

Minister for Higher and Further Education; and
Minister for Veterans
Graeme Dey MSP

T: 0300 244 4000
E: scottish.ministers@gov.scot

Sue Webber MSP
Convener
Education, Children and Young People
Committee
The Scottish Parliament
Edinburgh
EH99 1SP

By email: ECYP.committee@parliament.scot

25 June 2024

Dear Convener,

Update to Education Committee – post school reform

Following my previous correspondence of 27 March 2024 where I provided an update on post-school reform work ongoing in the Scottish Government, I write to you today to provide a further update on reform and continuous improvement of the post-school education and skills system.

Simplification of the funding body landscape

One of the most significant structural recommendations of both the Withers Review and the Purpose and Principles was to simplify the funding body landscape for the post-school system. In my statement in December, I did not rule out a single funding body, as recommended by James Withers, but I did commit to bringing learner support funding together in one place, and funding for apprenticeship provision together in one place.

Detailed work has been underway since my statement to examine the options to deliver this commitment. I am pleased to update the committee on the progress made to date and the next steps to deliver this.

In taking forward this work it has been important to use the available evidence and to consider the widest range of options available before arriving at a shortlist to be taken forward for further, detailed development. To do this, officials have completed a Strategic Outline Case for this work, following the HM Treasury Green Book Guidance as their framework for development.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

All available options were considered based on their ability to deliver the following objectives:

1. To simplify operational responsibility across the post-school funding body landscape – ensuring fairness, transparency and maximising value for public investment.
2. To reduce costs and increase efficiencies in the operation of the system – enabling more of the investment made by the Scottish Government to flow directly to learners and employers by reducing the costs of administering the system.
3. To improve availability and quality of data collection to inform investment decisions, skills planning priorities and careers advice - ensuring the system is more responsive to the needs of learners, employers, the economy and society.
4. To enable targeted and equitable distribution of funding to support the learner - ensuring that people, at every stage in life, have the opportunity and means to develop the skills, knowledge, values and attributes to fulfil their potential and to make a meaningful contribution to society.

Based on this assessment, two options were deemed feasible and sufficiently meet the required criteria to be progressed to outline business case stage.

These two shortlisted options will be progressed to assess their value and deliverability alongside the baseline of maintaining the system in its current form without structural changes.

These options are:

- To consolidate all funding for provision within the Scottish Funding Council and all funding for student support within the Student Awards Agency Scotland.
- To consolidate all funding for provision and student support within the Scottish Funding Council.

Both of the options outlined above, alongside a third, baseline “business as usual” option, will be taken forward to a full outline business case. We expect this work to continue into Winter 2024.

Consultation on legislation

In parallel to this work continuing, we are launching a consultation later today on proposals for legislation needed to simplify the funding body landscape. The Bill will make the changes to legislation to enable responsibility for securing and funding all forms of post-school learning, including apprenticeships, to be brought into one place. Taken together with the development of new policies and approaches, this will facilitate different ways of delivering apprenticeships (and student support) so that the system is easier for learners to navigate. It will also help to ensure people have access to the skills and training that employers need. The consultation paper will be available [here](#). The consultation closes on Friday 20 September 2024.

Next Steps

Officials will be inviting stakeholders from across the system, in particular our public bodies, to join technical working groups in Summer 2024 to bring their subject matter expertise to the further development of the shortlisted options. This evidence will be considered alongside responses to the consultation by Ministers in their decisions on next steps.

I recognise that consultation on options that propose a change to where responsibilities sit within the public bodies landscape introduces uncertainty for the staff currently working within

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

those bodies. Careful consideration will be given to what this will look like for staffing and other administrative provision as work to flesh out the detail of these options continues. This will include detailed work with affected bodies, their trade unions and their staff, aligned to the principles of Fair Work.

Wider Reform of the Post School Education and Skills System

In addition to the action outlined above, we have also made progress across a range of other work to improve and reform the post school education and skills system. In many cases, this involves my officials working closely with teams leading on Education Reform. To support this, the Cabinet Secretary has established an Education and Skills Reform Ministerial Group which brings together partners working in schools and in the post-school system, to support and challenge us in looking at reform issues right across the system.

I have set out a summary of post-school and skills progress below, together with further information (at Annex A) on how we are responding to the recommendations in James Withers' Independent Review of the Skills Delivery Landscape.

