

Scotland and the Economic Downturn

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What this presentation will cover:

- Scotland's Colleges organisation
 - Scotland's recent economic performance
 - Scottish Govt Economic Recovery Programme
 - Economic downturn and Scotland's Colleges
 - Barnett Consequentials
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Scotland's Colleges

- New organisation
- Merger of ASC, SFEU, COLEG & SCI
- Chief Executive appointed December 2008
- 1 June 2009 – constitutional changes

Scotland's Economic Performance (Scotland's Chief Economist Dr Andrew Goudie)

- Evidence suggests that the Scottish economy has been in recession since mid-2008
- Future growth expectations revised down
- Decline in output is expected to continue throughout 2009 and into 2010
- Employment is expected to continue to decrease through 2009 and 2010
- Weak levels of global demand will continue to depress economic activity in Scotland

Scottish Government's Economic Recovery Programme

- Re-shaping capital spending plans
- Ensuring all government activity, including planning and regulation, supports economic development
- Intensifying support for Homecoming 2009 to boost tourism
- Intensifying work around fuel poverty and energy efficiency
- Increasing advice and support to businesses and individuals
- Improving financial advice and support to individuals

Scottish Government's Economic Recovery Programme – continued

- *Colleges and universities are benefiting from £13 million of extra infrastructure improvements.*
- *We are ensuring key skills and learning bodies work together to focus their activities on creating the skills required for economic recovery. For example, the Scottish Funding Council agreed to **additional** support of £7 million for colleges to enable them to cope with an increased demand for learning by employees who have recently been made redundant.*

Scottish Government's Economic Recovery Programme – continued

- The colleges have a pivotal role in Scotland's education system; but it's not a system
- Too much time spent on reacting to changes in policy, position, funding, economic performance: it is essential that the colleges move to shaping the agenda and leading the debate on skills development and further and higher education in Scotland

Scottish Government's Economic Recovery Programme – continued

- *The Scottish Funding Council has allocated an **additional** £7 million to Scotland's 43 publicly-funded colleges to allow them to respond quickly and flexibly to local redundancies and provide support to Partnership Action for Continuing Employment (PACE)*

Economic downturn and Scotland's Colleges

- 27 May – 32,335 additional applications compared with May 2008
- Represent 80% of sector by activity
- Applications for non-advanced – 34% increase
- Applications for advanced – 36% increase
- Biggest increases in 25-34 years olds
- 18-24 year olds next biggest increase
- 72% increase in 18-24 claiming jobseekers allowance
- Barnett Consequentials - £29m

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