# Post-school education and skills reform



AUDITOR GENERAL

**Prepared by Audit Scotland**
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## Audit team

The core audit team consisted of: Derek Hoy, Claire Tennyson and Katy Wilson, under the direction of Cornilius Chikwama.

# Key messages

1 Scotland's post-school education and skills sector faces significant challenges, including financial sustainability and how to respond to changing economic demands. To address this, the Scottish Government has a reform programme consisting of five projects to be delivered by 2032, across three phases of work. While the Scottish Government has defined short-, medium- and long-term reform outcomes, it lacks a clear plan that sets out how and when the outcomes will be achieved and measured. The absence of a plan means it is also unclear how the outcomes align with wider government priorities for reform, financial sustainability of public services and delivery of economic transformation.

2 The Tertiary Education and Training (Funding and Governance) (Scotland) Act received Royal Assent in March 2026. This is a significant milestone for one of the reform projects, focused on simplifying the funding body landscape. Overall progress has been slow, with the other projects still to be fully defined or failing to achieve the milestones set for the first phase of the reform programme. Without effective programme planning there is the risk that reforms will lack direction, oversight, adequate resourcing and will not achieve the intended outcomes.

3 The Scottish Government is refreshing the reform programme. This will include addressing weaknesses in governance arrangements. Until recently, key public bodies such as the Scottish Funding Council and Skills Development Scotland were not part of the Post-School Education and Skills Reform Programme Board. This has impacted the board's effectiveness

and its ability to shape a shared vision across key partners. Risk management arrangements are not yet adequate for a programme of this scale and complexity. The Scottish Government has not effectively managed some early impacts of the reform programme on key partner bodies, creating uncertainty for those bodies over their role and future direction.

**4** The reform programme has not been adequately resourced. The Scottish Government has found it difficult to put adequate staff resources in place to deliver the reform programme to date and will have to consider staff capacity needs, if it is to successfully deliver the remainder of the programme. The overall cost to deliver the programme is estimated at £26 million, but the total cost of delivering each of the reform projects is unknown. This is a risk to the Scottish Government's ability to deliver on its intended ambitions. The full financial impact of delivering changes required by the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026 is still unknown, with staff and digital system transfer costs still to be confirmed. This presents financial risks to affected public bodies.

# Recommendations

## In the next six months, the Scottish Government should:

- develop an overarching programme delivery plan. This should include timescales, interdependencies and actions required by key bodies to support planning across partner bodies and successful delivery of the reform programme
- conclude work to quantify resource requirements for the next phase of the reform programme, and provide sufficient resources, with the necessary skills, and thereafter continue to review resource requirements throughout the duration of the programme
- clearly define the intended outcomes for partner organisations, learners and industry and how they align with wider government objectives, to secure understanding and support for reform, and drive effective project design and decision-making. The outcomes should clearly reflect the social and economic dimensions of the reform programme
- strengthen the leadership and governance of reforms, by clearly defining and communicating the ambitions for reform to provide direction to partners. This should include completion and implementation of the communications strategy
- review the impact of establishing an internal Scottish Government board on the adequacy of information provided to support the Cross-organisational Post-School Education and Skills Reform Programme Board in delivering its oversight role.

## In the next six months, the Scottish Government should work with partners including the Scottish Funding Council and Skills Development Scotland to:

- put in place a more consistent and structured approach to engaging with learners and industry around the entire reform programme, to enable buy-in and clarity across all stakeholders
- develop and implement a monitoring and evaluation framework for the reform programme to allow for progress against the overarching plan and intended outcomes to be assessed, and to support lessons learned.

# Introduction

**1.** Post-school education and skills provision covers learning and training through college, university, and apprenticeships. It is key to supporting people into employment, personal development, and contributes to economic prosperity. The Scottish Government records that it invests over £3 billion in this sector each year, and the funding is currently delivered through three public bodies:

- **Skills Development Scotland (SDS)** issues funding and support to providers and employers through end-to-end development and delivery of apprenticeship and national training programmes. It also supports the Scottish Government to deliver Scotland's skills planning, and delivers the national careers service.
- **The Scottish Funding Council (SFC)** issues funding to colleges and universities and works with them to ensure students receive high-quality education that supports Scotland's people, communities and economy. It also has a key role in securing research undertakings by post-school education bodies in Scotland and maximising its impact on innovation in Scotland.
- **Student Awards Agency Scotland (SAAS)** issues and manages student support funding, including tuition fees, loans and bursaries, to help people in Scotland with costs in higher education.

**2.** The current post-school education and skills provision landscape is complex, with fragmented funding sources, and routes through education, training, and work that can be challenging for learners and employers to navigate. The sector needs to adapt to changes to the economy and technological and work requirements for delivering net zero. A more coherent and responsive system would better enable people in Scotland to fulfil their personal ambitions and contribute to societal and economic needs.

**3.** Financial sustainability of the post-school system has been increasingly volatile in recent years. For example our Scotland's colleges 2025 report highlighted that Scotland's college sector continues to face extremely difficult financial challenges. While the 2026/27 Scottish Budget provided a ten per cent increase in funding for the college sector, this is in the context of a 20 per cent real-terms reduction in funding for colleges between 2021/22 and 2025/26.

**4.** Similarly, The Institute for Fiscal Studies has reported that the university sector is facing financial pressures due to a real-terms fall in funding for home students, a decline in international enrolment and higher labour costs.

**116,602** FTE places delivered by Scotland's colleges and

**141,820** FTE places delivered by Scotland's universities in 2023–24.

**5.** In June 2023, the Scottish Government published its **Purpose and Principles for Post-School Education, Research and Skills** (the Purpose and Principles) to provide a framework for decision-making around reform for the sector. It was informed by several reviews (Appendix 1, page 34), including **Fit for the Future: Developing a post-school learning system to fuel economic transformation – Skills Delivery Landscape Review** ('the Withers Review'), which highlighted the need for changes to the post-school education and skills sector. Reform in this area is an integral part of Scotland's public service reform strategy: Delivering for Scotland, published in June 2025 (Exhibit 1, page 9).

**6.** Guided by the Purpose and Principles, the Scottish Government established a Post-School Education and Skills Reform (PSESR) programme in 2024. In more recent years, the Scottish Government has made specific commitments which aim to provide a more responsive and efficient post-school system. In the Programme for Government (PfG) 2025/26 it committed to:

- delivering a simplified post-school funding body landscape, consolidating apprenticeship funding within the SFC by March 2027, and student support funding within the SAAS by March 2026
- introducing a new national Scottish Government-led approach to skills planning, and strengthening regional skills planning
- reviewing and improving school-age and adult careers support.

**7.** In January 2026, the Scottish Parliament passed the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, which received Royal Assent in March 2026. It aims to make the funding system for post-school education and skills simpler and easier for learners, employers and education institutions to understand and use. Key provisions within the Act include:

- new functions placed on the SFC giving it responsibility for the funding of all student provision
- new duties placed on the SFC to monitor and report annually on the financial sustainability of the post-school education sector and institutions
- establishment of a new apprenticeship committee
- a requirement for a National Funding Strategy with the ability for ministers to set funding priorities, set out their view on skills needs and ensure that worker, employer, business and learner voices are at the centre of the funding process
- new measures to widen access to higher education and to address gender-based violence in colleges and universities.



**Purpose and Principles for Post-School Education, Research and Skills**

The Scottish Government has drawn on the Withers Review in taking forward the Purpose and Principles, through its Post-School Education and Skills Reform programme. This seeks to establish a long-term framework for Scotland's post-school education, research and skills system.

