

Education, Children and Young People Committee  
Wednesday 14 May 2025  
16th Meeting, 2025 (Session 6)

## Tertiary Education and Training (Funding and Governance) (Scotland) Bill

### Introduction

1. The Scottish Government introduced the Tertiary Education and Training (Funding and Governance) (Scotland) Bill on 5 February 2025.
2. The Bill aims to simplify the funding landscape for post-school education and training.
3. The Education, Children and Young People Committee has been designated as the lead committee for the Bill at Stage 1.
4. A [SPICe briefing on the Bill](#) was published on Friday 24 April.

### Call for views

5. The Committee issued a call for views on the provisions of the Bill, which ran from 28 February 2025 until Friday 11 April 2025.
6. The responses to the call for views have been [published](#). A summary of the responses received is included in the papers prepared for the meeting on [7 May](#).
7. Ahead of the Committee's oral evidence sessions on the Bill, the [Economy and Fair Work Committee](#) has been taking evidence on [Skills Delivery](#) at its meetings on [26 March](#), [2 April](#), [23 April](#), [30 April](#) and [7 May](#). This work is focussing on wider skills policy and is complementing the work of the Education, Children and Young People Committee's Stage 1 scrutiny of the Bill.

### Committee meeting

8. The Committee began taking oral evidence at its meeting on [7 May](#). The Committee will also take evidence at its meetings today and on 21 and 28 May.
9. At today's meeting, the Committee will take evidence from two panels.
10. On panel one, the Committee will take evidence from:
  - Andrew Ritchie, Lead Officer DYW, Aberdeenshire Council, representing the ADES Sub-Group on Foundation Apprenticeships
  - Jon Vincent, Principal, Glasgow Clyde College, representing Colleges Scotland
  - Sai Shraddha S. Viswanathan, President, NUS Scotland

- Sir Paul Grice, Interim Convener, Universities Scotland

11. On panel two:

- Ian Grigg, Operations Director, Esteem Training
- Sarah Dalrymple, Founder and Director, SDC-Learn
- Stephanie Lowe, Deputy Chief Executive, Scottish and Northern Ireland Plumbing Employers Federation (SNIPEF)
- Phiona Rae, Head of Administration & Finance, Tullos Training

## Supporting information

12. A SPICe briefing has been produced for the meeting. This is included at **Annexe A**.

13. Aberdeenshire Council, Colleges Scotland, Universities Scotland, SCD-Learn and SNIPEF all responded to the call for views. These responses are included at **Annexe B**.

14. The ADES Sub-Group on Foundation Apprenticeships has provided a written submission. This is included at **Annexe C**.

**Clerks to the Committee**  
**May 2025**

## Annexe A

Education, Children and Young People Committee  
Wednesday 14 May 2025  
16<sup>th</sup> Meeting, 2025 (Session 6)

### Tertiary Education and Training (Funding and Governance) (Scotland) Bill

This paper is intended to support members during the Committee's second evidence sessions on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill. The Committee will hear from representatives from Colleges Scotland, Universities Scotland, NUS Scotland and the ADES Sub-Group on Foundation Apprenticeships during Panel 1 and SDC-Learn, Tullos Training, SNIPEF, and Esteem Training during Panel 2.

This paper summarises the evidence in the first evidence session, provides an overview of the areas on which members requested further information (the Swiss education system, the OECD report on Scottish Apprenticeships, and the Audit Scotland report on skills alignment), and summarises recent evidence provided to the Economy and Fair Work Committee on their inquiry on skills delivery. The SPICe briefing on the Bill as introduced can be found on the [SPICe publications website](#). An analysis of responses to the Committee's Call for Views can be found in the [papers for the 7 May 2025 meeting](#).

### Summary of evidence

During last week's meeting (7 May 2025) the Committee heard evidence from the Royal Society of Edinburgh (RSE) and Prosper (formerly SCDI) during Panel 1; and the Scottish Funding Council (SFC), the Student Awards Agency Scotland (SAAS) and Skills Development Scotland (SDS) during Panel 2.

During the session, SDS's Damien Yeates highlighted the Swiss apprenticeship system, Workforce North, the 2022 Audit Scotland report on Skills Alignment and the 2022 OECD review of Scottish apprenticeships. Information about these can be found later in this briefing. **Please note**, the Official Report for this meeting was not available at the time of writing.

#### Panel 1

RSE and Prosper broadly welcomed the Bill, though they expressed some concerns about implementation and the timescales attached to this.

Professor Nigel Seaton, representing RSE, stated that the Bill was technical and the impact might be indirect. He also spoke of the need to ensure that plans to move between [148.4 and 174.6 FTE staff](#) from SDS to SFC were well-managed, with lessons learned from previous mergers. Clare Reid of Prosper echoed this, highlighting the need for a smooth transition.

On the Bill's provisions around National Training Programmes and apprenticeships, Prosper stated while SFC has a historic relationship with universities and colleges, ongoing

engagement with employers and industry will be needed. SFC will be required to balance these responsibilities along with the need to ensure a focus on research also remains.

Prosper also highlighted the UK Government's proposed Growth and Skills Levy (which will replace the apprenticeship levy) and the intent set out in it about being responsive to local need and accessible to SMEs.

Prosper and RSE welcomed proposals to move provision of support for further education students from SFC to SAAS, highlighting the potential for this to make student support more accessible.

On concerns raised about the potential for SFC to reallocate apprenticeship funding to colleges and universities facing financial challenges, RSE said that ringfencing funding would take away authority from SFC. Prosper did not see a need for ringfencing, though highlighted the need for a responsive and flexible system.

RSE stated that the Bill puts current responsibilities around financial monitoring into law, but is not specific about how financial sustainability should be monitored. Professor Seaton stated there needed to be a regime in which the SFC can ask questions, get answers and provide recommendations. He said that while universities were autonomous, they were not independent – monitoring had to have the ability to constrain institutions and require them to remain solvent.

On proposed changes to the membership of the SFC Council, terms of reappointment, skills and experience of members and co-opting powers, RSE and Prosper were broadly supportive. However, RSE expressed concern about tenure of board roles, stating these should be time limited. Prosper highlighted the need to ensure board members had the right skills and experience, including knowledge of financial due diligence.

Similarly, in relation to the proposed Apprenticeship Committee, Prosper said this must include employers, key skills bodies, key trade bodies and regional representatives. Clare Reid said that Prosper was keen for more detail about the Committee and would welcome the opportunity to input into discussions.

When asked about other considerations that could be made in relation to the Bill, RSE said moving the tuition fee element of support from SAAS to SFC would mean all teaching funding would be in the one place under SFC.

Prosper called for the Bill to consider all types of work-based learning in addition to apprenticeships, and also to include an ambition on lifelong learning.

## **Panel 2**

Skills Development Scotland's (SDS) Damien Yeates stated his organisation's board did not see moving apprenticeship provision to SFC as a good way of solving skills shortages. He said that a potential £230bn spend was coming to Scotland via industry investment and an estimated 1.1m workers were needed to "unlock" this. He added that higher education needed urgent attention and said the SDS Board questioned whether it makes sense to spend "potentially £30m on transition costs to move £100m single apprenticeship fund", stating SDS had reduced its budget and running costs in recent years to protect apprenticeships.

Damien Yeates said SDS understood that in the coming weeks, the Scottish Government will announce plans to take on responsibility for skills planning, and this would build on recent improvements. The Scottish Government pledged to introduce a new approach for skills planning in the [recent Programme for Government](#).

On the working relationship between SFC and SDS, Damien Yeates said that talk of this being dysfunctional is too strong. Differences came down to balance of budget, but the organisations work together.

SFC's Martin Boyle said the Bill would simplify the funding landscape for students. On proposals to move delivery of apprenticeships to SFC, he said this was the next step of a journey – SFC already deliver Graduate Apprenticeships (GAs) and around half of all Foundation Apprenticeships (FAs).

SDS and SFC explained that following Brexit and the removal of European Social Fund monies, both organisations had taken on funding for FAs. Currently, SFC deliver FAs via colleges and SDS deliver them with local authorities. Damien Yeates said local authorities were anxious about the proposed changes.

Both SFC and SDS talked about the opportunity to grow GAs due to demand, with SFC stating there was currently a moratorium on new frameworks preventing this from happening.

On National Training Programmes and apprenticeship provisions in the Bill, SFC said that it will be committed to apprenticeships, with a team dedicated to their delivery. Targets will be guided by the Scottish Government's annual Letter of Guidance. When asked about the potential for funding for apprenticeships to be spent on colleges or universities, SFC's Martin Boyle said he could not see this happening as this would not be possible to reallocate funding in this way, noting that when Parliament approved the budget it would make allocations to universities, colleges and apprenticeships.

Damien Yeates stated moving apprenticeship responsibility to SFC risked losing the focus SDS currently has on them, as SFC is also responsible for college and university funding.

As a result of the Bill's proposals for SFC to take on responsibility for apprenticeships, the number of staff will almost double when SDS staff transfer over. When asked about this, SFC stated that the bigger staff team would help with delivery. SDS stated that more work needed to be done to assess risks and benefits of the move, again citing potential costs of up to £30m. SDS also highlighted obligations under the Transfer of Undertakings (Protection of Employment) Regulations that could see pension costs of transferring staff increase by "£2.3m - £2.4m more" than if they remained with SDS. SFC did not provide figures on the costs associated with the Bill, stating more work was required to work this out.

SDS also said the Bill was underdeveloped, did not give businesses the detail they needed on future skills and did not take forward the recommendations of the OECD's 2022 review of apprenticeships.

On the transfer of responsibility for college further education student support from SFC to SAAS [planned alongside the Bill but not provided for in it], Catherine Topley of SAAS said that her organisation's systems were already providing support for a range of student

needs. She stated the intention is for SAAS to take responsibility for this from 2026 onwards, with a seamless transition, and funding will be delivered to colleges as it is now rather than to students directly. SAAS and SFC said preparatory work between the two organisations was already underway.

When asked about Bill proposals around the monitoring of financial sustainability of colleges and universities, Martin Boyle stated the Bill puts SFC's current responsibilities into statute. On whether the changes proposed by the Bill could help identify a potential financial crisis ahead of time e.g. by preventing the financial crisis currently facing the University of Dundee (UoD) Martin Boyle described UoD as a 'one-off' but stated that if any lessons learned could be incorporated into the Bill, this should be done.

There was discussion of the delay to the publication of SFC college and university financial sustainability reports. SFC stated this was due to late accounts from some institutions and the reports would be published in the Autumn. Committee members were keen for further detail and SFC will write to provide this.

On the Bill's proposals around student support for designated private providers and the need to ensure checks and balances are in place, Catherine Topley of SAAS stated it was carrying out a piece of work with Education Scotland on full-time private providers to ensure there is a robust process in place to protect the student and public funds. SAAS is also carrying out similar work on part-time private providers.

On RSE's suggestion that tuition fee funding should be collected by SFC rather than SAAS, Catherine Topley of SAAS stated her view that having all funding for students in one place is preferable as it allows the funding to follow the student.

In relation to changes to SFC's governance proposed in the Bill, SFC's Martin Boyle highlighted the need to ensure that the skills and experience of the Council reflected all areas of skills, including apprenticeships, research, college and university.

On proposals to establish an Apprenticeship Committee at SFC whilst winding up the Scottish Apprenticeship Advisory Board (SAAB), SDS's Damien Yeates said the work of SAAB is valuable and provided free of charge, and there was a "potential missed opportunity" to engage more of industry and employers to unlock further investment.

## **Written submissions**

In written evidence provided to the Committee, the Association of Directors of Education in Scotland (ADES) Foundation Apprenticeship Sub-Group highlighted concerns about the Bill's proposals to move delivery of FAs from SDS to SFC, outlining a lack of engagement with local authorities, risks to the FA programme resulting in a negative impact on equalities and strategies to raise attainment and the potential for the Bill to undermine other aspects of education reform such as the Hayward Review. The submission also stated:

"The Bill does not provide a framework for partnership with employers to address national concerns in relation to skills development and staying on rates, in order to meet projected workforce demand across sectors." - ADES Foundation Apprenticeship Sub-Group submission

The submission stated that, in Aberdeenshire and elsewhere, the FA model is delivering on OECD policy recommendations and providing a 'scalable model'. Outcomes in Aberdeenshire include 98.5% improved positive destination rate and increased average attainment of 61% for school leavers completing FAs. Increased attendance and engagement are also highlighted as benefits, demand for FAs in Aberdeenshire has increased, and the scheme is "heavily oversubscribed".

Several witnesses the Committee will hear from today responded to the Call for Views. An analysis of responses can be found in the [Committee's 7 May 2025 papers](#).

[Universities Scotland's submission:](#)

- Stated that there was "considerable uncertainty" as to whether the proposed powers and duties on monitoring financial sustainability will be effective and deliverable, as these are to be set out in regulations rather than the Bill itself.
- Called for the Committee to consider the impact in relation to the Bill of the Office for National Statistics (ONS) review of UK university transactions and potential review of whether universities should be subject to public sector control.
- Called for the Bill to address the need for enhanced data sharing between parts of the education sector to support widening access.
- Sought further assurance on the maximum duration of SFC board term appointments, believing this to be 8 years.

[Colleges Scotland's submission:](#)

- Recognised opportunities of consolidating apprenticeship funding within SFC, recognising the challenges this would pose for the integration of staff into SFC.
- Stated SFC required powers to address financial sustainability of the college sector, but data collection requirements must be consistent, and more detail is needed on the powers.
- Expressed support for moving responsibility for further education student support from SFC to SAAS, stating this could give colleges flexibility to transfer funds between further and higher education student support funding streams.
- Called for private providers to be subject to the same checks and balances as public colleges.

The [Scottish and Northern Ireland Plumbing Employers Federation \(SNIPEF\) submission:](#)

- Stated it was essential the transfer of responsibilities for apprenticeships did not "disrupt the learner journey or the ability of training providers to support students effectively".
- Called for sufficient funding to maintain and enhance apprenticeship training. Expressed support for the establishment of an Apprenticeship Committee at SFC, however stressed the need for this to involve SMEs and sector bodies.
- Welcomed proposals for a statutory framework for apprenticeships in Scotland.