Skills Planning

This reform activity directly contributes towards our aim of making the education and skills provision more responsive to Scotland's strategic skills needs. Cross-government work on skills planning has begun and will inform the design of new national skills planning processes by March 2025. A Scottish Government led skills planning function will help develop a better understanding of skills needs at the national level, and how we can better address them, particularly where solutions lie within the education and skills system. This work will be critical in ensuring we meet one of the key aims of our work: to ensure that the system is more responsive and in a better position to meet our economic, environmental and social needs and ambitions.

My officials continue to engage relevant stakeholders on developing a future approach to regional skills planning, particularly through Regional Economic Partnerships, where colleges, universities, employers, local authorities, and enterprise agencies are already deliberating skills priorities according to their local strategies. I have been clear that any work in this area should build on the good practice found across the system, and the efforts made by SDS and SFC to date. We intend to share a set of guidelines for developing a robust approach to regional skills planning by September, after duly considering the inputs we are receiving from stakeholders in this regard over the summer. Regional skills planning will inform and be informed by national skills priorities.

Apprenticeships

The aim of apprenticeship reform is to: reduce the complexity of the existing apprenticeship system; make it more transparent and maximise the value of investment to learners and the economy.

Work is underway to develop an evidence base for the work to improve the apprenticeship models for Foundation, Modern and Graduate Apprenticeships. We expect this work to take until the end of the year. We will then work with stakeholders and learners to build on the strengths and make improvements to the models over the next few years.

Careers

I have outlined to Committee previously the importance I place on good quality careers information advice and guidance to help support people make informed choices. I have also set out that through the current careers offer, the work of DYW and mentoring offered by partners including Career Ready that the foundations are already in place.

My immediate focus remains on developing a clearer, coherent offer for learners and also looking to build clearer pathways for employers to support and be involved in shaping the support provided. This does not rule out structural changes to careers delivery and I will continue to give further thought as to how best to work with key partners, including the members of the Careers Services Collaborative, to develop an offer that is truly user and learner focused: ensuring that those requiring support are enabled to make choices that will lead to fair and sustainable work and rewarding careers that contribute to our economy and society.

Post School Qualifications

The Education (Scotland) Bill, which will establish the new qualifications body, Qualifications Scotland, was introduced to the Scottish Parliament on Wednesday 5 June 2024. This will see Qualifications Scotland replace the SQA. It is expected to become operational in Autumn 2025. My officials are working with stakeholders including SQA to build up an understanding of the post-school qualifications landscape and to define the oversight role for the new qualifications body, as set out in the Purpose and Principles. The aim of this is to deliver the agility in the system that we will require moving forward and ensure that post school qualifications deliver the very best outcomes for learners and the economy.

Independent Review of CLD

The Independent Review of Community Learning and Development (CLD) led by Kate Still which started in December 2023 is ongoing and will be published this summer. This review has examined the extent to which CLD is delivering positive outcomes for some of Scotland's most vulnerable learners and marginalised groups.

Consultation on Reform of College Regional Boards

As I announced in Parliament on 16 May 2024, we are starting a process to consider reforming the regional bodies in Glasgow and Lanarkshire. A consultation paper on the future of the regional strategic bodies in the Glasgow and Lanarkshire college regions was launched on 17 June. The consultation provides an opportunity for consultees to consider the costs and benefits of dissolution as well as to put forward proposals for future regional collaboration to ensure streamlined learner pathways and effective regional skills planning and provision. This consultation will close on Friday 20 September.

Student Support

On 12 December 2023, I announced that for the 2024-25 academic year we would be providing a £2,400 uplift to the higher education student support packages, bringing support up to £11,400 for students from the lowest income households. This uplift represents the third and final step in delivering a total package of student support equivalent to the Living Wage as committed to in the 2021-22 Programme for Government.

Scottish Ministers, special advisers and the Permanent Secretary are covered by the terms of the Lobbying (Scotland) Act 2016. See www.lobbying.scot

St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

Recognising there is room for improvement with regards to parity of support on offer to learners, there is work underway to review the support available for those studying part time or flexibly, which we committed to in the 2023-24 Programme for Government. Once we have completed this evidence gathering phase, options to address any issues identified will be developed, ensuring that any future changes are both fair and sustainable.

In addition to the work being led by the Scottish Government, the Committee will wish to note the on-going work on the part of our public bodies to deliver continuous improvement across the system. Examples include the ongoing development of online resources in My World of Work by SDS and the introduction of a new Outcomes Framework and Assurance Model by SFC.