**Fit for the Future: Developing a post-school learning system to fuel economic transformation – Skills Delivery Landscape Review**, by James Withers found that the current system is cluttered and complicated, with no clear leadership, shared vision, or agreed measures of success.

**8.** In addition, under existing legislation, further changes will be implemented for SAAS. It will take on responsibility for all student support funding provision – now to include further education as well as higher education support.

**9.** Delivery and reform of the post-education and skills system require the Scottish Government to work with a range of partners. This includes national bodies such as the SFC, SDS, SAAS, as well as organisations within the post-school education and skills landscape through colleges, universities, training providers and industry.

## About this report

**10.** The overall aim of the audit is to assess how well placed the Scottish Government and its partners are to achieve its aims for reform of the post-school education and skills sector. We have sought to answer the following audit questions:

- How well is the Scottish Government and its partners set up to deliver successful reform of post-school education and skills?
- Are the Scottish Government and its partners making progress towards reforming post-school education and skills in Scotland?

**11.** This performance audit draws on a range of published documents, and supplementary information provided by the Scottish Government and national bodies. We have considered this information alongside interviews with key stakeholders from the Scottish Government and national bodies.

**12.** The audit includes a high-level assessment of initial progress to deliver the reforms. It does not look at detailed activity and does not assess changes to provision of post-school education, or across individual bodies. We have made recommendations to support improvement.

**13.** The audit was carried out between January and May 2026. It did not look at any possible policy changes that might happen after the Scottish Parliament elections on 7 May 2026.

# Exhibit 1.

## Timeline of key events relating to reform of the post-school education and skills system

| Date | Event |
|---|---|
| June 2023 | Purpose and Principles for Post-School Education, Research and Skills, Scottish Government |
| June 2024 | The Education (Scotland) Bill (Education Bill) was introduced to the Scottish Parliament |
| August 2024 | Post-School Education and Skills Reform Programme Board formally established |
| February 2025 | The Tertiary Education and Training (Funding and Governance) (Scotland) Bill (TET Bill) was introduced to the Scottish Parliament |
| May 2025 | Gateway Review – independent assurance of the PSESR programme concluded |
| August 2025 | Education Bill became an Act (Education Act)<br>Under the Act a new national qualifications body and an independent education inspectorate will be created |
| January 2026 | Post-School Education and Skills Reform Programme refresh commenced |
| March 2026 | The TET Bill became an Act (TET Act) |
| May 2026 | Scottish Parliament election |
| August 2026 | Student Awards Agency Scotland will take on responsibility for all student support funding provision |
| April 2027 | TET Act – The Scottish Funding Council is expected to take up its new responsibilities for national training programmes and apprenticeships |

Source: Audit Scotland

# 1. Vision and leadership of reform

## The Scottish Government's reform programme is based on five principles for a successful post-school education and skills provision sector

**14.** A large volume of evidence is available to inform changes in the post-school education and skills sector, through recent reviews and research reports (Appendix 1, page 34). The PSESR programme aims to create a simpler system that is easier for learners, public bodies, education institutions and employers to navigate, while being more responsive to Scotland's economic and social needs.

**15.** The Scottish Government's Purpose and Principles for reform of post-school education and skills provision was developed in collaboration with external stakeholders from across the skills, further and higher education, and community learning and development sectors at a series of stakeholder workshops. It has been partly informed, to different degrees, by the SFC'S 2021 **Coherence and Sustainability: A Review of Tertiary Education and Research** and the June 2023 Withers Review, alongside other reports. Both highlighted the need for structural reform to create simpler pathways, and a system more closely aligned with the needs of learners, employers, and Scotland's economic and social priorities.

**16.** The reforms are built around five principles, according to who will benefit from the reform outcomes across different groups, including learners, public bodies, providers, and employers:

- **Transparent, Resilient and Trusted:** The system is financially and environmentally resilient; trusted to deliver, and subject to effective governance.
- **Supportive and Equitable:** People are supported throughout their learning journey, particularly those who need it most.
- **High Quality:** High-quality opportunities are available for people to enhance their knowledge and skills at the time and place that is right for them.
- **Globally Respected:** Research, teaching, innovation and knowledge exchange undertaken by Scotland must make a difference; enhance and contribute to global wellbeing, addressing



**Coherence and Sustainability: A Review of Tertiary Education and Research**

The SFC review reported areas of strength of Scotland's colleges and universities but outlined the need for a more systematic and coherent approach to post-school education.

twenty-first-century challenges such as the climate emergency and attracting inward investment and talent to study, live and work in Scotland.

- **Agile and Responsive:** Everybody in the system collaborates to deliver in the best interests of Scotland's wellbeing economy.

## The programme of reform aims to provide a more responsive, agile and flexible post-school learning system

**17.** The PSESR programme comprises five projects, each at different stages of maturity, across three phases from 2024 to 2032 (Exhibit 2, page 12). These are:

- **Simplification of the funding body landscape** – focused on the redesign of funding bodies, with the SFC becoming responsible for funding all provision, and SAAS responsible for all student support.
- **Skills planning** – introducing a Scottish Government-led national approach to skills planning and working with partners to strengthen regional approaches.
- **Apprenticeships** – aims to reform the apprenticeship model to reduce complexity and support people into good careers, targeted at priority areas of the economy and public sector.
- **Post-school qualifications** – seeks to review post-school qualifications to ensure that qualifications are impactful and support skills development.
- **Improving careers support** – aims to support more informed career pathways and choices which connect students, schools and employers.

**19%** of employers report a vacancy. This is an improvement from 25% in 2022.

**27%** of all vacancies were skill-shortage vacancies meaning they were hard to fill due to a lack of skills, knowledge or experience among applicants. This is an improvement from 31% in 2022, but higher than 24% in 2017.

# Exhibit 2.

## The PSESR programme contains three phases covering the period 2024–32

### Phase one (2024–26)

#### Building new capabilities

**Simplification of funding body landscape**

- Legislation – Tertiary Education and Training Bill
- Funding of HE and FE student support brought together in SAAS

**Skills planning**

- Stakeholder communications
- Focus on urgent skills pressures

**Improving careers support**

- Refresh and improvements to supports, including digital offer
- Analysis of financial sustainability of 'Developing the young workforce'

**Qualifications**

- Audit of publicly funded qualifications

### Phase two (2026–28)

#### Implementing new structures and improving outcomes

**Simplification of funding body landscape**

- Changes to structures, funding flows and resourcing, especially apprenticeships

**Skills planning**

- Implementation and resourcing of new processes
- Better national and regional alignment

**Apprenticeship reform**

- Simpler structures

**Improving careers support**

- Review and improve existing support
- More high-quality work experience

**Qualifications**

- Framework for public funding

### Phase three (2028–32)

#### Maximising outcomes

**Student support**

- Clearer, more equitable and more efficient

**Simpler, more accountable systems**

- Data, IT, and governance systems offer more transparency and accountability

**Improving careers support**

- Users can access required support; and support reflects the outputs of other projects

**Qualifications**

- Clearer pathways for learners
- Support economic priorities

Note: Phase one commitments on Simplification, Skills planning, and Improving careers support are 2024/25 PfG commitments.

Source: Scottish Government

## The Scottish Government has set out the overarching outcomes of the PSESR programme, but there is insufficient clarity on the intended benefits, and how the outcomes will be achieved and measured

**18.** Success of the PSESR programme is contingent on effective partnership working with key bodies and clear strategic direction to all stakeholders across the post-school education system. While there is a shared agreement on the ethos of the principles, stakeholders have highlighted a need for greater clarity on how the principles will be implemented.