[SDC-Learn's submission](#) to the Call for Views:

- Called for training providers to be given similar funding to colleges.
- Expressed concern that colleges would be given priority of funding.

## The Swiss Education System

The Swiss education system reflects Switzerland's federalist state structure. There is no federal ministry of education, and nearly all responsibility for education sits with the cantons. The 26 cantons are effectively the member states of the Swiss federation, joining the federation at different historic points. They have similar powers to the US states in terms of government.

The Swiss education system has three tiers. The first tier is comprised of mandatory education from ages 4 – 15. Students are in primary education until the age of 11, and then spend four years in lower-secondary education.

At age 15 mandatory education ends. Students can then choose whether to enter upper-secondary education, with around 90% of students completing this level. This level of education lasts between two and four years, depending on the type of study undertaken.

Upper-secondary education is split into two streams. Around a third of students who enter upper-secondary opt for an academic institution, where they pursue a course of study to gain the qualifications necessary for university education.

The other two-thirds of students in upper-secondary education enter a basic vocational education and training (VET) programme. These are a type of apprenticeship, comprising of both classes at a vocational school and work at a company that trains them.

After completing their programme, the young adults either enter the job market or attend a tertiary-level educational institution such as a university or a professional education institution.

An important characteristic of the Swiss education system is its permeability: it enables apprentices and students to switch direction, transfer to, and pursue different training programmes and levels.

Further information is available from the [English language federal Swiss website](#).

In 2017 [Forbes published an article](#) giving an overview of the use of apprenticeships in Switzerland, noting that 70% of high school graduates enter an apprenticeship, and highlighting the flexibility of the system. In November 2024, the [OECD published a report on 'EBA apprenticeships' in Switzerland](#), which are a form of shorter apprenticeship targeted at those at risk of dropping out of education or training.

## Workforce North

Skills Development Scotland launched a 'Workforce North' mission with the Convention of the Highlands and Islands, Highlands and Islands Enterprise and the University of Highlands and Islands. This mission is focused on the economic opportunity of up to £100 billion in investment in the Highlands and Islands over the next ten years, however this is in the context of a population that is expected to age and to shrink.

In their [submission to the Economy and Fair Work Committee](#) (April 2025), SDS explain that Workforce North is focused on:

“Building the workforce for the future, including programmes with schools to highlight and respond to economic opportunities in the region.

Building capacity in the regional workforce development, including new construction and engineering provision.

Strengthening vocational training, including scaling up of Modern and Foundation Apprenticeships.

Talent attraction and retention, including a talent attraction campaign.”

## **Audit Scotland report on skills alignment**

In January 2022 [Audit Scotland published its report on the alignment of the skill system in Scotland](#). Key messages in this report included:

- In 2017 the Scottish Government committed to improving skills planning to make it more effective, establishing the Enterprise and Skills Strategic Board to coordinate activities across agencies.
- The Scottish Government had not provided the necessary leadership for progress; specifically, the Scottish Government did not clearly articulate what it wanted to achieve, so when a lack of consensus emerged among key partners (SDS and SFC) the anticipated benefits of alignment were not realised.
- Further differences emerged when the Scottish Government set up the Skills Alignment Assurance Group in 2021, which had a different focus than originally set out in 2017. The SFC did not have the capacity to engage fully with the skills alignment agenda, and limited progress was made with the pathfinder projects.

Audit Scotland made 6 recommendations:

1. The Scottish Government should set out its strategic intent for skills alignment, including the outcomes to be achieved and how progress will be measured.
2. The governance and oversight arrangements for skills alignment should be clarified.
3. Letters of guidance should be used to clearly articulate to SDS and SFC how they should work together to implement skills alignment.
4. The Scottish Government, SFC and SDS should agree how they will work together to deliver shared outcomes.
5. SDS and SFC should collectively use data to inform skills planning and overcome obstacles to effective joint working.
6. SDS and SFC should provide regular reports on progress on skills alignment to the Scottish Government.

## **OECD review of Scottish apprenticeships**

The [OECD conducted an evaluation of apprenticeships in Scotland in 2022](#). Key points raised in this evaluation includes:

- The Scottish apprenticeship system has made remarkable progress, becoming “one of the most flexible and wide-ranging systems in the OECD”. Until the COVID-19 pandemic intervened, apprenticeship starts had risen 10% between 2013/14 and 2019/20.
- Outcomes have also been positive. Ninety percent of those completing their Modern Apprenticeship were in work six months later; employers reported that apprentices improved not just their technical skills but also their communication and teamwork.
- Although employers take the lead in developing the frameworks and standards that underpin apprenticeships, not all play an equal role in apprenticeship design, and only 16% of employers take on any apprentices at all.
- The flexibility of the current system is its strength, but it also presents a risk. Scotland has some of the shortest apprenticeships among OECD countries, and some apprentices may receive no off-the-job training at all, posing possible challenges in terms of training quality.
- Scottish Government funding per student is less generous than for tertiary degrees, potentially reducing the number of places on offer and driving some learners into less suitable programmes.

## ONS review of university classification

The ONS is carrying out work to review the statistical classification of university transactions. The focus of this is to use data from the Higher Education Statistics Agency (HESA) to classify the main income sources of UK universities.

Most UK universities are currently classified as non-profit institutions. ONS information about the review states that the sector classification is not currently being looked at – the classification of transactions is a first step in the review process and will “help inform whether some universities should be considered to be market bodies”.

The review is expected to be completed by the end of 2025. Further information is available on the [ONS website](#).

## Evidence to the Economy and Fair Work Committee

The Economy and Fair Work Committee has held an inquiry into skills delivery in Scotland to complement the stage one scrutiny being undertaken in this committee. The five evidence sessions have heard from:

- [Week 1 \(26 March\)](#): James Withers and Skills Development Scotland.
- [Week 2 \(2 April\)](#): Scottish Training Federation, ACCA, Energy Training Academy, and the Construction Industry Training Board.
- [Week 3 \(23 April\)](#): Employers: SCORE Group, Aurora, Scottish Power Energy Networks, and ACS.

- **Week 4 (30 April)**: Industry bodies representing several sectors; Scottish Engineering, Scottish Financial Enterprise, Scottish Renewables, and the Scottish Apprenticeship Advisory Board (SAAB).
- **Week 5 (7 May – OR not yet available)**: A further panel of employers: Turas Hotels Group, Forrit and Scottish Decorators Federation

The key themes which have emerged from this evidence include:

### **Demand and funding for apprenticeships**

- Witnesses across evidence sessions have noted that the demand for apprenticeships is considerably higher than available supply.
- Several witnesses suggested that there needed to be a rebalancing of funding to increase the provision of work-based learning and noted that some provision within the skills and education system was viewed as untouchable, which may need to change.
- The Committee also heard that despite the significant demand for skills, spending on training by employers has declined in both Scotland and the UK over the last 15 years.

### **The apprenticeship levy**

- Most witnesses agreed that the implementation of the apprenticeship levy in Scotland lacked transparency, which undermined employer confidence in the system.
- Witnesses also noted that some sectors attracted much higher funding in England, and that therefore employer contributions had to be higher in Scotland in these cases. SCORE noted that if English companies overspend their apprenticeship levy funding, they pay only 5% of the overspend which represents another significant subsidy. SAAB noted that in Scotland for every £1 spent on apprenticeships, employers spend £10.
- However, some witnesses cautioned against some aspects of the way the apprenticeship system operated in England – noting that retention rates in Scotland were higher, and that there had been a significant (40%) fall in the number of apprentices trained in England since the levy was implemented.
- Witnesses also noted that the ‘skills and growth levy’ is expected to replace the apprenticeship levy, so any changes in Scotland should only be considered once there was clarity about the direction of reform across the UK.

### **Flexibility of skills system offering**

- While some flexibilities do exist in the apprenticeship delivery, with the Scottish Training Federation noted that not all apprenticeships are 4 years in duration, and that there are a variety of settings where the learning can be delivered, most witnesses agreed that there was insufficient provision for older learners to retrain.

- CITB also noted that for smaller firms, a shorter training programme of around 6 months would be more appropriate as order books are not necessarily committed years into the future.
- Several witnesses noted that smaller firms face higher barriers to effectively engage with the skills system, and with taking on an apprenticeship. James Withers suggested there needs to be novel ways to allow for the sharing of costs and resources to support smaller firms to increase their training.
- Witnesses were generally very positive about graduate apprenticeships and agreed that these needed to be scaled up significantly. ACCA noted that it will take time to build trust in a 'relatively new thing' like GAs, while other witnesses suggested that delivering a degree through a GA might be less profitable for universities than the traditional method, and so there needs to be incentives to increase offering.

### **Cultural barriers holding back work-based learning**

- A major theme in the Withers review was to achieve parity of esteem across the various educational and vocational pathways. Some witnesses noted that school pupils were not being encouraged to consider an apprenticeship but were focused on achieving a university degree. This was reinforced by some schools and parents who still viewed everything other than university as a second-best option.
- Witnesses also discussed the lack of diversity in some areas which limited the number of women, ethnic minority or other disadvantaged groups in some sectors.
- However, some witnesses noted that despite these barriers, there was a huge demand for work-based learning which currently cannot be met from available resources. There needs to be a significant scaling up of the number of foundation, modern and graduate apprenticeships available.
- Some witnesses suggested that the names used are contributing to these barriers – for example the use of the term 'foundation' which might suggest a link to the lower-level standard grade qualifications pre-Curriculum for Excellence. ACCA suggested that a modern apprenticeship should be renamed an ordinary degree.

### **Particular challenges in rural settings**

- A lack of transport links limits the number of people who will consider training involving a central location, with some witnesses suggesting this can favour people from more affluent postcodes who have access to private vehicles.
- Witnesses also noted that there is a potential geographic mismatch between the anticipated demand for skills and labour due to new green economic developments, and where people live which presents a challenge for housing and other services.

### **Cooperation across the skills landscape**

- James Withers repeated the view expressed in his review that the agencies within the skills system are not working well together, and that part of the problem is a lack of a

common definition of good. Skills Development Scotland have one focus, while SFC and others have a different focus, and this results in competition between agencies.

- Some witnesses also noted there is limited collaboration with private skills academies run by businesses – these could be better integrated with local colleges for example.

### **Engagement with the skills system**

- There are some mechanisms to engage with industry; Developing Young Workforce, Industry leadership groups, and the Scottish Apprenticeship Advisory Board were all highlighted as useful structures. SDS highlighted the success of SAAB – noting that apprenticeships in Scotland have relatively high retention rates.
- Some witnesses suggested that while industry had the means to engage, it was not clear that they were being listened to, or that this engagement led to meaningful change.
- Witnesses noted that not all businesses have capacity to engage – smaller businesses rely on their representative bodies.
- James Withers noted that while SAAB does a good job, not all sectors feel that the skills system is delivering optimally (for example, hospitality and retail). SAAB also have a relatively narrow focus on apprenticeships – employer engagements need to be across the breadth of the skills and education system.
- SDS echoed this point, noting that engagement across colleges and universities was patchy, and suggesting there needed to be a more systemic way on engaging with these institutions for employers.

### **Engagement with schools**

- Several witnesses noted that engagement between employers and schools was also patchy. While some schools had head teachers or DYW coordinators who ensure effective links, this was not the case across the board.
- Engagement in schools typically happens too late, by which point pupils have already formed views about the types of jobs and sectors which are suitable for them. This limits the effectiveness of engagement in increasing diversity.
- It was suggested that greater flexibility about more formal engagements are required – 2 days of work experience is not valuable to pupils or businesses, but a foundation apprenticeship was a significant commitment. There needs to be an increase in engagements falling between these extremes – such as 3-week experiences and introductions suggested by ACS Clothing.
- Scottish Financial Enterprise suggested that careers advice was variable, and not clearly connected to the economy of the future and the skills that will be in demand.

### Concerns about the direction of skills reform

- Many witnesses acknowledged that the landscape was complex, and that some simplification would be welcome.
- Most witnesses highlighted that a lack of parity of esteem between vocational and educational learning was limiting demand for work-based learning.
- However, the reform process so far doesn't appear to address industry priorities – if anything appears to threaten some of the best existing practice. Scottish Engineering stated that they cannot point to any part of the response to the Withers review so far which demonstrates that industry is being listened to.
- There was particular concern expressed about the winding up of the Scottish Apprenticeship Advisory Board (SAAB), and the current ambiguity about what mechanism to ensure industry voice will replace it. Some witnesses also noted that the Scottish Funding Council does not have the same connections to industry as SDS.
- Some witnesses suggested a concern that there might be a dilution of funding for work-based learning, as it will form a small part of the total budget given to the SFC.

**Lynne Currie, Senior Researcher (Further Education, Higher Education and Children's social work, child protection and adoption); Andrew Feeney-Seale, Senior Researcher (Skills); and Laura Haley, Researcher, SPICe**

**08/05/2025**

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The Scottish Parliament, Edinburgh, EH99 1SP [www.parliament.scot](http://www.parliament.scot)

## Annexe B

### **Aberdeenshire Council response to the call for views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill**

#### **Questions on Part 1 of the Bill**

- 1. The proposals would move the funding and functions related to National Training Programmes and provision for apprenticeships from Skills Development Scotland to the Scottish Funding Council. What do you think of these measures?**

Our concerns are primarily with Part 1 of the draft Bill and the impact the suggested changes will have on the delivery of vocational, professional and technical education pathways from school into Tertiary destinations and employment. What is proposed will cost more and will be less effective, with fewer positive outcomes than the development of a truly systemic Career Pathways Programme for Scotland. The draft Bill proposals do not meaningfully build on existing good practice and would seem not to have been informed by a full range of available and relevant research evidence and performance data. We also note that no formal Cost Benefit Analysis nor Equalities Impact Assessments have been carried out in relation to the potential impact of what is proposed in the draft Bill, including unintended consequences.

Currently across Scotland we are facing a number of concerns ranging from skills and workforce shortages through to declines in school pupil attendance and engagement and concerns in relation to increases in the 'economically inactive'. The draft Bill, therefore, is a once in a generation opportunity which we must get right. Overall, however, our view is that the Bill, as it stands, would likely have a negative impact on the life chances and positive outcomes for our young people, employers and their communities.