Conclusion

My officials recognise the importance of partnership working across the post-school landscape and system to get this right. We will continue to engage with relevant stakeholders as this work develops further.

I also look forward to continuing to work constructively with the Committee on the post-school education reform agenda and would be happy to consider further Parliamentary exploration when Parliament returns after the summer break.

Given the range of interests in post-school reform, I am sharing this update with the Economy and Fair Work Committee and the Public Audit Committee.

Yours sincerely

Graeme Dey MSP
Minister for Higher and Further Education; and Minister for Veterans

Independent review of Scotland’s skills delivery landscape

Ministers issued a response to James Withers’ Independent Review of the Skills Delivery Landscape on 6 December 2023 as part of a statement to Parliament. Ministers have clearly indicated in communications that, in the publication of the Purpose and Principles Initial Priorities, we have accepted the premise of much of what was recommended in the Withers Review.

The recommendations in the Review, alongside other evidence, informed the position on key areas in the Purpose and Principles which arrived at broadly the same conclusions around the challenges in the system and the actions required to improve it.

We have set out in the table below where the actions and next steps to which Ministers committed in the Initial Priorities mirror the direction of travel recommended by Withers. These indicate where we have accepted the premise of the recommendation within the Withers Review and have either taken action, are considering options or have yet to take action.

Withers’ Recommendations	SG Current Position
New culture of leadership from Scottish Government (Recommendation 1).	<p>PREMISE ACCEPTED – ACTION TAKEN</p> <p>The position adopted by Ministers since the Withers Review has demonstrated commitment to bolder and more holistic leadership from the Scottish Government.</p> <p>The Purpose and Principles for Post-School Education, Skills and Research sets out the Scottish Government vision and long-term outcomes for our post-school education system in Scotland. The new governance that we have put in place for the education and skills reform programmes will enable Ministers to drive forward progress in line with these outcomes and demonstrates the importance we place on looking at post-school and skills reform alongside school age education reform. The governance includes a Chief Executive Forum which will build a consistent approach to education and skills reform in line with wider Public Sector Reform ambitions.</p>
Define success and end the division in language and philosophy (Recommendation 2).	<p>PREMISE ACCEPTED – ACTION TAKEN</p> <p>A shared lexicon was developed and published alongside the Purpose and Principles for Post-School Education, Research and Skills in June 2023. This begins to address challenges around the use of language. The shared, system-level outcomes detailed in the Logic Models for the Purpose and Principles will enable clear and consistent evaluation and monitoring of post-school performance which will help to evidence decisions and end divisions in philosophy. Read-across to school education will be essential for this to succeed.</p>

<p>To move responsibility for national skills planning from Skills Development Scotland (SDS) and Scottish Funding Council (SFC) to the Scottish Government. (Recommendation 3)</p>	<p>PREMISE ACCEPTED – ACTION TAKEN</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment ‘to take responsibility for skills planning – developing an approach at a national level that works with partners to set clear priorities’.</p> <p>Significant work has started on the commitment we have made for the Scottish Government to lead skills planning at the national level. The Minister for Higher Education, Further Education and Veterans has led numerous discussions with Ministerial colleagues, employers, colleges, universities and other stakeholders about how skills planning should be approached in the future.</p> <p>Officials are aiming to complete an exercise across Scottish Government portfolios this summer to develop a better understanding of specific skills needs and how we can address them. This activity is a key first step and will help us develop a better understanding about future skills needs. The insights that policy teams share will help assess potential changes in provision across the system to address skills shortages, and how we engage with the Scottish Funding Council and institutions on future provision. These insights will also help identify issues besides skills that are causing labour shortages, which we can highlight with relevant colleagues and partners. This exercise will inform the design of new national skills planning processes by March 2025.</p>
<p>The Scottish Government to oversee sector and regional skills needs and establish a template for regional skills planning, enabling regional partners to respond to local needs (Recommendations 3 and 4).</p>	<p>PREMISE ACCEPTED – ACTION TAKEN</p> <p>Linked to our commitment to take responsibility for skills planning, the Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment to regional skills planning approaches that builds on existing regional economic partnerships and has employers and local providers, in particular colleges, at the centre’.</p> <p>Work has commenced on determining how skills planning could be strengthened at regional levels, so that key stakeholders at local levels can better respond to skills needs according to regional ambitions, whilst remaining aligned with national priorities. Ministers and officials have engaged with the Regional Economic Partnership Network, where colleges, universities, employers, enterprise agencies, and local authorities are represented. Views are being gathered from colleges and various Regional Economic Partnerships on a future approach,</p>