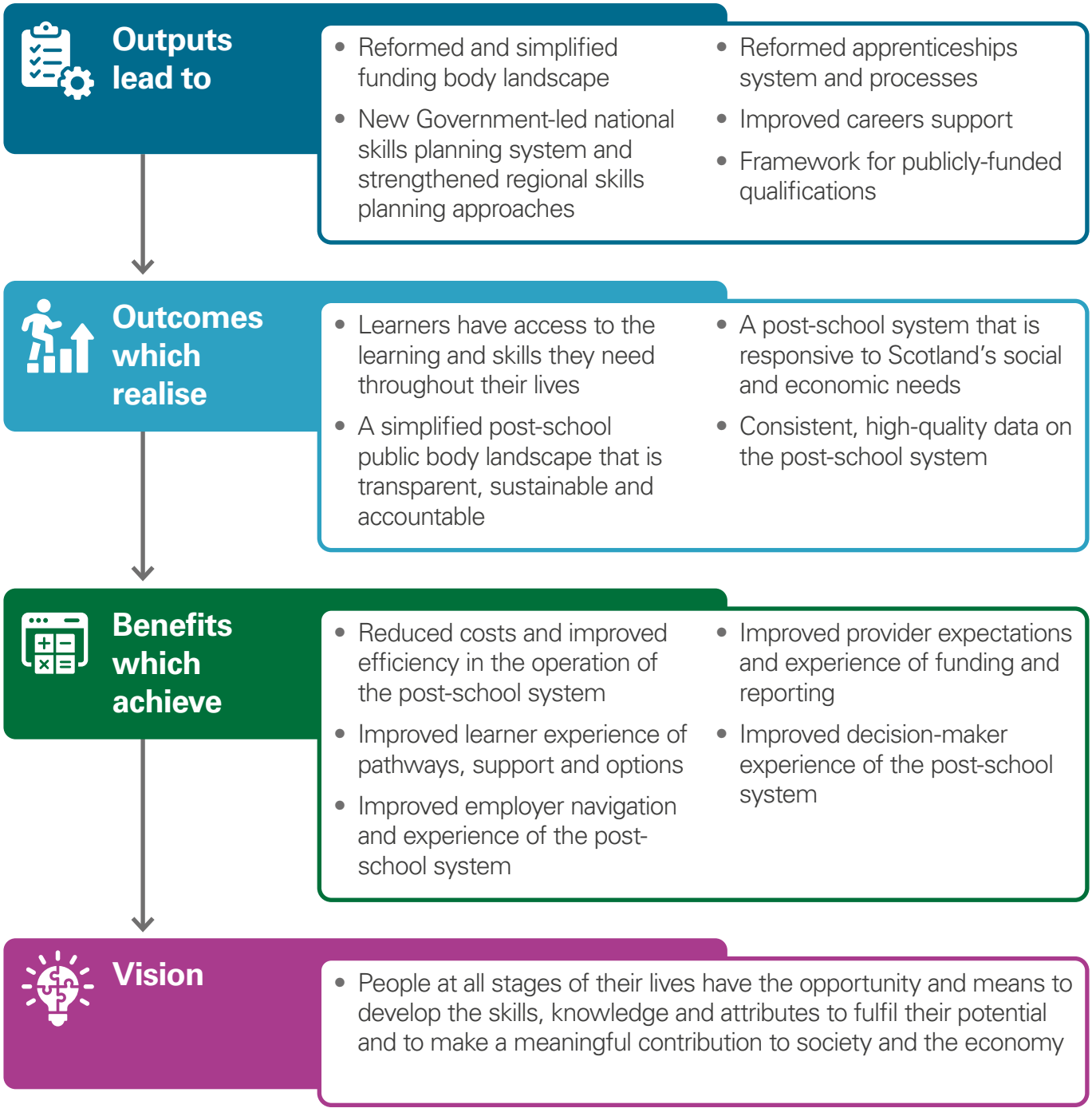
**19.** There is also less clarity about the vision across the programme lifespan. In March 2026, the Cross-organisation PSESR Programme Board (paragraph 48) identified that there is no shared, agreed understanding of what the outcome of the reform should be, and that they need a clear, shared goal.

**20.** Without this clarity there is a risk that reforms lack direction, stakeholders will not have the level of buy-in required for a reform programme of this scale, and beneficiaries of reform will not understand what it is expected to achieve. Without a clear vision there is also a risk that resources are not deployed appropriately to achieve the intended outcomes.

**21.** The Scottish Government is taking action to improve the visibility of the intended benefits. It is working to develop an approach to support better use of data across the PSESR programme and in January 2025 it produced a vision map (Exhibit 3, page 14).

**22.** Alongside the Purpose and Principles, in June 2023 the Scottish Government published documents outlining how the vision, actions and short-, medium- and long-term outcomes link together. But it is unclear who is responsible for each outcome, how they will be achieved, when they will be completed, and how they will be measured.

# Exhibit 3.
## Vision map of the intended benefits, outputs and outcomes of PSESR




Note: Produced in January 2025 and further iterations expected as part of the planned programme refresh.

Source: Scottish Government

## There is appropriate senior officer input across the PSESR programme

**23.** Effective leadership is integral to driving the necessary changes for successful reform. The PSESR programme sits within the portfolio of the Director General (DG) for Education and Justice and is led by the Director for Lifelong Learning and Skills (LLS).

**24.** Each of the reform projects is supported by input from a senior official. For example, the Deputy Director for Learner Experience oversees reform of apprenticeships and post-school qualifications, and the Deputy Director for Skills oversees the Skills Planning project. Other Directorates are involved across the programme. For example, the Director for Jobs and Wellbeing Economy has strategic input at programme board level.

## It is not clear how the Scottish Government has considered some of the wider impacts of reforms on key partners

**25.** There is evidence of the Scottish Government providing direction to the SFC and SDS, with the Purpose and Principles being clearly articulated in the annual **letters of guidance** for 2025/26 and more explicit guidance is set out in the 2026/27 letters. But the Purpose and Principles are high level (paragraph 15) and how the Scottish Government has considered the wider organisational impact of the reforms for some bodies is less clear:

- At SDS, uncertainty since 2023 about proposed changes from the Withers Review and subsequently whether the Scottish Parliament would pass the TET Bill caused challenges and uncertainty around how these would be implemented. This has meant uncertainty, particularly for staff who were unsure whether their roles would continue (paragraph 78). The SDS board has also continued to highlight concerns about the expected benefits of the transfer of functions under the reform programme.[1]
- SAAS were initially not in scope of the Withers Review, but were included in the Outline Business Case options appraisal in January 2025 for the Simplification project. The consolidation of student support within SAAS is the first change to take effect (from August 2026).
- The college sector has also lacked clear direction from the Scottish Government, to enable it to plan effectively for reform.



**Letters of guidance** from the Scottish Government set out ministerial priorities for colleges and universities in Scotland.

## The Scottish Government has not communicated the reforms effectively to stakeholders

**26.** Successful reform requires effective communication to achieve stakeholder buy-in, public awareness, and understanding of the intended benefits. It is essential for effective implementation and governance.

**27.** The Scottish Government has engaged with stakeholders at various stages through the development of the Purpose and Principles and into the PSESR programme. But it has not created a stakeholder communication and engagement plan. This is a significant gap, which has impacted on stakeholder understanding of the elements of reform that relate to their organisation and how all projects fit together. Some stakeholders have specifically highlighted that there is less clarity on the economic dimensions of the reforms (Case study 1, page 18).