The draft Tertiary Education and Training (Funding and Governance) (Scotland) Bill generates the following concerns from our perspective:

- Separates School and Post-School Pathways and Provision
- Makes a Systemic Career Pathways Programme almost Impossible
- No Cost Benefit Analysis of a Systemic Career Pathways Programme such as Local Authority Foundation Apprenticeship Delivery Models
- Potential Negative Impact on Equalities including those from lowest SIMD and most vulnerable to non-positive destinations
- Definition of Apprenticeships
- Research and Evidence Base Concerns and Risk to the System Impact of the LA

Delivery of Foundation Apprenticeships

- Views of the Employers

Lack of Clarification on 'Fundable Bodies'

Separates School and Post-School Pathways and Provision

The OECD report 'Innovation in Career Pathways Across Five Countries', published in August 2024, and the Scottish Government 'Wood Report', "Commission for Developing Scotland's Young Workforce report: Education Working for All!" (2014) highlight the need for a systemic approach, to create 'seamless progression' from 'primary school right through into employment'. The draft Bill, in contrast, creates a separation between school and post-school learning. The unintended consequences of this draft Bill could result in "siloes" approaches to workforce and skills development.

A central tenet of the Wood Report is as follows: "The Commission's Study has highlighted the importance of building bridges between schools, colleges, business and industry. There should be a continuum from primary school right through into employment, and so important new bridges will include the school-college vocational partnerships, the Foundation Apprenticeship, ... the long-term school-business and college-business partnerships, which will help provide the bridges from education into employment. These new initiatives are entirely consistent with the original aspirations of Curriculum for Excellence".

The OECD report 'Innovation in Career Pathways Across Five Countries' provides a 'blueprint' perspective for moving forward. What the research shows is the importance of a Career Pathways Programme in improving positive outcomes for young people, employers and communities. The common characteristics of what is essential in a Careers Pathway Programme curriculum include "Delivery within general upper secondary education (ages 15–18), with embedded career guidance/career development provision starting earlier in some systems". The draft Bill does not support the concept of a Career Pathways Programme and would act as a significant barrier to its future development.

The Withers Report from 2023, which has been used as the basis for the draft legislation, recommended that there should be a reduction in 'silo' working within the system. However, what is proposed in the draft Bill creates perhaps the two biggest silos of all - by separating school and post-school education and provision into discrete elements.

Makes a Systemic Career Pathways Programme almost Impossible

The starting point for a review of skills and curriculum pathways should be the OECD report 'Innovation in Career Pathways Across Five Countries'. Our view and that of our partners - including employers - is that the 'missing link' in the system is the high-quality delivery of

Foundation Apprenticeships. International research and our own evidence base, clearly suggests that if we get that right, it will inform how the tertiary landscape should look and function. This should be employer driven. To achieve this a national priority should be the development of a systemic career pathways programme. The provisions contained within the draft Bill, should they be enacted in law, would make the development of a Career Pathways Programme very challenging. This is especially concerning given Scotland already has an excellent and scalable OECD recognised Career Pathways Programme – the Foundation Apprenticeships!

The OECD report ‘Innovation in Career Pathways Across Five Countries’ specifies that what is essential is a Careers Pathway Programme in the Senior Phase. An effective CPP needs to be systemic, also identified by the Wood Commission, namely a “continuum from primary school right through into employment”. What is proposed is not systematic, is not employer focussed and does not align the system in the way required, including the necessary resourcing in the system.

In contrast, one of the crucial aspects of the Local Authority-led Foundation Apprenticeship model is that it provides a framework for employer engagement in the curriculum, including co-creation and delivery, as well as joint investment partnerships. The provisions in the draft Bill do not provide the necessary landscape for this positive partnership development outcome.

#### Cost Benefit Analysis of a Systemic Career Pathways Programme such as Local Authority Foundation Apprenticeship Delivery Models

No cost benefit analysis of the Local Authority (school based) system has been undertaken to date. Future proposals to create inter-authority FA systems of scale and efficiency have not been discussed in any detail by Scottish Government officials and therefore have not been costed, nor fully considered. Foundation Apprenticeship delivery in Aberdeenshire is delivering positive outcomes across the system, not just the FA qualification. This aspect is not recognised in the draft Bill and hence the importance of a formal Cost Benefit Analysis and an Equalities Impact Assessment. These would have informed what is ‘best value’ in the system.

Indeed, Page 65 of the OECD Innovation in Career Pathways Across Five Countries report states;

#### Investment Benefits

“For government ministries, expectations will be clear that long-term benefits in educational success, reduced social costs, greater productivity and economic growth, notably in fields of strategic importance, will exceed additional costs encountered in the initiation and delivery of new Pathways. Hence the importance of integrating robust means of data gathering. Effective

provision will ensure that the cost-benefit analysis works for all key stakeholders.”

We are concerned therefore that no Cost Benefit Analysis in relation to the Local Authority led FAs nor the development of a systemic career pathways programme has been undertaken to inform the draft Bill.

Another concern in relation to the proposed funding arrangements in the Bill is we note the Financial Memorandum states that SFC fund FA's to £10m compared to SDS which is £8m. Our understanding is that SDS are delivering significantly more FAs. This suggests the higher cost base within SFC may result in a reduction of opportunities unless new investment is identified.

Indeed, no savings are specified as arising from the draft proposals, which begs the question about what actually the draft Bill is aspiring to do in the curriculum pathways landscape, especially when things are working well under the present arrangements, for example, as with Local Authority FA models. As well as the OECD 'Investment Benefits' above, savings could be made provided FAs remain part of the apprenticeship family. The ADES FA Subgroup paper “Embedding Sustainable Foundation Apprenticeships Across Scotland” which was based on Aberdeenshire Council's FA model (January, 2025) highlights this, alongside the substantial amount of evidence of the success of the model and the range of positive impacts for young people and for employers. See ‘Principles of a Sustainable Funding Model’ below.

#### Principles of a Sustainable Funding Model

- Multi-source partnership funding, including employer-led and collaborative funding models
- Systemic alignment of existing resource as identified by OECD
- Regional Collaborative Partnership Model led by Local Authorities. Delivery from schools, colleges, universities and industry training providers
- Scalable – as identified in OECD 'Innovation in Career Pathways Across Five Countries'.
- Ambitious and Equitable – The FA offer could be built up, over time, from the existing 5,000 to 20,000 opportunities per year. This provides an FA opportunity for every young person in Scotland – including targeted support for the most vulnerable individuals and groups.
- Embed and deliver a meaningful 'parity of esteem' culture between academic and professional/vocational/technical learning outcomes
- Enhanced regional joint-service delivery collaboration between local authorities.

#### Clarification of College FA Delivery and Local Authority FA Delivery

Often, there seems to be a lack understanding of what a Foundation Apprenticeship is and

what it is delivering in the system as a Career Pathways Programme. There is a world of difference between the outcomes from the SFC College delivery model and the very positive Local Authority led models, including how cost effective and ‘affordable’ a Local Authority led Foundation Apprenticeship programme at scale is. We are concerned that the draft Bill appears to be an attempt to declutter the senior phase of education, without ‘Education’ being meaningfully at the table.

#### Definition of Apprenticeship

The draft Bill, at Section 55 of the Policy Memorandum, claims “Foundation apprenticeships are unpaid and therefore not regarded as true apprenticeships by many stakeholders.”

This does not reflect our lengthy experience and the view of the extensive network of employers who are involved with the Foundation Apprenticeships delivery. These employers would argue strongly that FAs are indeed apprenticeships. The Policy Memorandum to the draft Bill offers a very narrow interpretation of what constitutes “an Apprenticeship”. It is unclear where this definition has emerged from.

Of particular concern is the view in Section 134 of the Policy Memorandum that “Indeed, many employers do not like the term “foundation apprenticeship” because school pupils are not in a contract of employment and it is perceived as devaluing apprenticeships”.

Our experience of delivering FAs at scale over the last six years, our performance data and the views of the employers involved would not support this view. The table below shows the most recent Aberdeenshire Foundation Apprentice Sustained Positive Destinations for the Aberdeenshire 2022-23 FA cohorts.

<b>Aberdeenshire Foundation Apprenticeships Level 4,5,6 - 2022/2023 Cohort</b>			
<b>Sustained Destination</b>	<b>Aberdeenshire FAs</b>	<b>Aberdeenshire</b>	<b>Scotland</b>
<b>Higher Education</b>	<b>44.2%</b>	<b>36.5%</b>	<b>37.1%</b>
<b>Employment</b>	<b>41.2%</b>	<b>31.7%</b>	<b>31.2%</b>
<b>Employed as MA</b>	<b>45.9%</b>	<b>12.3%</b>	<b>8.3%</b>

The sustained improved outcomes for young people, employers and our communities delivered through the FA include the following;

- The FA is a very effective pathway for ensuring young people progress into a sustained positive destination
- Those completing a FA are more effectively progressing into Modern Apprenticeship opportunities compared to those who do not complete the FA.
- The positive experience of the FA is encouraging young people to see the MA and GA as very desirable pathways

- The sustained destinations of those taking a L4/5 FA is particularly significant, especially given these pupils are often the most vulnerable to youth unemployment and non-sustained positive destinations. The Employed as MA figures are L4/L5 FA rate = 51.5% and L6 FA rate = 36.4%
- The FA is having a positive impact on reducing the youth unemployment figure

The proposed new definition of a “Scottish apprenticeship”, contained in S. 4(2) of the draft Bill (inserting a new S. 12E to the 2005 Act) states the following:

- a) an apprentice works for a person (“the employer”) for reward in an occupation or activity included in a Scottish apprenticeship framework,
- b) the apprentice receives training to meet the relevant requirements specified in a Scottish apprenticeship framework,
- c) there is an apprenticeship agreement in place between the apprentice and the employer,
- d) any other criteria set out in regulations made by the Scottish Ministers are satisfied.

Unquestionably, a Foundation Apprenticeship, as delivered successfully via the local authority-led model, meets this legislative definition.

We fully support the position that a post school Apprenticeship requires to be paid as per SDS Guidance 2019. However, that does not mean the FA is not an Apprenticeship. The new S. 12E1(a), proposed by the draft Bill, specifies that apprenticeships require “reward”. The draft Bill defines ‘reward’ as payment. A reasonable interpretation of ‘reward’, however, would not simply define this as ‘pay’. From the dictionary definitions of what an apprentice is to the views of Andreas Schleicher, Director at OECD Education & Skills OECD Director who speaks of ‘apprenticeship’ learning starting a lot earlier in schooling, there is no mention of a monetary element as being required.

In actuality, Foundation Apprenticeships are delivering a number of very significant ‘rewards’ for any young person undertaking a FA. Indeed, these ‘rewards’ may of even greater value than simple ‘payment’, both for the young person and the employer. For example, the ‘rewards’ include workplace experience, confidence building, meta-skills development, career management skills, networking, mentoring, pathways into employment, qualifications, certification, raising attainment, closing the gap, etc. This would especially be the case for those from lower SIMD households and those most vulnerable to non-positive post-school destinations. In respect to this it is particularly concerning that the risk posed by the provisions in the draft Bill have not been formally subject to an Equalities Impact Assessment as the changes are likely to significantly adversely impact on our most vulnerable young people and communities.

The definition of an “apprenticeship”, as contained the draft Bill, is not therefore based on a

general understanding of what an Apprenticeship is and does. This requires to be challenged. To further strengthen the view that FAs are indeed apprenticeships, the OECD Report 'Strengthening Apprenticeship in Scotland' page 56 states "One option would be to use the term "Scottish apprenticeships", to also include Graduate and Foundation Apprenticeships, and it appears to already be in use". Page 119 "Moreover, apprenticeship programmes may need to include remedial activities if learners are to be able to move on to other forms of further or higher education later on if they aspire to do so. Strengthening off-the-job learning and expanding Foundation Apprenticeships can help with this."

Foundation Apprenticeships quite clearly meet the criteria and definition of what is a "Scottish Apprenticeship". The suggestion that apprenticeships must include payment is made without any basis. The clear legal requirement is that they must involve "reward" – quite a different thing.

Therefore, there is no logic or evidence to support separating out FAs from the rest of the Apprenticeship Family. We do, however, see very significant risk to the opportunities and life chances for young people. With little or no formal Cost Benefit Analysis or Equalities Impact Assessment having been undertaken in relation to the impact of Foundation Apprenticeships in the system there is no justification for taking FAs out of the system and 'shoehorning' them into a separate and as-yet-undefined classification of 'work-based learning'.

#### Research and Evidence Base Concerns and Risk to the System Impact of the LA Delivery of Foundation Apprenticeships

While the draft Bill refers to the previous 2022 OECD research, it seems to have missed the latest OECD recommendations, which were published in Innovation in Career Pathways Across Five Countries (2024). Unfortunately, the provisions within the draft Bill, as it stands, make it more difficult to create a systemic career pathway programme.

Commitments were given in previous communications that the draft legislation would be based on evidence and research and would build on 'what works'. The proposals do not build on several years of existing good practice in respect of FAs and risk damaging the progress which has been made in establishing partnership links with employers, creating distinct pathways for young people and placing the FA "brand" into the consciousness of students, employers, tertiary education and all others committed to the development of the future workforce.

There appears to have been little engagement with local authorities, both as one of the most significant providers of high-quality training and also as employers of those undertaking Foundation, Modern and Graduate Apprenticeships. A wider and more thorough consultation is needed to ensure the views of all those affected by change in the system are elicited and given equal weight in formulating any new legislation.

The benefits of taking the FAs out of apprenticeship family are unknown and not clear. The risks however, are very clear. The draft legislation does not seem to reflect what a successful Local Authority led FA delivery is and does across the landscape. Only the most general references are made and there is an assumption that FAs are predominantly delivered within a further education college context. The impression is that the draft proposals have been formulated from a perspective far removed from the strategic and operational delivery of the successful Local Authority-led system.

#### Sustained Impact of a Successful Local Authority FA Model

The Aberdeenshire Council FA delivery impact has been transformational and sustained.