	<p>and to identify good practices already in place that can be built on. Further information for partners on the approach to regional skills planning will follow later in the year, starting with a set of guidelines we could use for regional skills planning by this Autumn.</p>
<p>To establish a new single funding body, which brings together responsibility for all post-school learning and training funding functions from SFC, SDS and, potentially, the Student Awards Agency for Scotland (SAAS). (Recommendation 5)</p>	<p>PREMISE ACCEPTED – ACTION TAKEN</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment ‘to investigate the options to deliver a single funding body, including tuition and living cost support, paying regard to issues such as the status and scope of the body’s responsibilities’.</p> <p>The funding landscape for post-school education and skills is extremely complex and fragmented. A strategic outline case has been developed, following HMT Green Book guidance, exploring all potential options to deliver simplification of the funding body landscape, up to and including a single funding body. This work is now ready to progress to outline business case stage, with the input of public bodies and stakeholders, to determine which of the shortlisted options will be the preferred way forward. Delivery of the shortlisted options would require changes to legislation. A consultation on these options is being published on 25 June and will be open until 20 September. Consideration of the consultation responses as well as the work of technical working groups to develop the outline business case will enable the identification of a preferred way forward.</p>
<p>Build a new model of funding for post-school learning provision, with simplicity and parity of esteem as core values (Recommendation 6).</p>	<p>PREMISE ACCEPTED – DELIVERY OPTIONS UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment to “lead the development of a new model of public funding for all forms of provision”. This commitment was reiterated in the 2023-24 Programme for Government, alongside a clear commitment to maintain free tuition.</p> <p>Work to develop a new funding model will need to take place over a number of years. This work includes developing a detailed map of the current funding landscape, not least in support of taking forward the outline business case for changes to the funding body landscape. Work has already begun to improve the current funding arrangements, including the work of the colleges tripartite group to explore and implement flexibilities within the existing college funding model, work to consider the future delivery model for apprenticeships and work to develop our approach to student support.</p>

<p>Provide funding options for living costs for those who want to study part time/flexibly (Recommendation 7).</p>	<p>PREMISE ACCEPTED – DELIVERY OPTIONS UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government's Purpose and Principles for Post-School Education, Research and Skills includes commitments to:</p> <ul style="list-style-type: none"> • Within financial constraints, build on manifesto commitments and undertake a review of student support for part-time learners to improve the parity of support on offer, especially for those who are returning to learning and may have other caring or work-related responsibilities. • Develop a model for student support and engagement that takes account of all provision pathways and not just further and higher education, including considering apprenticeships and CLD. <p>Work is underway to review the support available for those studying part time or flexibly. Following this evidence gathering phase, options to address any issues identified will be developed, ensuring that any future changes are both fair and sustainable.</p>
<p>To give the new qualifications body a clear remit for overseeing development and accreditation of all publicly funded post-school qualifications and the underpinning skills frameworks and occupational standards. (Recommendation 8)</p>	<p>PREMISE ACCEPTED – DELIVERY OPTIONS UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government's Purpose and Principles for Post-School Education, Research and Skills includes a commitment 'to include responsibility for oversight of all publicly funded post school qualifications (except degrees) and the underpinning occupational standards and skills frameworks as part of the new qualifications body'.</p> <p>We are currently working to define what this will mean in practice. This includes a short life working group to examine the scope of accreditation and regulation in the new qualifications body. The Education (Scotland) Bill, which will establish the new qualifications body, Qualifications Scotland, was introduced to the Scottish Parliament on Wednesday 5 June 2024.</p>
<p>Review post-school qualifications, using SCQF as a foundation, to create clear learning pathways underpinned by a universal skills framework and occupational standards and to drive further modularisation (Recommendation 9).</p>	<p>PREMISE ACCEPTED – DELIVERY OPTIONS UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government's Purpose and Principles for Post-School Education, Research and Skills includes commitments to:</p> <ul style="list-style-type: none"> • Build a comprehensive understanding of the post-school qualifications landscape to inform processes for developing, funding, assuring and approving