**28.** Learners, and business and industry, are key partners in delivering the PSESR agenda. Throughout the development of the Purpose and Principles, the Scottish Government engaged with learners, apprentices and delivery staff, but the volume was limited by available resources. Engagement with business and industry on the PSESR programme takes place via various structures and partner bodies. For example:

- **Ministerial Employer Roundtable** – the Minister for Further and Higher Education has provided updates on the reform delivery journey to employers. The roundtable is led within the LLS Directorate, with the most recent session held in December 2025.
- **The Scottish Apprenticeships Advisory Board (SAAB)** acts as a key forum through which the Scottish Government and its agencies, including the SFC and SDS, engage with employers on apprenticeship delivery and development.
- **Strategic Business Forum** – more widely, the Scottish Government leads a Strategic Business Forum to discuss cross-cutting business issues across government. The PSESR was discussed at the forum in September 2025.

**29.** There are indications that direct engagement around the PSESR programme with business, industry, and learners has not been adequate. The Scottish Government told us that industry partners have expressed concern with the length of time to deliver the reforms. The SFC told us that industry partners were initially not well sighted on the reform programme beyond the change to legislation, but that it is carrying out more targeted engagement to address this.

**30.** The Scottish Government recognises and is taking action to address weaknesses in how the programme is understood as part of its refresh of the programme (paragraph 40). It is developing a Programme Communications Strategy, expected to be completed by August 2026. This will aim to provide a stronger narrative to communicate the aims of



**The Scottish Apprenticeship Advisory Board (SAAB)** is an independent, industry-led body which ensures apprenticeships are demand-led, fit for purpose and future orientated. SDS provide secretariat for SAAB.

Established in August 2025, the **Strategic Business Forum** brings together senior members of the Business Representatives Organisations and Chairs of Industry Leadership Groups to gain business insight into cross-cutting issues.

the programme. The strategy will also identify the stakeholders who will need to be engaged as the work progresses, including learners and other relevant partners.

## The vision for reform is not clearly aligned to wider government plans and priorities

**31.** The introduction of the PSESR programme has emerged following, and in tandem, with developing iterations of the Scottish Government's PfG (paragraph 6) and its public service reform strategy (paragraph 5). While some of the overarching themes within the Purpose and Principles align with Scottish Government priorities, the lack of detail means it is unclear how the Scottish Government is delivering on its strategic priorities through PSESR.

**32.** A draft business case for the PSESR programme is in development. This sets out clearer linkages for the overall programme to the PfG priorities, but this was developed retrospectively. It is less explicit on how each of the five projects support government priorities.

**33.** While there is broad alignment with some key government strategies (Case study 1), PSESR strategic documents do not adequately reflect other government strategic plans. For example, the draft business case does not demonstrate how reforms will contribute to delivery of Scotland's draft Climate Change Action Plan 2026–40, published in November 2025, which is expected to have significant impact on skills demand and the workforce.

**34.** The Royal Society of Edinburgh has carried out detailed work in this area. The 2025 report Gaps, overlaps, and challenges: assessing the alignment of Scotland's education reform agenda with national priorities found that current actions appear to be focused on institutional changes, with further work needed to address how post-school education and training is provided to support the national priorities.

**35.** For example, it found that there is scope to link tertiary education provision more purposefully to economic transformation and child poverty. Similarly, it reported that stronger planning is needed for linking education and skills planning to climate ambitions.



**Scotland's draft Climate Change Action Plan 2026–40**

The plan sets out Scotland's approach to achieve a just transition to net zero by 2045 and economic prosperity.

# Case study 1.
## National Strategy for Economic Transformation (NSET)

**There is opportunity for greater clarity on how the Scottish Government's PSESR programme will deliver on the objectives from the National Strategy for Economic Transformation.**

The Scottish Government's National Strategy for Economic Transformation (NSET) published in March 2022, prior to the PSESR programme. Both initiatives share a strong focus on building a skilled, adaptable population capable of driving a fairer, greener **wellbeing economy**.

### NSET 'skilled workforce' priority

The NSET contains five programmes of work – including a 'skilled workforce' priority which contains a programme of skills specific work. The PSESR programme is now taking forward long-term plans for this priority. The skills planning project can be most clearly identified and there is evidence of cross-government activity:

- There is a skills representative from DG Economy on the PSESR programme board.
- The high-level social and economic value of post-school education and skills reform is reflected throughout the logic model.

There is room for greater clarity to demonstrate how PSESR will deliver on the economic objectives of NSET. For example:

- Implementation – to date there has been limited detail on delivery planning and milestones for PSESR, making the alignment of NSET and PSESR less clear in practice.
- Interdependencies – the PSESR programme risk management does not capture interdependencies with NSET.
- Measuring impact – as part of NSET, a Wellbeing Economy Monitor published in June 2022 and was updated in July 2025. This does not contain direct measures relevant to post-school education and skills.

Source: Audit Scotland



**Wellbeing economy**

A society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places.

# 2. Planning and delivery of reform

## There is no overarching delivery plan for the reform programme, which presents risks to achieving the intended outcomes

**36.** The Scottish Government did not establish a plan at the outset to guide the effective delivery of the entire programme. It intends to prioritise the creation of a plan once a programme refresh (paragraph 41) is complete. This is crucial as, without clarity on what needs to happen, to what timescale and alignment with other reform activities, there is a risk that the reform programme may not achieve its objectives. It also makes resource planning for the programme and accountability for delivery more challenging.

**37.** The draft business case for the PSESR sets out the strategic, economic, and financial case for reform, but it is being completed after the five projects have been agreed – limiting its value in determining investment decisions for the project. A decision was made to prioritise the simplification project to address some of the fundamental complexities within the system. The Scottish Government plans to update the business case in summer 2026.

## An approach to measuring progress towards achievement of the objectives of the PSESR programme is only now being developed

**38.** Many of the intended benefits of reform will not be felt for years to come. The Scottish Government did not develop an approach to measuring the programme of reform from the outset. While the Scottish Government has published high-level outcomes for the PSESR programme (Exhibit 3, page 14) these were not accompanied by clearly defined metrics or targets. It is unclear how bodies will report progress on shared outcomes contained within the vision.

**39.** The Scottish Government has only recently commenced work to develop metrics for the five principles guiding the PSESR, and to connect these to the overarching outcomes. The approach to measuring progress is expected to be finalised by the end of 2026, but it is unclear what this will look like. Work to date has included a limited amount of stakeholder involvement, and it is unclear how any measurement will encompass wider government priorities:

- **National Performance Framework (NPF)** – The Scottish Government's Purpose and Principles is not linked to the NPF. The NPF is now currently under review.
- **National Impact Framework (NIF)** – The SFC 2021 review recommended the establishment of a framework to strengthen alignment with the NPF and the Scottish Government's strategic intent for student outcomes and economic and social renewal. The NIF was not progressed as the scope of the Purpose and Principles was broader than a high-level statement of intent for the sector. It has instead been superseded by the **Outcomes Framework and Assurance Model (OFAM)** which is implemented by the SFC.
- **Tracking the learner journey** – consideration of a Unique Learner Number (ULN) to track learners through their education journey is ongoing. Further analysis, stakeholder engagement and assessments of data-sharing risks are to be worked through. The Scottish Government is considering the potential to link datasets without the creation of a ULN.



The **OFAM** monitors delivery of expectations of colleges and universities in return for the funding that they receive, as part of the SFC's statutory duties.

## There have been weaknesses in governance and risk management of the PSESR programme, with a refresh now under way

**40.** Governance for the PSESR has multiple layers and has changed over time, reflecting the complexity of the programme (Exhibit 4, page 21). In August 2024, the Scottish Government established a formal PSESR Programme Board, with the Director for Lifelong Learning and Skills as the Senior Responsible Owner (SRO). The programme board is supported by other strategic groups and project boards (Exhibit 4) to support reporting lines and risk escalation.