Outcomes include increased attainment, engagement and performance of young people

- Increased average attainment of 61% for all school leavers who complete a FA
- Closing the Poverty Related Attainment Gap
- Improved performance of the lowest attaining 20%
- Improved positive destination – on average 98.5 % for FAs
- Improved Sustained Positive Destinations outcomes for young people, employers & communities
- Attendance increases by 30%; Engagement increases by over 50%
- Differentiated pathways, to enable more young people to access the Senior Phase through formative approaches
- More meaningful and effective Mentoring
- Evidence of improved meta-skills
- Evidence of improved social mobility

The draft Bill does not seem to recognise these positive outcomes and hence why a formal Cost Benefit Analysis and an Equalities Impact Assessment should have informed the proposals and provisions of the draft Bill. There is a real risk of ‘babies being thrown out with the bathwater’ unless a more systemic career pathways programme is developed across Scotland. There appears to be a desire to “declutter” the Senior Phase of Education, without those directly involved in this sphere being at the table to provide the first-hand expert input necessary to ensure a full picture.

We note that differing views were expressed earlier in the consultation process. However, it is not easy to see where dissenting voices have been incorporated in legislation, nor how concerns about the prioritisation of universities and colleges to the detriment of other providers are to be addressed. Indeed, there appears to be much in the draft legislation that does not place learners at the centre of learning, particularly for the significant number of young people for whom apprenticeships are delivered outwith universities and colleges.

#### Views of the Employers

Employers are crucial to the delivery and development of apprenticeships, including FAs. The

2022 OECD report recommended that employer leadership of apprenticeships should be strengthened. There is little evidence of this in the draft Bill or supporting documentation.

Partnership with employers has been fundamental to the extensive development of FAs in Aberdeenshire. As mentioned previously, the Aberdeenshire FA model provides a framework for meaningful employer engagement in the curriculum, including co-creation and delivery, as well as joint investment partnerships. The draft Bill lacks clarity on how employers will effectively support, resource and take joint ownership of apprenticeships, including FAs.

Employers seem to have been primarily represented through 'The Apprenticeship Group'. This would seem to be a very limited approach given the magnitude of the change. The views of 'The Apprenticeship Group' as outlined in the Bill do not align with the views of the employers who are involved with the Aberdeenshire FA delivery. The views expressed by 'The Apprenticeship Group' on FAs and what is an Apprenticeship would very much be at odds with around 500 employers who are involved with Aberdeenshire Council's FA delivery. Indeed, Aberdeenshire Council, as a large employer, would steadfastly dispute the claims in the draft Bill and accompanying documentation that employers do not like the title "Foundation Apprenticeship" and that the FA "devalues" apprenticeships generally. (see Aberdeenshire FA progression from FA into MA data) The views of 'The Apprenticeship Group' as outlined in the Bill documentation are unsubstantiated and unquantified claims and assertions which do much to undermine young people, employers and those who do so much to make FAs flourish for thousands of young Scots every year.

Aberdeenshire Council, as one of the largest employers in the North East and a contributor of around £2 million annually to the Apprenticeship Levy strongly contests the views attributed to 'The Apprenticeship Group' in the draft Bill.

#### Lack of Clarification on 'Fundable Bodies'

The draft legislation lacks clarity as to how the highly successful Local Authority-led model of Foundation Apprenticeship provision would continue to be funded within the system. Schedule 2 of the draft Bill lists only Universities and Colleges as "Fundable Bodies". Local Authorities and Private Providers are excluded from this schedule. Therefore, references throughout the Bill to "Fundable Bodies" would, by definition, exclude LAs and other providers.

The SFC has no current legislative authority to fund school Senior Phase learning directly. There appears to be no intention to change this in the provisions contained within the draft Bill.

References to apprenticeships within the “post-school” landscape ignore delivery of FAs in a school context. The component elements of an “apprenticeship” listed in paragraph 56 of the Policy Memorandum apply equally to an FA, namely that they “enable employers to invest in their workforce, providing the skills the economy needs both now, and in the future. They provide people of all ages with the opportunity to upskill and reskill and help them to progress within their chosen career path.”

The funding associated with 5000 FA places is required to assess SVQ work-based elements and to support partnerships with FE, HE and Training Partners. Our understanding is that many colleges are stepping away from FA delivery, especially at Level 6, leaving [answer truncated to 25000 characters]

**2. The Bill would also move the funding and functions related to college student support from SFC to SAAS so that all student support funding is delivered through SAAS. What do you think of these measures?**

We have no issue in relation to this.

**3. The Bill will provide SFC with powers to make recommendations, issue guidance and to monitor the financial sustainability of post-16 education bodies. What do you think of these measures?**

The importance of the role of school and local authority provision in the Training, Tertiary and Post 16 landscape cannot be underestimated. SFC have, at best, limited knowledge of school systems, quality assurance and performance measures. Local Authorities and schools report to different statutory bodies. The draft Bill, therefore, puts at risk the ability to deliver an employer and learner led systemic approach to Career Pathways through secondary into tertiary pathways and destinations, including work.

## **Questions on Part 2 of the Bill**

**4. The Bill makes changes to the governance of the SFC, to take account of its expanded functions, and to ensure that the Council has the skills and experience that it needs. Are the measures sufficient?**

The draft Bill does not address our concerns. We agree that SFC governance functions need to be more reflective of the skills, knowledge and experience requirements to deliver a more aligned skills and education ‘eco-system’. It is crucial that a revised SFC has an appropriate understanding and value of the wider skills delivery system as well as the full range of apprenticeship provision, including FAs and GAs. We feel that the employer voice requires to be front and centre.

Above all else the revised SFC governance needs to reflect the wider skills, education and apprenticeships landscape, ensuring an effective Career Pathways Programme is developed

and is responsive to employer and societal needs. It is crucial that SFC governance understands all aspects of the system and the part each plays. The draft Bill as it stands does not do this.

## **Questions on Part 3 of the Bill**

### **5. The Bill aims to clarify the process for providing student support to Scottish students studying at private institutions in the UK. Do the measures provide enough clarity? Are the measures sufficient?**

We have no issue with this aspect of the Bill.

## **Further comments**

### **6. In your view, what should the outcomes of the Bill be?**

We welcome the comment at paragraph 77 of the Policy Memo that “apprenticeships and work-based learning are intended to be permanent features of the education landscape.” With that in mind, we strongly urge that our representations made here are accepted and that the draft legislation as presented undergoes a thorough revision, based on the input of a much wider cross-section of those delivering these qualifications, not least representatives of the local authority model.

- The Aberdeenshire Council development of Foundation Apprenticeships is a success story for Scottish Government, which has been recognised by the OECD. The principles and learning from this should be built on to deliver a sustainable and embedded FA offer for all young people across Scotland.
- We often hear that Scotland needs additional replacement and expansion workforce development by 2035. A significant volume of this workforce is currently at school. Therefore, consideration be given to the ADES FA Sub Group paper “Embedding Sustainable Foundation Apprenticeships Across Scotland” and nationally we develop the LA led FA partnership model as a systemic Career Pathways Programme.
- Approve and pilot three Regionally Collaborative FA projects, as ‘tests of change’ for this CPP model.
- Formally confirm FAs as part of the Apprenticeship Family
- Re-establish Foundation Apprenticeship Enhancement Group (FAEG) to focus on achieving the following remit through an empowered partnership approach:
  - Accelerate FA redesign (Gen2)
  - Review the expansion need for FA frameworks
  - Identify clear routes for employer engagement and co-creation of FA developments
  - Review system design, partner collaboration and KPI’s for delivery of work-based learning pathways

# Colleges Scotland response to the call for views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill

## Introduction

Colleges Scotland welcomes the opportunity to provide views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill on behalf of the college sector.

## Key Points

### 1. The proposals would move the funding and functions related to National Training Programmes and provision for apprenticeships from Skills Development Scotland to the Scottish Funding Council. What do you think of these measures?

The college sector recognises the need to simplify responsibilities for National Training Programmes (NTPs) and apprenticeships as part of the overall post-school education and skills reform and is supportive of the creation of a single funding body, as recommended by James Withers in the publication of the Skills Delivery Landscape Review.

Our support of the need of reform is driven by the belief that this would effectively deliver for the people of Scotland and play a significant role in our economic recovery, whilst delivering a system of reduced complexity and enhanced simplicity for learners to navigate.

In responding to the Scottish Government's [Post-School Education and Skills Reform: Consultation on Legislation](#), the college sector expressed its preference that **Proposal 3: Consolidate all provision funding and all student support funding within Scottish Funding Council (SFC)** is best aligned to meet the needs of college learners.

However, the proposals put forward by the Scottish Government would move the funding and functions related to NTPs and provision for apprenticeships from Skills Development Scotland (SDS) to the SFC – Proposal 2.

Although, in regard to the options presented, we were in favour of moving all funding to the SFC, there was recognition that Proposal 2 is potentially a workable solution for colleges, as this could satisfy the need for simplification, and reduce confusion and duplication, whilst delivering a more learner-centred approach.

While the sector welcomes the proposed simplifications and recognises the benefits of consolidating responsibilities within the SFC, this period of reform also presents an opportunity to consider more fundamental questions about the future governance and funding of tertiary education in Scotland.

Without taking a fixed position at this stage, we believe it is important to keep open a wider strategic conversation about whether the current model continues to enable further college delivery of activity for learners, whilst supporting economic growth and the reduction of poverty.

In any event, in transitioning to a new arrangements, ongoing communication and engagement with stakeholders will be vital in ensuring continuity and stability for

learners and businesses.

It is important to note that there are some potential challenges to moving the funding and functions related to NTPs and provision for apprenticeships to the SFC within the current model. It will take time and effort to both integrate new staff and for current staff and board members to build their knowledge and expertise around apprenticeships and NTPs to the level that is required to support a successful transition. There is work currently underway to streamline the 'apprenticeship family' and it is crucial this is joined up.

Whilst having the three elements of the apprenticeship family within one organisation, focus needs to be brought to the streamlining and changes required, to ensure this can still happen at sufficient pace whilst the new responsibilities are embedded into SFC. In addition, as a result of the transition to the new arrangements, the guiding principle needs to be the guarantee of available funding as and when required, regardless of the pathway chosen by a learner.

**2. The Bill would also move the funding and functions related to college student support from SFC to SAAS so that all student support funding is delivered through SAAS. What do you think of these measures?**

As well as NTPs and provision for apprenticeships, there is also a need to simplify responsibilities for college student support, as the current dual funding mechanism is confusing and administratively burdensome for colleges. The current system does not give colleges the flexibility to vire between HE and FE funds, which puts learners at a disadvantage.

Similar to the previous point, although the college sector was in favour of consolidating all college student support funding within SFC, the proposals to move the funding and functions related to student support from SFC to SAAS is a feasible solution. This simplified approach will ultimately benefit both college staff and learners by reducing duplication and removing complexity from the system.

Furthermore, if all student support funding is to be delivered through SAAS, the potential opportunity to give colleges the flexibility to transfer funds between FE and HE funding streams needs to be taken, meaning learners would benefit from colleges being able to better support their needs. Currently, colleges are required to return unspent funds to SFC and SAAS meaning they cannot support learners to the best of their abilities, i.e. FE learners cannot benefit from available, unspent funding within the HE budget.

As with the previous point, clear communication and engagement with stakeholders during the transition period will be key. There are established relationships between colleges and student support colleagues in both SFC and SAAS, so it will be important to consider how the current set up and culture will be impacted by the changes.

It is important to consider that navigating SAAS's online system to apply for funding may be challenging for vulnerable learners, so these learners must be properly supported through this process, so they are able to access what they are entitled to without being disadvantaged.

**3. The Bill will provide SFC with powers to make recommendations, issue guidance and to monitor the financial sustainability of post-16 education bodies. What do you think of these measures?**

In its response to the Scottish Government's Post-School Education and Skills Reform: Consultation on Legislation, the college sector said that there is an opportunity to review and assess what data is collected and how it is used to inform decision making, whilst also looking at the consistency of data being collected across all agencies in the Education and Skills landscape. However, the sector is seeking continued assurance that the data being collected from colleges is being used to its optimum, and that there is clear value add justification for any additional asks to provide more data.

There is a question regarding the need to introduce new duties on organisations receiving public funding to provide better information to SFC, but the college sector would need further clarity on what this would involve.

If SFC becomes the responsible commissioning body for both colleges and private training providers, we would ask that the data collection requirements are consistent across the board, and that private training providers are subject to the same scrutiny as colleges.

Through consultation with the college sector, discussions have considered whether the SFC should collect data on the wider funding position of the college sector, rather than just the funding it provides, to obtain a more rounded picture of the overall financial health of the sector. This is an ongoing discussion being taken forward through Colleges Scotland, and which could be explored by the Scottish Government and SFC working with the sector going forward.

In this time of reform, there is an opportunity for a culture shift across the Education and Skills system and the current working relationships with the college sector, as part of the wider Tertiary sector, to be more collaborative, so colleges are empowered to become drivers of change rather than merely recipients of funding.

The SFC's report, [Financial Sustainability of Colleges in Scotland 2020-21 to 2025-26](#), recognises the worsening financial health of Scottish colleges. However, unless the SFC is ultimately given the power to address the financial sustainability of the college sector, the current position is unlikely to change. [Audit Scotland](#) has also evidenced that the college sector has seen a 17% reduction in real-terms funding in the three years between 2021/22 to 2024/25, that has resulted in colleges now having to deliver significant annual recurrent savings that will have a material impact on learners.

**4. The Bill makes changes to the governance of the SFC, to take account of its expanded functions, and to ensure that the Council has the skills and experience that it needs. Are the measures sufficient?**

In response to the Scottish Government's Post-School Education and Skills Reform: Consultation on Legislation, the college sector expressed the importance of representatives having lived experience of colleges and up to date knowledge of the landscape of the sector, representing those it serves.

In discussions there has also been a consensus that the current Board membership would benefit from representation from service users and learners, which would also serve to

ensure that the needs of the learner are reflected and represented in future decision-making processes.

