College staff were employed to manage and deliver the FWDF. Had the College not taken pre-emptive action, these employees would have been at risk of redundancy. However, the College had anticipated the possibility of the FWDF being withdrawn and redeployed these colleagues into other areas of the College. Consequently, there is no risk to job security as a result of this Scottish Government decision.

Similarly, the College took an early decision to remove FWDF income from its financial forecasts for 2023/24 before the announcement was made.

However, this Scottish Government decision has removed over £300,000 of annual planned income to the College, which has impacted not only College finances but the College's relationships with employers. The impact of losing £300,000 income to the bottom line is c£70,000. The full impact of withdrawal of new FWDF has been reflected in the Quarter 1 Forecast.

The College continues to deliver a range of City & Guilds commercial programmes which are constantly over subscribed and is actively looking at new ways of engaging employers.

The Further Education Innovation Fund, which members will also discuss, has employer engagement at its heart and is one mechanism by which the College can maintain employer relations.

There is no doubt, however, that the withdrawal of the FWDF has had a significant impact on the College's, and the sector's, ability to engage with employers and the myriad benefits of doing so.

4. Resource Implications

The withdrawal of the FWDF has implications for staff and financial sustainability. Two members of staff have been redeployed elsewhere in the College and an estimated £300,000 per year, equating to a bottom line impact of c£70,000 has been removed from College income.

5. Impact on Students

There are impacts for commercial students who come from employers to engage in FWDF learning. This learning opportunity has now been removed from them, with impacts on their own career development and on employer growth.

6. Risk and Assurance

The College had anticipated the withdrawal of FWDF some weeks before the announcement and made provision for the staff involved and adjusted income forecast.

7. Equality

There are no Equality impacts as a result of this paper.

8. Data Protection

There are no Data Protection implications as a result of this paper.

9. Environmental and Sustainability

There are no Environmental or Sustainability impacts as a result of this paper.

10. Recommendations

The Learning and Teaching Committee is requested to note the contents of this paper.

11. Further Information

Further information is available from Alastair McGhee, Director of Student Experience and Enterprise at amcghee@glasgowkelvin.ac.uk

Glasgow Kelvin College
A McG
Date: 25th January 2024

Appendix 1: Communications from Scottish Funding Council

20th December 2023

Dear Principal

You will be aware that we have been waiting for a decision on funding for the Flexible Workforce Development Fund for AY2023-24. In her budget statement to Parliament yesterday, the Cabinet Secretary for Finance underlined that there continues to be ongoing, significant pressures on the Scottish Government budget and difficult decisions have therefore had to be made. As a result, we understand that today the Minister for Higher and Further Education; and Minister for Veterans has written to the Education, Children and Young People Committee to inform members that there is no funding available for FWDF in this academic year 2023-24. Decisions on AY2024-25 have still to be made.

We understand that this news will be incredibly disappointing for the sector and employers given the positive relationships that have been developed over the past six years. We remain committed to supporting an education and skills system that responds to the needs of Scotland's learners and employers. Our priority following this and the budget announcement will be to work with the sector to consider how we make best use of the resources available to enable colleges to maximise opportunities for learners and be responsive to employers' needs building on the strong foundations they have built over recent years.

Your sincerely

Sharon Drysdale | Scottish Funding Council
Deputy Director Skills and Coherent Provision
T 0131 313 6682 / 077 4747 2430 | F 0131 313 6501 | E sdrysdale@sfc.ac.uk

21st December: From Sharon Drysdale – Scottish Funding Council

Dear Principal

On 20 December we informed the sector that, due to the significant pressures on the Scottish Government budget there was no Flexible Workforce Development Fund (FWDF) funding available for AY 2023-24. At that time there was no decision on funding for AY 2024-25.

SG officials have now made us aware that the Minister wrote to the Education, Children and Young People Committee on 21 December confirming that, due to unprecedented budget pressures, there is also no provision for FWDF in the SG budget for AY 2024-25.

We understand that this additional news will be incredibly disappointing for the sector. We remain committed to supporting an education and skills system that responds to the needs of Scotland's learners and employers. As stated in our last correspondence our priority

following the budget announcement will be to work with the sector to consider how we make best use of the resources available to enable colleges to maximise opportunities for learners and be responsive to employers' needs, building on the strong foundations you have developed over recent years.