**41.** From summer 2024, the board established a series of sub-groups and project level boards for each of the reform projects, but only the Simplification and Skills planning projects have project boards. Since its inception, governance for the programme has developed, with a planned refresh of the PSESR programme taking place from January 2026. The ongoing refresh aims to provide a more strategic approach to governance and improve efficiency across programme reporting.

**42.** The refresh also aims to address wider issues such as the approach to resourcing and planning (paragraph 45), measurement (paragraph 38), and how the overall vision of the programme is understood and communicated (paragraphs 21 and 30).

**43.** An independent **gateway review** in May 2025 identified weaknesses in the programme. It assessed the programme as amber and made a series of recommendations. Two critical recommendations related to the effectiveness of the programme board; and the need for more defined approach to risk management (paragraph 51).

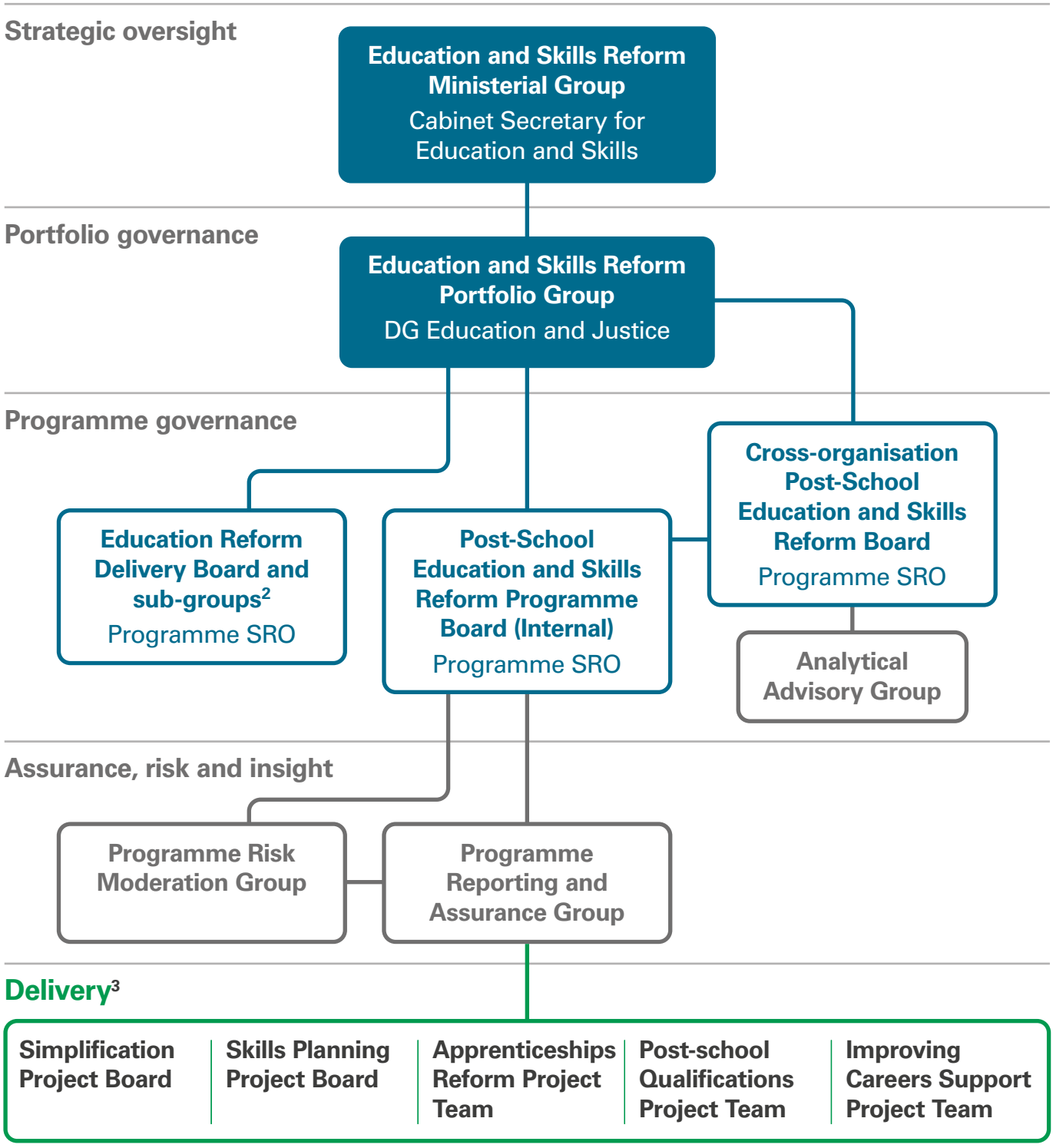


Projects assessed as potentially high risk are considered for **gateway review** to support the programme Senior Responsible Owner (SRO).

# Exhibit 4.

## Governance of the Post-School Education and Skills Reform Programme

There are multiple layers including strategic, programme and project.[1]




Notes:
1. Ministers set direction, senior leaders align delivery, programme and project boards govern reform and project teams deliver the projects.
2. Several sub-groups exist under wider Education reform that are not listed here.
3. Future new projects to be developed will also sit alongside existing boards and teams.

Source: Audit Scotland

**44.** Action was taken in late 2025 and early 2026 to address these recommendations. While these are recorded as complete, some limitations remain – for example around risk management (paragraph 51). A further three essential recommendations were linked to improvements to wider governance and planning:

- **Recommendation 2**: Differentiate project-level (focusing on outputs) from programme-level governance (focusing on outcomes).
- **Recommendation 3:** Develop a tranche-based plan with milestones and a critical path, identifying key dependencies across the component projects and how each tranche derives incremental uplift in outcomes.
- **Recommendation 5:** Develop a resource plan, mapping programme and project activities (linked to the tranche-based plan) to the skills and resources required for their successful delivery, including lead times for skills development and/or recruitment.

**45.** Work is still ongoing in relation to these recommendations, including the development of a **tranche-based plan** and completion of a Scottish Government resource plan for the LLS Directorate. The Scottish Government is progressing this as part of its programme refresh. But detailed project milestones are not yet in place for three projects, reflecting their current level of maturity: Improving careers support, Qualifications reform, and Apprenticeships reform (Part 3). This makes it challenging to understand and plan for the interdependencies across the reform programme in its entirety (paragraph 36), and how the intended outcomes will be measured.



A **tranche-based plan** has been developed up to the period April 2027. Further development will be refined after the election period.

**46.** The Scottish Government recognises that gaps exist in measuring the social and economic outputs linked to post-school education and skills. Measures exist across multiple sources but are not currently collated by the LLS Directorate. As part of the measurement approach, the Scottish Government plans to utilise **longitudinal data** which links learner completion data with later employment and earnings data.[2]



**Longitudinal data**

Data that is collected over a period of time where the same subjects are measured at multiple points.

## The PSESR programme board has only recently included external partners, with ongoing deficiencies in the level of information supplied to members

**47.** Until late 2025, the PSESR programme board largely functioned as a forum for providing project level updates rather than to provide scrutiny and accountability to drive progress. In response to the findings of the gateway review, and as part of the ongoing refresh, the Scottish Government has made changes to the programme board. The frequency of programme board meetings has reduced, and meetings now aim to focus on strategic issues.

**48.** In September 2025, the Scottish Government extended membership of the PSESR programme board to external representatives, including

chairs or chief executive officers, or both from SAAS, SDS, and the SFC. This is a positive development, given the key roles of external bodies in delivering reforms. But the Scottish Government had not provided transparent information to members. Some stakeholders highlighted concerns that this inhibited members' ability to fulfil their role on the board.