The profile of college learners is very particular, and so the sector would welcome assurances that the SFC Board in its decision making understand the diverse characteristics of different college learner cohorts.

The Bill states that members of the Council will have experience of and have shown capacity in the provision of Scottish apprenticeships, or work-based learning, or have held and have shown capacity in, any position carrying the responsibility for the provision of Scottish apprenticeships or work-based learning.

Whilst this is a welcome and important change, the college sector also put forward that the following key stakeholder groups are currently underrepresented on the SFC board:

- Business and Industry
- Community
- Students

Given the expanded remit of the SFC, it will be important and appropriate to review overall Board skills, to ensure there are representatives with the suitable skillset to respond to the enhanced functions. Succession planning around Board membership is crucial too.

In terms of Board membership appointments, the explanatory notes to the Bill states the following: *Section 14: Appointment of members of the Council 45. This section of the Bill amends paragraph 2 of schedule 1 of the 2005 Act, on the membership of the Council. The current limit on*

*reappointment as a member of the Council for a single further term of up to 4 years is repealed by section 14(2)(a). Instead, sub-paragraph (6), as amended by section 14(2)(b), has the effect that a person who is or has been a member is to be generally eligible for reappointment.*

In its response to the consultation, the college sector was seeking to ensure that good governance continues to be followed. Through conversations with SFC we have been reassured that this technical change is to bring the SFC governance in line with all other public bodies. The overarching view from the college sector is to ensure that the governance of the SFC Board should mirror that of colleges, given its oversight of the sector.

**5. The Bill aims to clarify the process for providing student support to Scottish students studying at private institutions in the UK. Do the measures provide enough clarity? Are the measures sufficient?**

As Colleges Scotland does not represent private institutions in the UK, we would not be in a position to comment on the process or associated measures for private institutions in the UK. However, it is our view that there is a need for consistency across the board, so private institutions should be subject to the same expectations as colleges.

**6. In your view, what should the outcomes of the Bill be?**

From the perspective of the college sector, the outcomes of the Bill should be:

- A simplified funding system which eliminates confusion and duplication and gives colleges the flexibility to transfer between HE and FE funding streams, where appropriate.
- The guiding principle of available funding regardless of learner pathway.
- A better integrated and learner-centred approach to funding which removes barriers to participation and enhances the overall learning experience.
- Improved data use, analysis, and reporting, with clear purpose and value which supports better decision-making and accountability.
- Alignment of the colleges' main funding streams to better support delivery, remove system barriers, incompatibility and bureaucracy.
- A coherent vision and strategy, aligned with national priorities.
- A culture which supports transparency and openness.

## **Universities Scotland response to the call for views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill**

Universities Scotland is the representative body of Scotland's 19 higher education institutions.

### **1. The proposals would move the funding and functions related to National Training Programmes and provision for apprenticeships from Skills Development Scotland to the Scottish Funding Council. What do you think of these measures?**

We support the Bill's primary policy objective, as set out in the Policy Memorandum (para 7), to:

“enable funding for tertiary education and training provision to be more responsive to the needs of learners and the economy”.

To do this, the Bill needs to not only deliver the immediate changes to the public bodies but also, vitally, ensure that the SFC can change its approach to funding over time to fully respond to Scotland's skills needs. For both, there are some areas of the Bill where greater clarity is needed, or where the suggested implementation requires adjustment.

The Bill provides for the transfer of responsibilities for apprenticeships as they are currently configured. It also makes provision for the support of work-based learning.

We are supportive of this transfer of responsibilities. However, we believe that there is merit in a different approach to implementation to that set out in the Policy Memorandum.

There are immediate opportunities to enable universities to better meet employer and learner demand through a changed approach to graduate apprenticeships (GAs). Rather than requiring the external approval of frameworks, there should be a full alignment of the funding and quality/control model for GAs to typical taught programmes. SFC funded GAs have already been incorporated into the system of funded places. Removing the need for framework approval, whilst relying on proven quality assurance mechanisms for the university sector, would enable programmes to be directly (and more rapidly) developed between universities and partners.

Graduate apprenticeships are not the only forms of work-based learning offered by universities and there are also immediate opportunities for work-based learning more widely, building on universities' diverse links with employers.

It is vitally important that the statute allows for new approaches over time so that funding and support for the study of apprenticeships on the one hand, and for wider accredited work-based learning on the other, offer a greater flexibility to institutions when meeting demand. This will have an increasing importance in the context of Scotland's demography; the breadth of choice

for learners and employers; and a need for a competitive level of post school qualification across our working age population.

The Bill should therefore enable the Council to evolve its approach to support an expansion of a breadth of university work-based learning including graduate apprenticeships, adding to the substantial amount already offered.

There is a need for greater clarity that the Bill as presented will achieve this. Section 12J (2) of the Bill provides for SFC to:

“make grants, loans or other payments to a training provider in respect of expenditure incurred or to be incurred by the provider for the purpose of the delivery of Scottish apprenticeships or work-based learning”.

A ‘training provider’ is defined as a person who:

“(a) provides either work-based learning or the training of an apprentice required under a Scottish apprenticeship framework, and  
(b) meets criteria set out in regulations made by the Scottish Ministers”.

Helpfully, the Policy Memorandum notes (para 118) that the definition of a ‘training provider’ is left deliberately broad and could include ‘post-16 education body’.

It would be helpful if on the face of the Bill and / or in Ministerial statement during its passage, for it to be made clearer that the policy intention is that higher education institutions (and others) could be ‘training providers’ for the purposes of these sections.

In our comments on Part 3, we also reflect on the need for a changed SAAS to be able to make policy changes to support work-based learning.

**2. The Bill would also move the funding and functions related to college student support from SFC to SAAS so that all student support funding is delivered through SAAS. What do you think of these measures?**

This is primarily a question for the college sector to comment on. Clearly, universities have an interest in this change being effective, for example in supporting students who take up university study after their time at college.

**3. The Bill will provide SFC with powers to make recommendations, issue guidance and to monitor the financial sustainability of post-16 education bodies. What do you think of these measures?**

We have set out below our views on a number of the proposed new powers and duties of the Council.

The reliance on the creation of a regulation-making power for Ministers for full implementation of these elements of the Bill leaves considerable uncertainty as to whether these powers and duties will be:

- effective and deliverable by the Council, including as it manages considerable organisational change over the short to medium term;
- configured in ways that reflect the different status of the fundable bodies to which they relate; and
- compatible with university autonomy and supportive of the maintenance of the university sector's current ONS classification.

We note that the ONS is embarking on a review of the transactions in which UK universities engage and that a further review to establish whether universities are subject to public sector control will be considered following the completion of this review.

Given the profound detrimental impact that a reclassification would bring, we ask that the Committee keeps these issues to the fore in its scrutiny of the Bill.

#### Information sharing (Section 6 of the Bill)

The Bill includes new duties to ensure data sharing by persons receiving SFC funding, under the Council's new NTP, apprenticeship or work-based learning functions.

As the issue of information sharing is addressed in the Bill, we believe that there should be consideration of how to address the long-established need for enhanced data sharing between parts of the education sector to support widening access. For example data on receipt of free school meals (FSM) and school clothing grant. We understand from Scottish Government that there are currently statutory obstacles to this.

Scotland's universities are actively working to meet the Commission on Widening Access targets for fair access by 2030. A person centric metric of socio-economic deprivation would be of significant assistance with this agenda, and we are concerned about the impact of delays if another legislative route were to be found in the next Programme for Government (which will have very little legislative time to deliver before the next election).

We note that:

- the sharing of data on FSM has been a policy objective for many years, see for example the report of the Scottish Government's Access Data Working Group in early 2019;

- the Information Commissioner’s Office (ICO) wrote recently to the Committee, noting to date it has not had any engagement with the Scottish Government on these issues. Further, the ICO notes the importance of a clear lawful basis for sharing FSM data under Data Protection law, whilst also acknowledging that data sharing may not be happening due to other, non-statutory reasons; and
- the Committee had the opportunity to discuss these issues with the Cabinet Secretary on 2 April where the potential for a SSI to resolve these issues was discussed.

We ask that, as part of the passage of this Bill, the Committee considers whether it provides a vehicle for addressing any statutory obstacles that the SSI will not. Overall, the sector would value a clear, timed pathway to these issues being resolved.

#### Notifications to the Council (Section 7)

The Bill does not provide detail on the scope of, and thresholds for, the duty for institutions to notify the Council. The Explanatory Notes and Policy Memorandum point to circumstances of ‘serious jeopardy’ and ‘material change’ however the examples provided do not all point to thresholds of such significance.

We note that the form, manner and timing of notifications will be specified through regulations which will be the subject of consultation. However, we understand that this affirmative procedure will not take place until after passage of the Bill. There should therefore be an exploration of the detail of this proposal during the passage of the Bill, to frame and inform the subsequent creation of regulations.

We want to see action during the passage of the Bill to ensure that thresholds for notification set out in regulations are effective, deliverable and acknowledge the reporting requirements under existing regulatory mechanisms to avoid duplication and unnecessary complexity for HEIs. For instance, there are already thresholds for collective consultation which HEIs work to in the event of redundancies and there is already a threshold trigger point at which notification to the Information Commissioner’s Office is required by HEIs in the event of a data breach. We also note that the Financial Memorandum with the SFC already specifies a requirement on an institution’s accountable officer to “inform SFC’s Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the institution to deliver its education programmes, research and other related activity, including delivery of its Outcome Agreement with SFC”.

These questions of threshold and timing are important if the duty is to be effective and manageable for HEIs and for the Council and if it is to reflect appropriately the autonomous status of universities.

Efficiency studies: the needs and interests of learners and making recommendations (Section 8)

The Bill expands the scope of the SFC's existing powers to conduct efficiency studies to include the needs and interests of learners and gives the Council the power to make recommendations to fundable bodies following such a study. The term 'the needs and interests of learners' is not defined. The example provided in the Policy Memorandum is that of a course closure where there is a risk of students being unable to complete their studies.

Paragraph 186 of the Policy Memorandum notes that "there is no corresponding duty on the fundable body to do anything in response to the recommendations. However, as a matter of good governance and practice, the Scottish Government would expect the fundable body to consider them appropriately". However, paragraph 184 notes that "recommendations could include setting specific improvement targets and requiring the development of an improvement plan" (our emphasis).z

There is a need for greater clarity on the topics that might be the subject of efficiency studies, including the definition of 'the needs and interests of students', to understand the likelihood that the proposed powers would be effective and are compatible with institutional autonomy. We note that this section of the Bill is seeking to introduce a common system to fundable bodies that are both within (colleges) and outwith (universities) the public sector. To illustrate the need for greater clarity:

- universities regularly make managed adjustments to their offering of courses and modules in light of demand, with appropriate management of the interests of students enrolled. Whilst the example in the Policy Memorandum would suggest that these decisions and processes would be outwith the intended scope of these measures, it is not clear that they are;
- how would the power of the SFC to commission a study, to make recommendations and to potentially publish those recommendations, relate to a higher education institution's commercial activities and interests? For example, the provision under contract of training, research or consultancy with an employer. Again, we would assume that these would be outwith the intended scope but this is not clear; and
- the Bill includes provision for the Council to "publish any recommendations issued under subsection (4) as it considers appropriate". This leaves the decision on publication wholly with the SFC without a recognition that publication might affect the commercial interests of a higher education institution that sit beyond the direct funding relationship. The Policy Memorandum is also silent on this issue. There should be exploration of how SFC would determine the appropriateness of publication, including dialogue with the institution(s) concerned and any effect on their wider activities.

- We also note that the needs and interests of students are not always aligned with efficiency. For example, some learners change their desired learning outcome and therefore repeat a year of study. Different institutions may offer courses with similar titles that take different approaches to the content and are therefore aimed at different levels. In addition, different, similarly titled, courses in different institutions (for example in engineering) may have different entry requirements and combining courses like this could result in some learners being unable to access their desired course.

#### Information on financial sustainability (Section 9)

We note the new provisions on the financial sustainability of post-16 education bodies and the intention for these to support information flows. Existing arrangements provide for a regular and substantial flow of information from institutions to the Council, for example Financial Statements, Strategic Plan Forecasts and Financial Forecast Updates. As noted above, there are also requirements under the SFC's Financial Memorandum for accountable officers to "inform SFC's Accountable Officer without delay of any circumstance that is having, or is likely to have, a significant adverse effect on the ability of the institution to deliver its education programmes" and "of any serious weakness, such as a significant and immediate threat to the institution's financial position, significant fraud or major accounting breakdown". There is also regular engagement between the Council executive and institutions, for instance through Outcome Agreement Managers.

We imply from the Policy Memorandum that the intention of the Bill is to support flows of information when there are exceptional circumstances, be it requested by the SFC or offered by institutions, and that, whilst this is already provided for under the SFC's Financial Memorandum, the aim is to place it on a statutory footing.

We would value greater clarity on the practical implementation of these provisions. It will be important that the Council has the capacity to absorb and analyse the information that it receives and to engage with institutions where it finds reason to do so. In this context we highlight our wider concern that, whilst we are supportive of the Bill's objectives, it will be important for the Council to have the capacity and skill set to both give effect to the substantial internal programme of organisational change and meet new duties whilst, very importantly, sustaining its important current role.

#### Guidance (Section 10)

As the Policy Memorandum notes, The SFC already issues guidance to fundable bodies on a range of matters. The Bill gives the SFC the power to issue guidance to fundable bodies. Given this power will apply to some organisations in the public sector and some that are not, and higher education institutions' operations have a significant breadth including much that is

not supported by resources from the Scottish Government / SFC, we welcome the clarification that guidance will apply to “activities in respect of which the person is in receipt of funding” (para 37, Explanatory Notes to the Bill).

**4. The Bill makes changes to the governance of the SFC, to take account of its expanded functions, and to ensure that the Council has the skills and experience that it needs. Are the measures sufficient?**

Appointment of members of the Council and members’ skills and experience (Sections 14 and 15)

In our consultation response we noted our concern about the provisions to remove the time limit on appointments and restriction on reappointment of Council members. We are therefore pleased that the Policy Memorandum notes continuing adherence to the current 8 year limit on maximum duration of appointment in The Ethical Standards Commissioner’s Code of Practice for Ministerial Appointments to Public Bodies. We would value further assurance during the course of the Bill that this will apply.