	<p>publicly funded qualifications, and actions for wider reform of the qualifications landscape - including improved articulation with the senior phase.</p> <ul style="list-style-type: none"> • Lead work to inform our future approach to apprenticeship development and delivery as part of an integrated landscape of pathways. <p>Work is underway with SQA to scope out a review of post school qualifications to better understand what is delivered. Further work on this recommendation will be developed as the reform programme progresses.</p>
<p>Develop a new, national, lifelong and digital training record to chart skills development through life, connecting into a revitalised careers service (Recommendation 10).</p>	<p>TO BE CONSIDERED</p> <p>This recommendation connects to the recommendations contained within the Independent Review of Qualifications and Assessment (IRQA) and will be considered as part of the SG response to that Review. There are planned and related improvements underway to My World of Work that will enable some elements of a digital training record to be delivered. This will also be considered as part of the SG response to the IRQA. There are also wider connections to plans for the development and roll out of Digital Identity Scotland and the information that may be held within this.</p>
<p>To substantively reform SDS to focus on the development of a national careers service, with a mission to embed careers advice and education within communities, educational settings and workplaces across Scotland. (Recommendation 11)</p>	<p>PREMISE PARTLY ACCEPTED – STRATEGIC OPTIONS, INCLUDING ALTERNATIVES, UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment to ‘build on the work of the recommendations from the Careers Review to consider options for embedding careers advice and education within communities, educational settings and workplaces across Scotland; including options for future delivery of national careers services.’</p> <p>The immediate focus of this work has been on developing a clearer, more coherent offer for learners and also looking to build clearer pathways for employers to support and to be involved in shaping the support provided. This does not rule out structural changes to careers delivery or further refinement of the proposed mission. Grahame Smith has agreed to continue as interim Chair of the Careers Services Collaborative until the end of 2024 whilst this initial work is being developed.</p>

<p>Expand the remit of the existing DYW network to establish a national employer board and a series of regional employer boards which put employer views at the heart of skills planning, national strategy and the development of post-school learning system. In doing so the Scottish Apprenticeship Advisory Board (SAAB) should be wound up (Recommendation 12).</p>	<p>PREMISE PARTLY ACCEPTED – STRATEGIC OPTIONS, INCLUDING ALTERNATIVES, UNDER CONSIDERATION</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment to enhance and embed the role of employers in shaping system planning priorities, pathways and provision.</p> <p>Work is underway to explore with employers the role that they can play in the different parts of the system, including in skills planning. While it is anticipated that current structures will need to evolve and we will be keen to draw on the expertise of employers engaged in DYW where they are content to offer that, it is not anticipated that DYW structures will be required to expand their remit. Ministers have been clear that SAAB will be wound up and employer engagement will be taken forward in other ways.</p>
<p>To give the enterprise agencies a clear remit for supporting businesses with workforce planning as an embedded and integrated part of business development and planning. (Recommendation 13).</p>	<p>TO BE CONSIDERED</p> <p>This will involve work to build a better understanding of the services that are currently provided to support employers with workforce planning and how this may sit within the wider business support landscape.</p>
<p>Explore greater private sector investment in the post-school learning system and, in particular, in the provision of in-work learning opportunities (Recommendation 14).</p>	<p>PREMISE ACCEPTED – OPTIONS TO BE CONSIDERED</p> <p>The Initial Priorities Paper that accompanied the publication of the Scottish Government’s Purpose and Principles for Post-School Education, Research and Skills includes a commitment to enhance and embed the role of employers in shaping system planning priorities, pathways and provision.</p> <p>Developing our relationship with employers will be a priority. Given constrained public finances, we will need to understand how to leverage greater levels of finance into the system. However, the current focus is on getting the right structures in place to ensure that the interface with businesses is improved. There will be scope to consider options in the context of the budget, for example, looking at co-investment from employers in apprenticeships, for example graduate apprenticeships which are often used by employers to upskill their existing workforce.</p>

<p>A new, clear map should be developed to direct users into the system (Recommendation 15).</p>	<p>PREMISE ACCEPTED – OPTIONS NOT YET UNDER CONSIDERATION</p> <p>The Purpose and Principles includes a principle that the system should be transparent, resilient and trusted. A key part of this is that the system is simple, well understood and easy to access for people. A map directing users to the system could be part of delivering against that principle. This is a longer-term action and will be premised on having finalised the roles and remits of public bodies and the underpinning services. For this reason, while we accept the case for change and the Purpose and Principles acknowledges the complexity within the system, this is not a recommendation that can currently be progressed.</p>
--	---