**49.** The Scottish Government told us that this issue reflected challenges in getting the balance right between sharing information relating to internal operational activity, and wider strategic matters. The Scottish Government has recently established a separate internal board. Its focus is on more detailed internal issues for government officials to consider. It will not cover decision-making regarding cross-system delivery matters, which will be for the Cross-organisation PSESR Programme Board.

**50.** It is too early to say whether the establishment of the internal board will address the issue of supplying the right level of information to members of the external board.

## Risk management is not adequate for a programme of this scale

**51.** Following the gateway review, the Scottish Government has implemented changes to risk management. The gateway review recommended that the Scottish Government identify clear differentiation between directorate, programme and project risks, and triggers for escalation. The Scottish Government has largely fulfilled this recommendation – it has identified escalation routes and has set out a clearer risk management approach, but weaknesses remain:

- The programme risk register is succinct and contains only six overarching risks. It does not consider independencies across partner bodies, wider government portfolios, the economic landscape, or developments within the UK Government.
- Not all projects have a project board in place (paragraph 41). This means the maturity of risk management of each project and how this then feeds into programme risks will vary.

**52.** The Scottish Government is working with partners to identify cross-cutting strategic risks. The expectation is for partner bodies to now take a proactive approach in highlighting and managing their own strategic risks.

**53.** The next gateway review is scheduled for early in 2027. In the interim, the Scottish Government has commissioned the **Portfolio, Programme and Project Assurance (PPPA) Hub** within the Scottish Government's Directorate for Internal Audit and Assurance to carry out a '**critical friend**' review. The Scottish Government told us that this will be led by the reviewer from the 2025 gateway review, for continuity. The review is to be carried out in August 2026.



The **PPPA Hub** has sourced an external adviser through the Celtic Framework for the Provision of External Advisers – this is a framework which connects the Scottish Government with Independent Assurance Reviewers across Scotland, Wales and Northern Ireland.



A **critical friend** is a less formal review which offers challenge, and objective and constructive feedback.

## Financial sustainability of the tertiary education system remains a risk

**54.** The Auditor General has previously reported the general picture that the gap between the Scottish Government's spending and funding is forecast to continue to grow in coming years.[3] A key outcome from the Purpose and Principles is that 'the system is financially and environmentally resilient'. While this is the overarching ambition, it is not yet clear how the Scottish Government will reach this position – underlining the lack of clarity on how the Scottish Government will achieve the intended outcomes (paragraph 18).

**55.** The TET Act requires the Scottish Government to publish a **National Funding Strategy**. The Scottish Government has not yet decided how this will be taken forward. Further work is under way across the tertiary education sector to strengthen its financial sustainability:

- College Sector of the Future Workstream – Colleges Scotland, the SFC and the Scottish Government are exploring the future role of colleges and the structural changes needed to support it. Publication is due in winter 2026.
- Framework for Sustainability and Success of Scotland's Universities – a collaborative project between the Scottish Government and Universities Scotland to design a sustainable future for Scotland's 19 higher education institutions to 2045.

**56.** These pieces of work will be important in supporting the ambitions for a financially resilient post-school education and skills system. There is recognition among partners of the need to align these distinct pieces of work, towards a shared goal of supporting financial sustainability. But it is unclear how the Scottish Government is aligning this work with its strategic approach to the PSESR programme phases.



**National Funding Strategy**

The strategy should set out: priorities for funding further education and higher education, programmes of training for employment, Scottish apprenticeships and work-based learning; and the intended outcomes of this funding.

## The full cost of the reform programme is not yet clear

**57.** The Scottish Government did not carry out an assessment of the resources required to deliver the reform programme at its outset. A costing exercise of all five projects has been completed in recent months. In autumn 2025, the Scottish Government estimated that the programme would cost up to £26.3 million. Most of the expenditure is associated with the transfer of staff and digital infrastructure to the SFC for the simplification project, and many costs are currently recorded as unknown, but are expected to be updated in summer 2026 (Appendix 2, page 35).

### TET Act and Simplification project

**58.** The Scottish Budget 2026/27 allocated £5 million for the TET Act implementation. Potential costs for 2026/27 could be as high as £11 million. The TET Act excludes costs from the administrative transfer of Further Education Student Support (FESS) from the SFC to SAAS,[4] and includes costs that arise from policies beyond the Simplification project. For example, there were amendments to the TET Bill at Stage 2, which expanded the scope and incurred additional costs of up to £3.4 million to the implementation of the Bill. This includes, for example, cost requirements in relation to data-sharing to support the **widening access agenda**.

**59.** Currently, for parts of the Act under the Simplification project, the Scottish Government anticipates expenditure of £4.6 million in 2026/27, resembling the lower cost estimate of the revised financial memorandum. This will be dependent on the approach to the digital systems from SDS to SFC, which has not yet been agreed (paragraph 77). The Scottish Government told us that the LLS Directorate will take a responsive approach to any change to the estimated cost.

**60.** The estimated resources required to deliver the Simplification project have changed over time. Partner bodies, namely SDS and the SFC, have undertaken substantial analysis to support the cost assessment to be developed. The Scottish Government published an Outline Business Case (OBC)[5] for the project in January 2025, with input from key stakeholders. Further updates to the costings were set out in the financial memorandum for the TET Act, which was revised in January 2026.

- The OBC initially estimated costs for the Simplification project, ranging from £538,000 to £1 million for 2025/26; £2.2 million to £4.1 million for 2026/27; and additional recurring costs from £0.5 million to £0.8 million for 2027/28 onwards.
- In January 2026, a revised financial memorandum outlined the total costs of the Bill from 2025/26 to 2030/31 – ranging from £2.1 million to £28.1 million, with a central estimate of £15.1 million.[6] The central estimate is the same as for the Bill at introduction.

**61.** Changes to the cost estimates at different stages are largely due to uncertainties in relation to pension costs for the transfer of staff, of up to £8 million in 2027/28. The IT system transfer costs were also not developed in the OBC and have been estimated at up to £6.5 million in 2026/27.

**62.** The potential IT system transfer costs are set out in the revised financial memorandum, based on different options for the transfer. As of May 2026, the preferred option for the IT system transfer is for SDS to provide a hosted service to the SFC for two years beyond April 2027.



**Widening access agenda**

Changes through the TET Act aim to enable colleges and universities to better target their widening access policies in relation to under-represented socio-economic groups and identify disadvantaged applicants during the admissions process.

**63.** For this option the revised financial memorandum identifies a lower cost estimate, with directly attributable costs of £1 million each year from 2026/27 to 2028/29. A further indicative value is estimated of around £3 million per year for 2027/28 and 2028/29 to support the SFC in building the new system. This would be treated as part of a planned continuous improvement programme and is excluded from the TET Bill costs in the financial memorandum.

**64.** Uncertainty remains over which SDS staff and IT infrastructure will transfer to the SFC making it difficult to quantify the total project cost. This may impact some of the milestones. The actual number of people in scope will be determined through the legal **TUPE** process. The Scottish Government is working with public bodies to develop more detail on how these costs and savings will be managed.



**TUPE** stands for Transfer of Undertakings (Protection of Employment). It happens when there is a business transfer, or a service provider change.

## The Scottish Government has not prioritised the resources required to implement the reform

**65.** The capacity and skillset of the Scottish Government LLS team is integral to the delivery of the proposed reforms, but this presents a risk. The programme risk register records staff resourcing, but this mainly considers the volume of staff, with limited consideration of whether they hold the required skills. There is also limited consideration of staff skillset within wider programme documentation. There is a programme lead and programme manager in post, but more widely the LLS Directorate has had to re-allocate staff from across the Directorate.