Our consultation response suggested that the significant widening of SFC responsibilities justified a limited increase in the number of Council members to ensure a sufficient balance of skills and experience. We believe that this should be considered through amendment to the Bill, in particular given our concerns set out below about the potential for a reduced insight into the operation of universities across the Council membership.

The Financial Memorandum to the Bill notes:

“Given the transfer of a significant proportion of SDS’s responsibilities and budget to the SFC, it might be anticipated that the SDS Board could have fewer members in future”.

The modelling suggests a reduction of between 2-4 members from the SDS Board. However, there is not a parallel acknowledgement that the SFC Board would need to expand due to it taking on these responsibilities and budget.

As the Council takes on these responsibilities, the Policy Memorandum notes that the Bill will change the specific skills, knowledge and experience that Scottish Ministers are to consider when appointing new members and that this “signifies a shift away from an emphasis on appointing Council members who are actively employed or engaged in the college or higher education sectors” (para 250 of Policy Memorandum). The Policy Memorandum notes in this context that perceived or actual conflicts of interest amongst Council members who are actively employed or engaged in the college or higher education sectors can affect the delivery of Council business. We recognise that the current Act and provisions in the Bill would mean that, when making appointments, Ministers would still have regard to the desirability of

including persons who:

- have experience of, and have shown capacity in, the provision of fundable further education or fundable higher education; and
- have experience, and have shown capacity, relating to research or the application of research.

However, coupled with the rejection of the option to expand the number of Council members, we have a strong concern that the Council may not in future have experience of the breadth of university operations when making decisions. For instance: insight on current research and innovation strategy and the operation of the dual support system which levers significant resources into Scotland and is a driver of economic growth; the formation and growth of international partnerships and their relationship with the delivery of tuition and research in Scotland; and the complex systems of regulation that apply to the university sector.

This question should be explored during the passage of the Bill and we would wish to see the restoration of criteria that are proposed for removal. If conflict of interest is the sole driver for these changes, this is an issue navigated by other Boards and so there should be exploration of the reality of this issue; whether it justifies the complete exclusion from Council membership of any currently serving staff member of an institution; and, if so, how else individuals with the necessary experience might be drawn into Council membership. As the Policy Memorandum states, “the approach to managing conflict-of-interest is best determined and set out administratively, through documents relating to the appointment process and letters of appointment” (para 258 of the Policy Memorandum).

#### Co-opted members of the Council (Section 16)

In our consultation response we acknowledged the potential value in having co-opted members of the Council but only as a time-limited mechanism to implement change in the Council’s composition. We recognise that there may also be unexpected circumstances where there is a sudden fall in the membership of the Council where, again, co-opted members might be part of a temporary solution.

However, we do not believe that the ongoing use of co-opted members is the best path for the governance of the Council. We observe that the Council is free to invite individuals with expertise in a given area to attend its meetings to offer advice and contribute in all of the ways set out at paragraph 262 of the Policy Memorandum.

#### Creation of an Apprenticeship Committee (Section 17)

The Policy Memorandum states that the “objective in establishing an apprenticeship committee is to provide the SFC with the right structures to manage its new apprenticeship functions”. Noting that it is expected that the Committee will have responsibility for preparing Scottish apprenticeship frameworks and will absorb at least some of the functions and

responsibilities of various bodies and groups in the current apprenticeships landscape, the Policy Memorandum also notes that its functions are expected to evolve.

We welcome this indication that the Apprenticeship Committee will need to evolve over time to meet expectations.

As we have noted, we believe that the future development of graduate apprenticeships can be achieved without the need for frameworks, relying instead on established arrangements for funding and quality etc.

As we have set out in our views on Part 1, we also believe that there is an opportunity over time to take a more holistic view of skills needs, apprenticeships and work-based learning. The proposed statutory Apprenticeship Committee would sit alongside the existing statutory Skills Committee that has a purpose in statute “of advising the Council on matters relating to skills”. In practice, that existing statutory skills committee is the SFC’s Skills, Enhancement, Access and Learning (SEAL) Committee. It has a remit that includes the “employer experience of the tertiary education system” and “the coherence of SFC funded provision, the development of strategic and impactful partnerships with employers across the education and skills system and work to address employers’ and learner needs”.

We question whether the policy objective of the Bill to enable funding for tertiary education and training provision to be more responsive to the needs of learners and the economy is best served by the establishment of two statutory committees, with very close if not overlapping responsibilities as currently defined. Consideration should be given to instead establishing a governance structure for apprenticeships reporting to the SEAL Committee that would focus on the important business connected to apprenticeships set out in the Policy Memorandum. That structure could be given delegated powers for making decisions on apprenticeships, so that business can be progressed to required timescales. Then, as needs evolve, the SEAL Committee could adjust its own remit and that of any sub-committees that advise it.

**5. The Bill aims to clarify the process for providing student support to Scottish students studying at private institutions in the UK. Do the measures provide enough clarity? Are the measures sufficient?**

We note that the Policy Memorandum states that this part of the Bill aims to put the designation of private providers for the purposes of student support on a clearer statutory footing. We are supportive of the aim of enabling greater transparency in the designation process. However, we note that implementation will be through the making of regulations by Scottish Ministers. It would be helpful if Ministers were to offer an indication of the content of these regulations during the passage of the Bill so that these can be commented upon.

More broadly, as the arrangements for student support are considered, we hope that a

number of matters can be addressed. The Committee may wish to test whether the proposed changes will enable resolution of these:

- a. there is currently an inconsistency between access to SAAS support for fees between graduate apprenticeships on the one hand, and other work-based learning degrees on the other. Alignment would be a pragmatic step towards the intention of aligning skills needs and rapid development of programmes between universities and partners.
- b. our members have encountered challenges for midwifery students as, under the current SAAS interpretation of legislation, these students are ineligible for non-means tested loans as they are deemed to be 'employed'.

## **6. In your view, what should the outcomes of the Bill be?**

As we have noted in comments on question 2, where new powers and duties are proposed for the Council, these should be configured such that they are:

- effective and deliverable by the Council, including as it manages considerable organisational change over the short to medium term;
- configured in ways that reflect the different status of the fundable bodies to which they relate; and
- compatible with university autonomy and supportive of the maintenance of the university sector's current ONS classification.

The outcomes of the Bill will depend in large part on the capacity and agility of the SFC and SAAS to implement change. This should be explored fully during the passage of the Bill. Particularly important is the potential effect of implementing substantial change on the delivery of the Council's current responsibilities.

We have highlighted this in our evidence to the Finance and Public Administration Committee on the Financial Memorandum to the Bill. In that, we echoed the concerns that we expressed in the pre-legislative consultation about the operational impact of the delivery of reform on the Scottish Funding Council, particularly at a time when the Council needs to respond to the financial challenges faced by the university sector.

In our response to the Finance Committee we noted:

"In our consultation response we were supportive of change but noted that: "we envisage a significant process of organisational change for the SFC which will need to be effected without diminishing its important, broad and complex current role". We also noted that, "the time and resources required to effect the proposed changes and the related opportunity costs should not be underestimated".

We also noted our concern "about the significant opportunity cost of pursuing complex change

at a time when all of the sectors funded under option 2 are facing significant financial challenges. For universities those challenges include both cuts to funding through SFC and decline in income sources that are now needed to cross-subsidise the tuition and research funded by SFC. The level of that cross-subsidy is increasing each year as Scottish Government funding falls in real terms”.

We are pleased that the Financial Memorandum to the Bill recognises the need for a Transition Team and that the approach to this is informed by the experience of the Welsh Government in respect of the implementation of the Tertiary Education and Research (Wales) Act 2022. It also estimates the costs of addressing human resources and non-staff elements of change. In both cases the costs seem well-evidenced to achieve the plan for the transfer of staff and integration of services such as IT. It should be noted that the Memorandum assumes that between 148.4 and 174.6 FTE staff will transfer from SDS to SFC across a range of grades. They will therefore outnumber the Council’s current executive of around 140 FTE staff as set out in its Annual Report, (the FM notes that SFC currently has 190 FTE staff). The Memorandum does not reflect sufficiently on the management challenge and cost of delivering this change well, including the fact that the two organisations currently have differing organisational purposes and associated cultures.

There is also no exploration in the Memorandum of the extent to which the Council’s current duties will be deliverable during a period of significant change, nor how there would be capacity during a period of change to respond to situations falling into the Council’s new proposed powers and duties, eg for efficiency studies and for financial sustainability. There is an implication that all of these will be achievable by the current SFC staffing capacity. Our experience is that, even before the Bill is implemented, universities are experiencing incidences of the Council delaying actions due to insufficient capacity.

We therefore believe that there is a likelihood of a substantial diversion of Council staff time towards designing and implementing organisational change, beyond that considered in the Financial Memorandum.

We make these comments not to oppose the proposed changes, but rather to ensure that they are implemented successfully. An exploration during the passage of the Bill of the reality of SFC capacity now, and during change, would be welcome. In particular gaining a fuller understanding from the Council and Scottish Government about their detailed planning to avoid a diminution of existing activities alongside capacity to deliver the proposed new powers and duties”.

## **SDC-Learn response to the call for views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill**

SDC-Learn is a training provider which offers Foundation and Modern Apprenticeship qualifications across Scotland. The portfolio of qualifications we offer has grown in direct response to employer and learner interest and request. Qualifications include FAs in Food and Drink, Business Skills and Creative and Digital Media. Modern Apprenticeship qualifications offered: Hospitality, Business Admin, Management, Sports and Leisure, Digital Marketing, Customer Service. We work closely with employers and have developed a number of Apprenticeship schemes with employers to meet their exact requirements with regards to the learning and development of their teams.

At SDC-Learn we place great value on the tripartite relationship between the training provider, employer and learner, so much so that our Director Sarah Dalrymple is finalising her PhD in this topic.

At SDC-Learn we know that the training provider role is essential in the delivery of flexible work based learning. There is a huge need for move away from the pedagogical approach to learning and engaging with employers in an adult learning approach or Andragogy

SDC-Learn has received a number of awards over the years for innovation in delivery while seeing learners excel in the work place while on their qualifications

### **1. The proposals would move the funding and functions related to National Training Programmes and provision for apprenticeships from Skills Development Scotland to the Scottish Funding Council. What do you think of these measures?**

I don't believe we have any influence on this as it appears to have already been agreed post consultation.

### **2. The Bill would also move the funding and functions related to college student support from SFC to SAAS so that all student support funding is delivered through SAAS. What do you think of these measures?**

I would like to see similar funding afforded to training providers as offered to colleges. The value of training providers cannot be undervalued and is vital to the continued delivery of apprenticeships.

**3. The Bill will provide SFC with powers to make recommendations, issue guidance and to monitor the financial sustainability of post-16 education bodies. What do you think of these measures?**

There is a concern that SFC provides funding to colleges and universities over training providers. The funding should be equally shared across all providers as there is value from all institutions.

**4. The Bill makes changes to the governance of the SFC, to take account of its expanded functions, and to ensure that the Council has the skills and experience that it needs. Are the measures sufficient?**

There is a concern that by allocating responsibility back to councils that local colleges will be their priority. The local councils are also potentially ill-equipped to carry out their functions effectively and 20 years ago LEC did have funding responsibility and this initiative has already been changed due to the short falls experienced.

Apprenticeships should also not be region bound, this makes it difficult for learners who may move jobs while on their apprenticeships, but it also impacts businesses who operate across regions and across the border

**5. The Bill aims to clarify the process for providing student support to Scottish students studying at private institutions in the UK. Do the measures provide enough clarity? Are the measures sufficient?**

There needs to be equal funding for learners for apprenticeships, training providers, colleges and universities with student status afforded to all of them. Anyone learning should be offered appropriate funding and apprentices in the work place are entitled to the same support and funding as someone in an institution. Apprenticeships are vital for the economy and this needs to be fully valued so that the impact on the economy can be enjoyed.

**6. In your view, what should the outcomes of the Bill be?**

I would like to see equal funding and opportunities for learners across all learning options. Training providers offering Modern and Foundation Apprenticeships should be equally valued and opportunities to choose your education route should not be institution based. Colleges do not have the capacity nor the occupational skill, expertise and learning styles to offer work based learning opportunities that a private training provider can offer. A private training provider has occupational specialists who focus on a high standard of flexible delivery meeting employer and learner needs. I am more than happy to share my PhD findings with you when the thesis is finalised. Findings from data analysed show a real need

for the flexible approach to learning experienced through a private training provider. Funding needs to reflect the same level of value onto private training providers as shown to institutions.

## **Scottish and Northern Ireland Plumbing Employers Federation (SNIPEF) response to the call for views on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill**

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) is the leading trade body representing the plumbing and heating profession in Scotland and Northern Ireland. Established in 1923, SNIPEF advocates for approximately 750 member firms, most of which are small and micro-sized enterprises.

SNIPEF ensures the industry's voice is heard clearly in matters affecting training, quality standards, regulation, and sustainable practices, including Scotland's transition towards a low-carbon economy.

SNIPEF Training Services (STS), the dedicated training arm of SNIPEF, manages the Modern Apprenticeship in Plumbing and Heating in Scotland. STS provides essential oversight, support, and guidance to apprentices and employers, ensuring rigorous training standards and regulatory compliance.

Through its structured apprenticeship programme, STS supports young people entering stable, skilled employment, enhancing Scotland's economic resilience and delivering significant social value to communities across the country.

### **Questions on Part 1 of the Bill**

- 1. The proposals would move the funding and functions related to National Training Programmes and provision for apprenticeships from Skills Development Scotland to the Scottish Funding Council. What do you think of these measures?**

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) welcomes the proposed transfer of apprenticeship and National Training Programme responsibilities from Skills Development Scotland (SDS) to the Scottish Funding Council (SFC). This reform aligns with SNIPEF's previous support for a more streamlined and coherent funding structure, as articulated in our 2024 consultation response.

SNIPEF supports the consolidation of functions under a single public body, provided that the transition ensures continuity for apprentices, employers and training providers. In particular, we emphasise the need for managing agents such as SNIPEF Training Services (STS), the industry managing agent for the plumbing and heating profession in Scotland and

responsible for overseeing the Modern Apprenticeship in Plumbing and Heating, to have a clear and secure legal framework for engagement with the SFC under the new arrangements.

This move must also avoid any dilution of focus on vocational education. Instead, it should enhance alignment between apprenticeship provision and economic need, including critical professions such as plumbing and heating, which are central to Scotland's transition to a low-carbon economy.

Apprenticeships in these professions not only address skills shortages but also provide significant social value by offering young people stable career paths, job security and community development opportunities. It is crucial to recognise that an apprenticeship is fundamentally employment-based training, providing structured work, income and career security for apprentices typically spanning between two and four years, rather than simply being a conventional college course.

It is important to highlight that STS has not received any additional grant funding increases in the past eight years. This financial stagnation threatens the sustainability of our training services and may necessitate a reduction in the quality and support we provide to the profession, employers and apprentices. Such downscaling could deter employers from recruiting apprentices, exacerbating existing skills shortages and risking an increase in unskilled or inadequately trained workers, ultimately putting public safety at risk.

As such, SNIPEF urges that the new funding arrangements address these critical issues by ensuring funding levels are sufficient to maintain and enhance the quality and reach of apprenticeship training. The success of this reform will depend on the SFC's ability to engage meaningfully with industry and uphold high standards of quality and accountability in apprenticeship delivery. This includes recognising the pivotal role of managing agents like STS and ensuring that funding mechanisms reflect the financial realities and demands of delivering high-quality vocational training.

**2. The Bill would also move the funding and functions related to college student support from SFC to SAAS so that all student support funding is delivered through SAAS. What do you think of these measures?**

While the Scottish and Northern Ireland Plumbing Employers' Federation's (SNIPEF) direct focus is primarily on apprenticeships rather than full-time college provision, we recognise the potential administrative benefit of consolidating student support funding through the Student Awards Agency Scotland. A single, centralised system may provide greater clarity and consistency for learners.

However, it is essential that this transfer does not disrupt the learner journey or the ability of training providers to support students effectively. In cases where student support intersects with apprenticeship delivery, such as apprentices attending part-time college programmes, funding must remain timely, transparent and sufficient to meet the needs of these learners.

SNIPEF therefore supports the measure in principle, provided that the implementation ensures continuity and accessibility for all learners, particularly those engaged in vocational education and training pathways. We also emphasise that the consolidation of student support funding through SAAS must not result in any disproportionate or unfair increases in student support funding that would be detrimental to Modern Apprenticeship funding. Maintaining balanced and sufficient funding for Modern Apprenticeships remains critical to sustaining the quality and availability of vocational training in key technical professions.

**3. The Bill will provide SFC with powers to make recommendations, issue guidance and to monitor the financial sustainability of post-16 education bodies. What do you think of these measures?**

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) supports the strengthening of the Scottish Funding Council's (SFC) role in monitoring financial sustainability, issuing guidance, and making recommendations to post-16 education bodies. We believe these powers are essential for ensuring accountability, transparency and delivering value for public investment within Scotland's education and skills system.

However, it is crucial that these powers are applied with sector-specific understanding and sensitivity. Apprenticeships in professions such as plumbing and heating are technically demanding, multi-year programmes with stringent requirements and professional standards. These apprenticeships cannot fairly or effectively be assessed or managed using the same criteria as shorter-duration or less technical apprenticeships.

While all apprenticeships have value (and SNIPEF strongly advocates this position), applying a uniform approach risks undervaluing the complexity, duration, cost and professional significance of technical apprenticeships. Ensuring flexibility, diversity and responsiveness in regulatory and funding practices is therefore essential to maintain the effectiveness and integrity of vocational training across different sectors.

We also emphasise the importance of fairness, parity of conditions, and equal treatment across all types of education and training providers. Historically, there have been concerns that larger institutions have been permitted to operate under less stringent reporting requirements or more favourable compliance conditions compared to smaller providers such as managing agents. The Scottish Funding Council must ensure consistency and transparency across all

providers by setting clear, equal and equitable expectations. Contractual obligations and performance standards must be applied equally, without favouritism or undue influence from larger institutions, ensuring that smaller entities such as SNIPEF Training Services are treated fairly and objectively.

Finally, we urge that the powers to issue guidance and recommendations be utilised not merely to identify financial risks but also to actively encourage improvement through constructive dialogue, sharing of best practices, and targeted investment in capacity-building where necessary.

## **Questions on Part 2 of the Bill**

### **4. The Bill makes changes to the governance of the SFC, to take account of its expanded functions, and to ensure that the Council has the skills and experience that it needs. Are the measures sufficient?**

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) welcomes the Bill's intention to strengthen the governance of the Scottish Funding Council (SFC) and broaden the skills base of its board. We have previously called for greater representation of apprenticeship expertise, vocational education experience, and employer perspectives, particularly from sectors reliant on employment-based learning and SMEs.

SNIPEF supports the inclusion of an Apprenticeship Committee as a positive step towards ensuring apprenticeships receive dedicated oversight. However, the Bill must explicitly ensure that managing agents, sectoral bodies and organisations representing micro and small employers are formally involved in shaping strategy and influencing delivery, particularly given that over 80% of our profession falls into the micro and small business categories.

Governance structures must be inclusive and reflective of the full breadth of Scotland's education and training system. Without such representation, there is a genuine risk that vocational pathways will be unintentionally deprioritised in favour of more traditional academic routes.

Moreover, apprenticeships provide significant economic benefits to Scotland, especially in technical professions such as plumbing and heating. The structured four-year employment offered through apprenticeships not only delivers skilled workers into the Scottish economy but also directly reduces youth unemployment during the apprenticeship period. This employment stability is particularly important during times of economic uncertainty, such as those currently experienced. Apprenticeships therefore represent a proven mechanism for maintaining economic resilience, sustaining college and training-provider viability and

supporting social and economic stability across communities.

## Questions on Part 3 of the Bill

### **5. The Bill aims to clarify the process for providing student support to Scottish students studying at private institutions in the UK. Do the measures provide enough clarity? Are the measures sufficient?**

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) does not hold a direct position on this matter, as our primary focus is on apprenticeships and work-based learning rather than student support at private institutions.

## Further comments

### **6. In your view, what should the outcomes of the Bill be?**

The Tertiary Education and Training (Funding and Governance) (Scotland) Bill presents an opportunity to transform Scotland's post-school education and skills system into a more transparent, coherent, equitable and responsive framework that meets the needs of learners, employers and the broader economy. We commend those who have developed this Bill.

The Scottish and Northern Ireland Plumbing Employers' Federation (SNIPEF) believes that the ultimate outcome of this legislation must be the creation of a simplified, learner-focused system that genuinely values and supports both vocational and academic pathways. A key part of this is ensuring that apprenticeships and employment-based learning are fully integrated into the strategic vision for tertiary education, not as secondary options, but as equal and essential components of a diverse and future-ready workforce.

In this regard, SNIPEF acknowledges a sense of frustration with the existing educational hierarchy, real or perceived, in which apprenticeships are often placed at a lower priority compared to schools and universities. This perception, often reflected in funding decisions, fails to recognise the significant economic and social value of apprenticeships, where individuals simultaneously earn and learn. Apprenticeships not only deliver essential skills to the economy but also offer transformative opportunities for social mobility, particularly in economically disadvantaged communities.

SNIPEF welcomes the Bill's initiative to establish a statutory framework for apprenticeships in Scotland, recognising their critical role in driving economic growth and addressing skills shortages. This formal acknowledgment underscores the importance of apprenticeships and aligns with our commitment to fostering high-quality vocational training.

The Scottish Funding Council, with its expanded remit, should be empowered to act as a strategic, transparent and collaborative steward of the skills system, working in genuine partnership with managing agents, trade bodies and employers to ensure that delivery is both effective and relevant.

Trade bodies, particularly in professions like plumbing and heating which comprise predominantly micro and small businesses, serve as vital conduits and authentic voices of their respective industries. It is crucial that their role and input are formally recognised and integrated into strategic decision-making processes.

It is essential that the new arrangements protect and enhance the funding available for apprenticeships and national training programmes. Efficiencies achieved through consolidation must be reinvested to improve reach, quality and accessibility; not used as a cost-cutting exercise. This includes targeted investment in professions such as plumbing and heating, which are critical to the nation's decarbonisation goals and to addressing skills shortages in the construction industry.

Furthermore, we advocate for equitable treatment of all training providers. Historically, disparities have existed in the conditions and expectations set for colleges compared to managing agents like SNIPeF Training Services, particularly regarding reporting requirements and compliance standards. Ensuring parity across all providers is vital to maintain fairness and uphold high-quality standards throughout the education and training system.

Crucially, the Bill should result in a system that prioritises outcomes over structures, measuring success by the real-world impact on learners' progression, employer satisfaction and Scotland's economic resilience. It should also deliver better governance, with inclusive representation and stronger accountability mechanisms that reflect the diversity of Scotland's post-school education landscape.

In short, the Bill must deliver tangible, lasting benefits for learners, employers, providers and the broader economy, ensuring that Scotland's skills system is fit for the future, adaptable to change and focused on delivering opportunity for all.

## Annexe C

### **ADES FA Sub-Group written submission on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill**

The draft Tertiary Education and Training (Funding and Governance) (Scotland) Bill generates the following concerns from our perspective:

1. Lack of Engagement with Local Authorities (Verity House Agreement) and failure to recognise that LAs are ultimately responsible for the education and outcomes for school pupils.
2. There is significant risk to the Foundation Apprenticeship programmes with a potentially negative and adverse impact on equalities, and key strategies which are currently having a positive impact on Raising Attainment, Closing the Gap and improving life chances for the most disadvantaged, the most vulnerable to non-positive destinations and those in rural areas.
3. Does not provide a systemic approach to curriculum, funding and collaboration through the development of a national 'primary school to employment' Career Education programme as recommended by the OECD.
4. Economic Impact and Implications – The Bill does not provide a framework for partnership with employers to address national concerns in relation to skills development and staying on rates, in order to meet projected workforce demand across sectors.
5. Alignment to Education Reform – potential to undermine the direction of travel in education reform including Prof Hayward's 'It's Our Future'. Strategy and funding should be aligned to encourage the co-creation and delivery of a career pathways curriculum and qualifications through collaboration between local authorities, training providers, employers, FE and HE.
6. Integrated systems of scale and collaboration provide Best Value, yet little or no formal Cost Benefit Analysis or Equalities Impact Assessment have been undertaken in relation to the impact of Foundation Apprenticeships on senior phase pathways.

#### **Supporting Evidence – International Perspective**

##### **Best value - Investment Benefits of a Systemic Career Pathways Programme**

The OECD Innovation in Career Pathways Across Five Countries report identifies 'Investment Benefits' of a systemic Career Pathways Programme (CPP) such as Foundation Apprenticeships.

*"For government ministries, expectations will be clear that long-term benefits in educational success, reduced social costs, greater productivity and economic growth, notably in fields of strategic importance, will exceed additional costs encountered in the initiation and delivery of new Pathways. Hence the importance of integrating robust means of data gathering."*

Page 65 of the OECD 'Innovation in Career Pathways Across Five Countries' Report

In Local Authority led delivery models, such as the Aberdeenshire FA model, we are seeing these ‘investment benefits’. We are concerned that no Cost Benefit Analysis in relation to the Local Authority led FAs nor the development of a systemic career pathways programme has been undertaken to inform the draft Bill. A formal Cost Benefit Analysis and an Equalities Impact Assessment would have informed what is working and ‘best value’ in the system.

### **International Perspective: OECD Research: The Importance of a Career Pathway Programme**

OECD researchers visited Scotland and elsewhere in 2023 to see approaches to building a Career Pathway Programme. The FA learning that they observed has been acknowledged as an example of leading international practice regarding the future development of secondary education career pathways. The OECD report ‘Innovation in Career Pathways Across Five Countries’ was published in August 2024 and provides a ‘blueprint’ perspective for moving forward.

What the research shows is the importance of a Career Pathways Programme in improving positive outcomes for young people, employers and communities. The common characteristics of what is essential in a Careers Pathway Programme curriculum include:

- Development and delivery with industry partners.
- Delivery within general upper secondary education (ages 15–18), with embedded career guidance/career development provision starting earlier in some systems.
- Summative assessments which relate to both programme completion and contribute to certification of completion of general upper secondary education.
- Potential achievement of university credits and/or industry-recognised credentials.
- Targeting of a broad range of learners, not just lower achievers.
- Integration of theoretical, work-related and work-based learning within programme curricula to enable intense career exploration.
- Offering multiple tertiary and career options after upper secondary school.
- A focus on sectors of national, regional and local labour markets facing recruitment challenges.

In Scotland, the Foundation Apprenticeship model, when developed at scale, is an excellent ‘Careers Pathway Programme’ and in Aberdeenshire (and increasingly elsewhere) the FA model is very effectively delivering on the OECD ‘Policy Recommendations’, including being identified as a ‘scalable’ model. The FA as an effective ‘career pathways programme’ also allows young people to step from education into employment, at the level appropriate to them.

#### **OECD Research on Career Pathway Programmes – Key Features**

- Systemic, not programme-based
- Move to blend applied and academic learning – parity of esteem
- Work-based learning important for all - formally assessed industry recognised qualifications
- Definition of student success expanded

The OECD has highlighted the 'hybrid' nature of Scotland's FA programme as a strength, that is, FAs sit alongside Highers and other senior phase courses allowing young people to consider all types of pathways. In Scotland, therefore, through the FA structure, we already have the structure and systems in place for an effective 'Career Pathways Programme'.