**66.** The lack of an overarching programme delivery plan also makes it hard to assess what skills will be required, and when. The gateway review noted dedicated project management support to be a gap. The Scottish Government told us that staff from other areas of the directorate were brought in to assist the team, who were carrying out their day-to-day work at the same time. They also acquired additional support from a deputy director, with experience of substantial change projects.

**67.** The Scottish Government is building its capacity to deliver the reform programme, with recruitment of roles across a range of specialisms including finance, asset transfer and project management:

- 18 additional Scottish Government posts were identified for 2025/26 (£923,000), decreasing to 15 additional posts for 2026/27 (£1.1 million).
- The SFC received additional resource of £0.8 million for 2025/26[7] and £2.7 million for 2026/27 to support the transfer of staff. Recruitment is ongoing across specialisms such as finance, policy, human resources, and change management.

## The financial impact of the reforms is unquantified

**68.** The overarching objective of the PSESR programme is focused on realising non-financial benefits, with the aim of creating a simpler and more flexible system for learners, providers and public bodies (Part 1).

**69.** While intended benefits are non-financial in nature, the Scottish Government expect some administrative-related savings resulting from simpler, clearer funding arrangements. These savings are estimated to be realised by 2030 but have not yet been quantified. It projects some revenue savings from the administration of the apprenticeship reform project, of up to £2.6 million in 2028/29 – 2030/31.[8]

**70.** The updated financial memorandum also sets out the potential for diminished need at SDS, which would follow from restructuring SDS as an organisation. SDS has identified that potential restructuring, taking at least three years, would involve headcount reduction costs if not mitigated through means such as redeployment. SDS has estimated redundancy costs to be £4 million to £8.5 million. Savings are yet to be confirmed, but over time these are estimated to be between £2 million and £4 million per annum.[9]

# 3. Initial progress with reform

## While the programme of reform is at an early stage, overall progress has been slow

**71.** The PSESR programme is at an early stage. It is not yet possible to meaningfully assess its impact, with further planning, development of governance arrangements and a measurement approach still to be agreed (Part 2). The Scottish Government's draft programme is underdeveloped, and it is therefore difficult to assess the deliverability of the projects. Completion of these elements is crucial in providing the foundations for delivery.

**72.** As set out at Exhibit 2 (page 12), work under phase one (2024–26) which focuses on building the capabilities, structures and tools needed to support long-term change, is still under way. Some projects are more progressed than others, but not all are on track. Further work will be subject to direction from the incoming government following the election in May 2026.

## The Simplification of funding bodies landscape and Skills planning projects are the most developed, but preparatory work is behind schedule

### Simplification

**73.** The Simplification project is the most progressed project. The Scottish Government underwent a detailed process involving stakeholder input, to develop the OBC (paragraph 60), and programme costings and governance arrangements have also been developed.

**74.** The TET Bill (paragraph 7) receiving Royal Assent in March 2026 is a significant milestone. The Scottish Government views this as integral to the remainder of the PSESR programme. The provisions in the Act for functions carried out by the SFC come into force on 1 April 2027. The administrative transfer of student support functions will be completed by August 2026 in line with the new academic year. The set project delivery dates mean there is a degree of urgency for the Scottish Government and partners in delivering the required changes.

**75.** There are risks to the delivery of phase one of this project. The lead-in times are restricted. The SFC, SDS and SAAS are still working through important technical and operational matters to support the transfers. The first commencement of provisions in the TET Act cannot

happen until September 2026, following the Scottish Parliament election in May 2026. SDS has been working closely with the SFC to support the transfer of roles and responsibilities. A Joint Governance Group has been established to oversee this work and is managing several workstreams including communications, apprenticeships, data, digital and transformation (DDaT), information governance, finance and human resources.

**76.** The SFC and SDS have developed a Joint Implementation Plan which covers the transition period until April 2027. It covers the transfer elements of the Simplification project relating to SDS and the SFC. Planning for some of the wider Simplification project changes, such as changes to further education support to be delivered by SAAS (paragraph 79) or changes to modern apprenticeship contribution rates (paragraph 85), are to be covered under broader planning for the Simplification project.

**77.** The complexity of the transfer means there are several procedural and technical milestones identified, with limited contingency available in the required timescale. Some key pieces of work were recorded as behind schedule and some substantial uncertainties have persisted, particularly for SDS:

- The number of staff transferring from SDS to the SFC remains unconfirmed. It is anticipated to be finalised by July 2026. SDS will be undertaking a detailed consultation process over summer 2026. Pension and TUPE arrangements are expected to be agreed by September 2026.
- The SFC and SDS technical teams are undertaking an assessment of the proposed approach for the transfer of digital capabilities, but a work plan for the DDaT workstream had been recorded as overdue. The IT system transfer costs were not accounted for in initial financial planning through the OBC (paragraph 61). The Scottish Government has allocated a provisional sum of £1 million for the digital transfer within the 2026/27 Scottish Budget for the reform programme.

**78.** SDS does not have clarity about its future role following the transfer of functions to the SFC in April 2027.[10] Prior to the passing of the TET Bill, SDS experienced a period of uncertainty, and it has expressed concerns about its role in the tertiary education system following the transfer. SDS has indicated a need to discuss its future responsibilities with the Scottish Government. The SDS board also highlighted challenges with the Scottish Government's approach to consultation around reform throughout 2025.

**79.** SAAS has also experienced uncertainty about its role (paragraph 25) as it transitions to take on responsibility of FESS. There are risks to

delivery of this part of the Simplification project, with uncertainty remaining around governance of where FESS funding will sit within the Scottish Budget, and which body holds accountability for it. This is a risk to delivery of this element of the Simplification project, with changes due to 'go live' in August 2026.

### Skills planning

**80.** The Auditor General's Planning for skills 2022 report recommended that the Scottish Government should set out its strategic intent for skills alignment, outcomes it aims to achieve, and how it will measure progress, consistent with national strategies and plans. Similarly, the Withers Review highlighted that Scotland needs clearer strategic direction for skills planning at both national and regional levels.

**81.** The **Skills planning project** aims to address these issues. The Scottish Government has taken responsibility for skills planning at a national level. In June 2025, the Scottish Government agreed its new skills planning model with SDS and the SFC, which will be introduced later in 2026. The TET Act includes a provision for a National Funding Strategy to be developed, which sets out the Scottish Government's view of skills needs in Scotland (paragraph 7).

**82.** SDS will continue to play a key role in leading **Skills Needs Assessments** (SNAs), and the SFC in provision planning and reporting. Through phase one, the Scottish Government aimed to introduce the new model for skills planning and identify priority skills sectors, in preparation for implementation. Progress has been made, but some work is behind schedule. For example:

- A dedicated Skills Planning Policy Unit (SPPU) has been set up within the Scottish Government, and it worked with SDS and the SFC to agree the high-level skills planning model.
- The Scottish Government committed to publishing its agreed skills priority sectors in December 2025. This did not take place, but work is under way to finalise this, in collaboration with partners to agree the sectors of focus.

**83.** The Scottish Government told us that it is iteratively developing the new model for skills planning in collaboration with SDS and the SFC. The new model is due to be launched in spring 2027. Some further milestones have been postponed, including the pilot of SNAs. The pilot was due to launch in early 2026 but following the delay in agreeing the priority skills sectors, it has been delayed until after the election period.

## Progress is not on track for the other projects, with less clarity on milestones and planned activity

**84.** The Scottish Government has yet to establish more developed structures and plans for the remaining three projects. For example, these



**Skills planning project**

Over time this aims to reduce skills shortages in priority sectors, create a more flexible and responsive education and skills system, and improve outcomes for learners, employers and the wider economy.

The new model also seeks to make better use of evidence and strengthen regional skills planning.



**Skills Needs Assessments** provide information, insight and intelligence to inform current and future skills demand across sectors and regions

do not yet have advanced project governance in place and resource estimates are underdeveloped (Appendix 2, page 35). The Scottish Government's draft programme plan does not yet contain detailed activity against the remaining three projects. This makes it harder to determine if progress is on track. There is risk that the PSESR will not be delivered by the intended timescales or achieve the desired outcomes.

### Apprenticeships

**85.** Reform of the apprenticeship model aims to reduce complexity and support people into good careers, targeted at priority areas of the economy and essential areas of the public sector. Delivery of this project is dependent on successful restructuring of the funding body landscape through the Simplification project and the TET Act.

**86.** Phase one of the project aims to review the apprenticeship process. Through tranche one of the programme plan, the Scottish Government is gathering evidence on current offerings for graduate apprenticeships (GAs), modern apprenticeships (MAs) and foundation apprenticeships (FAs). Some early work has begun for FAs and MAs:

- The Scottish Government committed to a review of MA contribution rates by April 2026 and aims to have a new MA contract in place by April 2027. The review has commenced, and the Scottish Government told us that this work is on track.
- Work to develop proposals on the redesign of FAs is under way but is not on track to complete this in phase one.
- The SFC is working to establish an apprenticeships committee, as part of the TET Act, to be in place by April 2027.

**87.** The Scottish Government has set out its intention to implement changes to the development process for GAs.[11] This was intended to be complete by spring 2026, but work is still ongoing. It has also explored a potential co-investment model with employers for GAs. The Scottish Government told us that this has not received buy-in from employers.

**88.** The Scottish Government has not yet identified more specific actions for GAs and FAs within the tranche-based programme plan. The programme plan lacks specific delivery milestones for tranche two, so it is unclear how the project aim will be reached.

### Improving careers support

**89.** The project aims to enhance the careers support offer so that it is fit for the future, is high quality and meets the needs of people of all ages, and those who support them. The Scottish Government is engaging with partners to agree a set of ambitions for the project and identify how success will be measured.

**90.** As part of tranche one of the programme plan, the Scottish Government is working with partners, such as SDS and the **Developing the Young Workforce (DYW)** employer group, to review information on careers choices, job prospects and earnings. This work includes:

- work led by SDS and Education Scotland to produce a national Learner Profile which aims to consolidate digitally, every learner's skills and achievement, as a result of their learning experiences from life, learning and work
- a mapping exercise of current career support offerings for those of school age, and how these can be improved.

**91.** Work is under way to support the Scottish Government's review. Further planned activity will be in response to review exercises that are still in progress and based on direction from incoming ministers. The areas of work currently lack measurable outputs. The Scottish Government has indicated that the agreed ambitions (paragraph 89) will be used to develop a 'Careers Ambition Framework' and that this will be used as the basis for planning priority areas of work.

### Post-school qualifications

**92.** The Scottish Government plans to review the post-school qualifications system to ensure that qualifications are appropriately recognised and impactful. As part of phase one, the Scottish Government aimed to carry out an audit of post-school qualifications. The Scottish Government told us that this work is now complete, with a report expected to be shared with stakeholders in the near future. Further specific milestones have not been identified.



**DYW** is a Scottish Government youth employment strategy designed to help young people transition successfully from education into employment, training, or further study. DYW operates through 20 regional groups across Scotland, each connecting local employers with schools and colleges.

DYW Scotland

# Endnotes

1 Tertiary Education and Training (Funding and Governance) (Scotland) Bill – Consultation response submitted by SDS Board in 2025.

2 Education and Skills Impact Framework (ESIF) – university provision: contextual summary report, Scottish Government, December 2022.

3 Fiscal sustainability and reform in Scotland, Audit Scotland, November 2024.

4 The Scottish Government estimates that the transfer of responsibility of FESS from the SFC to SAAS will cost up to £0.12 million in project staff costs in 2026/27.

5 Post-school funding body landscape simplification: outline business case, Scottish Government, January 2025.

6 Tertiary Education and Training (Funding and Governance) (Scotland) Bill – Letter of 16 January 2026, revised financial memorandum.

7 Of the £0.8 million, £0.7 million was for staff costs, and £0.1 million was for non-staff costs, such as consultancy support, actuarial advice, and TUPE advice.

8 Based on an assumption of two per cent savings on the modern apprenticeship budget of c. £130 million per annum; Tertiary Education and Training (Funding and Governance) (Scotland) Bill – Letter of 16 January 2026, Table 14 revised financial memorandum.

9 Tertiary Education and Training (Funding and Governance) (Scotland) Bill – Letter of 16 January 2026, revised financial memorandum; and Stage 1 Report on the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, Scottish Government response, September 2025.

10 The Skills Development Scotland Co. Limited, Annual audit report 2024/25, Audit Scotland, September 2025.

11 Correspondence to the Education, Children and Young People Committee, Tertiary Education and Training (Funding and Governance) (Scotland) Bill, November 2025.

# Appendix 1

## Other key reviews which have informed the post-school education and skills reform programme

| Date | Reviews published |
|---|---|
| May 2018 | 15–24 Learner Journey Review, Scottish Government |
| June 2021 | Coherence and Sustainability: A Review of Tertiary Education and Research, Scottish Funding Council |
| January 2022 | Planning for skills, Audit Scotland |
| March 2022 | Putting Learners at the Centre: Towards a Future Vision for Scottish Education, Professor Kenneth Muir, Scottish Government |
| July 2022 | Skills: shared outcomes framework, Scottish Government |
| December 2022 | Strengthening Apprenticeship in Scotland, United Kingdom, OECD |
| March 2023 | Career Review: Final Report, Skills Development Scotland |
| June 2023 | Fit for the Future: Developing a post-school learning system to fuel economic transformation – Skills Delivery Landscape Review, James Withers, Scottish Government |
| June 2023 | It's Our Future: Report of the Independent Review of Qualifications and Assessment: report, Professor Louise Hayward, Scottish Government |
| July 2025 | Report on Widening Access 2023–24, Scottish Funding Council |

Source: Audit Scotland

# Appendix 2

## Draft business case indicative revenue costs of reform programme

| Description | 2025/26 (£m) | 2026/27 (£m) | 2027/28 (£m) | 2028/29 (£m) |
|---|---|---|---|---|
| Simplification Project – funding for additional staff resource for public bodies | 0.79 | 2.80 | 0.69 | |
| Simplification Project – funding for non-staff resource for relevant public bodies | 0.21 | 0.63 | | |
| Simplification Project – funding for transfer of IT data and system from SDS to SFC | | Up to 6.5 | | |
| Simplification Project – pension shortfall payment | | | Up to 8.0[1] | |
| Simplification Project – increased employer pension contributions | | | 1.0 Value not yet confirmed | 1.0 Value not yet confirmed |
| Skills Planning Project – analysis, publications, consultancy etc | 0.01 | 0.2 | 0.2 Value not yet confirmed | Value not yet confirmed |
| Improving Careers Support Project | | | Value not yet confirmed | Value not yet confirmed |
| Programme Monitoring and Evaluation | 0.03 | 0.05 | 0.05 | 0.05 |
| Additional Scottish Government staff resource – for the programme unit and project teams | 0.9 | 1.0 | 0.5 | |
| Total | 1.94 | Up to 11.18[1] | Up to 10.44[1] | Up to 2.7 |
| **Total for 2025/26 to 2028/29** | | | | **Up to 26.26** |

Note 1. Based on data from autumn 2025 and expected to be updated during 2026. Estimates do not include potential procurement costs which may be identified, for example survey or data costs.

Source Scottish Government

# Post-school education and skills reform

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