## Supporting Evidence – What is Happening Locally?

### Foundation Apprenticeships in Aberdeenshire Delivering Positive Outcomes for Young People and Employers

**“We get real life experience, in real life environments, with real life people.”**  
**Aberdeenshire FA Student Feedback**

### Delivering Positive Outcomes for Young People and Employers in Aberdeenshire – Impact

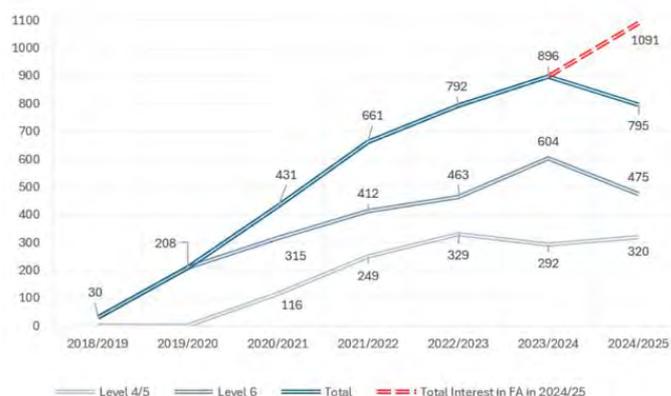
The impact of our delivery of Aberdeenshire Council's Foundation Apprenticeship model includes the following outcomes:

- Creation of a 'Career Pathways Programme'
- **Increased Attainment and performance in school**
  - Increased average attainment of 61% for all school leavers who complete a FA
  - Closing the Poverty Related Attainment Gap
  - Improved performance of the lowest attaining 20%
  - Improved positive destination – on average 98.5 % for FAs and improved Sustained Positive Destinations outcomes for young people, employers & communities
  - Attendance increases by 30%; Engagement increases by over 50%
  - Improved confidence in the future and mental health benefits in young people
  - Equity and promotion of equalities
  - More meaningful and effective Mentoring
- Improved and enhanced employability skills/meta-skills
- Meaningful employer engagement and partnership
  - Employers and teachers co-creating curriculum pathways
- More Effective pathways into employment
  - Strategic alignment of the curriculum with key workforce shortages/opportunities
- Addressing workforce development challenges
  - Joint partnership working with employment sectors such as OEUK, NHS Scotland, and other partners, including Universities, to improve skill shortages; community wellbeing; and, for eg, Health and Social Care outcomes.

### Increase in Uptake of FA

In 2024-25 we were so heavily oversubscribed that we were unable to deliver the FA qualification to all who wished to take the course. Had the funding been available, we had demand to deliver over 1000 FAs. The level of growth in demand is illustrated below.

### Aberdeenshire Council FA Growth and Demand 2019 -2024



### Impact on Attainment and Positive Post-School Destinations Foundation Apprenticeships: Performance and Attainment Impact

The Aberdeenshire Foundation Apprenticeship Project has a number of formal Performance Measures, including a focus on how the FAs relate to the key Scottish Government agenda of Raising Attainment & Closing the Gap and the impact of FAs on the key national measure of positive post-school destinations. Table 1 shows the sustained positive impact of the Aberdeenshire Council FA delivery model since 2019-20.

**Table 1: Aberdeenshire Council FA Sustained Positive Impact Over Time**

‘Raising Attainment’ is the average % increase in attainment of those who have completed a FA  
 ‘Closing the Gap’ = The Insight Tariff Attainment Gap of those who have undertaken the FA. The figures in yellow = years where FAs have **reversed** the PRAG  
 ‘Attainment Gap’ = The overall Aberdeenshire Attainment Gap measured in Insight Tariff points.  
 FAs have significantly reduced the Poverty Related Attainment Gap.

FA Performance Over Time 2019-2024							
		19-20	20-21	21-22	22-23	23-24	Average
<b>Raising Attainment</b>	average % increase in attainment of FA	53%	48%	63.9%	68.8%	70%	61%
<b>FAs Closing the Attainment Gap</b>	FA Students Lvrs	-24	12	59	-51	-110	-58
<b>Aberdeenshire Attainment Gap</b>	All Abshire Lvrs	231	250	256	207	235	236

### Impact on Pupil Attainment

Table 2 provides an overview of Foundation Apprenticeship attainment performance across Aberdeenshire schools. The data refers to the 2023-24 FA cohort and the analysis is based on the most recent final Insight data published in March, 2025. The data clearly demonstrates the positive impact FAs are having in significantly raising attainment and ‘closing the gap’. Our analysis clearly shows the reasons for this positive performance includes more meaningful curriculum and pathways; an increased engagement in learning through FAs and a re-engagement across other subjects as well as partnership co-creation and delivery. This is further backed up by the attendance, engagement and mentoring data below.

**Table 2: Impact on Attainment – School Overview 2023-24**

	<b>All Abshire Leavers</b>	<b>Ab'shire Leavers who successfully completed FA course</b>	<b>Value Added</b>
School	Ave Annual ITPs	Ave Annual ITPS	% "FA Premium"
<b>Aboyne Academy</b>	579.9	792.2	36.6%
<b>Alford Academy</b>	488.9	794.0	62.4%
<b>Banchory Academy</b>	704.3	745.1	5.8%
<b>Banff Academy</b>	326.9	668.8	104.6%
<b>Ellon Academy</b>	475.0	753.8	58.7%
<b>Inverurie Academy</b>	494.2	853.6	72.7%
<b>Kemnay Academy</b>	531.1	704.7	32.7%
<b>Mackie Academy</b>	492.2	712.7	44.8%
<b>Mearns Academy</b>	433.5	811.4	87.2%
<b>Meldrum Academy</b>	502.0	725.7	44.6%
<b>Peterhead Academy</b>	341.4	895.5	162.3%
<b>Portlethen Academy</b>	563.3	868.0	54.1%
<b>The Gordon Schools</b>	473.3	877.9	85.5%
<b>Turriff Academy</b>	440.9	726.1	64.7%
<b>Westhill Academy</b>	625.0	905.5	44.9%
<b>Aberdeenshire</b>	<b>464.2</b>	<b>788.0</b>	<b>69.8%</b>

Table 2 shows the FA attainment “premium”, in terms of Insight Tariff Points (ITPs) of having students who leave having achieved an FA, compared with all leavers, broken down by all schools who were offering Level 6 FAs in 2022-23.

### **Improved FA Student Performance Across the Curriculum**

From the performance data above, we know that students who had undertaken a Foundation Apprenticeship saw a very significant increase in their attainment. However, we were also picking up that there was a wider impact on how well engaged pupils were and how they were performing across their other subjects. We had qualitative data on this, metaskills feedback, views of teachers, parents and the students themselves, but we wanted to see if this perceived improvement in performance could be measured quantitatively through Insight data.

In Scotland, we analyse the Insight data, ‘Insight Tariff Points’ (ITPs) using a benchmark of the lowest attaining 20%, the middle 60% and the highest attaining 20%. This allows us to target interventions and resource as part of our quality improvement processes.

We have used the Insight performance data and followed these students through to see what impact, if any, there has been in overall attainment.

The results, as outlined in Table 3 below, clearly show a significant and remarkable improvement for FA students, especially if they were previously lower attaining and have then undertaken a FA. By tracking the ‘low, middle, high’ through from all pupils in S4 into S5 and S6, the impact on all FA pupils, especially the lowest attaining 20%, can clearly be seen. This demonstrates the wider and striking impact of a planned ‘Careers Pathway Programme’ on the positive outcomes for young people.

**Table 3: Attainment by Insight “Attainment range” 2023-24**

Annual Insight Tariff Points (ITP) at point of leaving by S4 Annual ITP

	Low	Middle	High
<b>All Lvrs</b>	102	458	845
<b>Not doing a L6 FA</b>	87	419	843
<b>Doing a L6 FA</b>	436	640	854
<b>Achieving a L6 FA</b>	535	760	920

**Increased Attendance, Engagement, Confidence and Mental Health**

Post-Covid pupil attendance, engagement, confidence and mental health across Scotland has been identified as a concern. The Education Scotland report Improving Attendance: Understanding the Issues provides an overview of the issue. However, as the data below shows, Foundation Apprenticeships are having a very positive impact on attendance, engagement, confidence and mental health, particularly with the more vulnerable Level 4/5 pupils.

**Increased Attendance, Engagement, Confidence & Mental Health**

**21%** of L6 FA students stated that taking the FA had impacted positively on their **attendance** at school  
**34%** of L4/5 students stated that taking the FA had impacted positively on their **attendance** at school  
**49%** of L6 FA students stated that they felt **more engaged** in their overall learning as a result of taking the FA  
**66%** of L4/5 FA students stated that they felt **more engaged** in their overall learning as a result of taking the FA  
**60%** of L6 said completing a FA would encourage/encouraged them to **stay on at school**  
**54%** of L4/5 said completing a FA would encourage/encouraged them to **stay on at school**  
**79%** of L6 said that completing the FA had made them **more confident** about their futures.  
**78%** of L4/5 said that completing the FA had made them **more confident** about their futures.  
**48%** of L6 said that completing the FA had a positive impact on their **mental health**.  
**51%** of L4/5 said that completing the FA had a positive impact on their **mental health**.

**Sustained Positive Destinations**

The OECD research has identified a ‘Career Pathways Programme’ as crucial to developing skills and better career readiness in young people and therefore delivering better outcomes for both young people and employers as well as communities. Students undertaking such programmes could commonly be expected to experience better employment outcomes such as higher employment rates, higher wages and greater job satisfaction at age 25 than comparable peers. Recently, SDS has provided sustained positive destination data which would very much seem to confirm this. Table 4a shows that not only do FAs progress successfully into initial positive destination (as identified above in Table 1 and in Table 4b) the sustained positive destinations are also very strong. The data is very positive indeed and backs up the importance of a systemic approach to a Career Pathways Programme as identified by the OECD research.

**Table 4a: Aberdeenshire Foundation Apprentice Sustained Positive Destinations**

This table represents sustained positive destinations for our FA cohorts. The employment figure of 41.2% would include those employed as MA. These are comparative figures for three categories of positive destinations, of which Aberdeenshire FAs are consistently highest.

<b>Aberdeenshire Foundation Apprenticeships Level 4,5,6 - 2022/2023 Cohort</b>			
<b>Sustained Destination</b>	<b>Aberdeenshire FAs</b>	<b>Aberdeenshire</b>	<b>Scotland</b>
<b>Higher Education</b>	<b>44.2%</b>	<b>36.5%</b>	<b>37.1%</b>
<b>Employment</b>	<b>41.2%</b>	<b>31.7%</b>	<b>31.2%</b>
<b>Employed as MA</b>	<b>45.9%</b>	<b>12.3%</b>	<b>8.3%</b>

The sustained improved outcomes for young people, employers and our communities delivered through the FA include the following;

- The FA is a very effective pathway for ensuring young people progress into a sustained positive destination
- Those completing a FA are more effectively progressing into Modern Apprenticeship opportunities compared to those who do not complete the FA.
- The positive experience of the FA is encouraging young people to see the MA and GA as very desirable pathways
- The sustained destinations of those taking a L4/5 FA is particularly significant, especially given these pupils are often the most vulnerable to youth unemployment and non-sustained positive destinations. The Employed as MA figures are L4/L5 FA rate = 51.5% and L6 FA rate = 36.4%
- The FA is having a positive impact on reducing the youth unemployment figure

**Table 4b: Initial Positive Destinations Over Time**

<b>Positive Destinations</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>22-23</b>	<b>23-24</b>	<b>Average</b>
<b>FA Leavers</b>	96.2	100	99.6	97.9	98.6	98.5
<b>All Leavers</b>	94.7	96.2	96.7	96.5	96.0	96.0

**Positive Outcomes for Young People Through Mentoring**

A significant benefit (especially for those more vulnerable to a non-positive destination) of the FA delivery is the quality and nature of mentoring on offer to FA students. FAs are receiving high quality mentoring from their NPA tutor, the SVQ Assessor, as well as their workplace mentor. This is having a significant impact on the young person’s Career Management Skills, confidence and Human/Social/Cultural capital.

**Enhanced Mentoring for Young People**

- 81% said that the FA mentoring had improved their confidence
- 94% said the FA mentoring had improved their understanding of the workplace
- 86% said the FA mentoring had developed their Meta-skills
- 86% said the FA mentoring had improved their networking by helping to make industry links and connections
- 97% of FAs rated their FA Mentoring as good, very good or excellent.

### Positive Feedback from all Stakeholders

- 93% of pupils rated their FA as being good/excellent
- 96% of parents rated the FA experience for their child as being good/excellent.
- 88% of parents felt that the FA was a good subject choice for their child
- 88% of parents would recommend an FA to other parents and their children
- 96% of employers would be willing to host an FA again

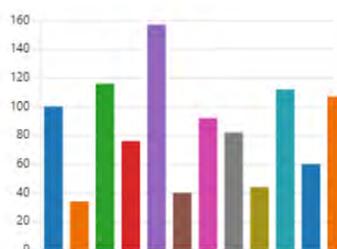
### Development of Meta-skills (employability skills)

Integral to the delivery of the Foundation Apprenticeship is the development of Metaskills in our pupils. Our Foundation Apprentices tell us that they develop skills in focussing, adapting, initiative, communicating, collaborating, leading, creativity and critical thinking. Exactly the skills employers have been telling us in education for years that we need to develop in our pupils.

25. Which of the following metaskills do you think you have developed whilst studying your FA?  
(Please tick all that apply)

More Details

Focussing	100
Integrity	34
Adapting	116
Initiative	76
Communicating	157
Feeling	40
Collaborating	92
Leading	82
Curiosity	44
Creativity	112
Sense Making	60
Critical Thinking	107



### Overall, the Aberdeenshire FA Delivery model is:

- A systemic **Career Pathways Programme (CPP)** consistently improving outcomes for young people
- Delivering on key **Scottish Government priorities**, including raising attainment, closing the attainment gap, addressing attendance, engagement and inclusion, whilst promoting equalities
- Embedding a '**Parity of Esteem**' culture between the traditional subjects/curricular areas and technical/professional studies
- Delivering on Scottish Government priorities and Education Reform aspirations
- **Empowering and engaging schools** in education reform.
- A CPP that is building **effective and sustained partnership working** between key stakeholders
- Engaging employers in **workforce development** and helping to address regional and national skills/workforce shortages
- **Providing a framework** for delivering improved outcomes, including partnership funding initiatives.

**Andrew Ritchie, Lead Officer, Aberdeenshire Council**