

Cabinet Secretary for Education and Skills

Jenny Gilruth MSP

Minister for Higher and Further Education; and Minister for Veterans

Graeme Dey MSP

T: 0300 244 4000

E: scottish.ministers@gov.scot

Douglas Ross MSP

Convener

Education, Children and Young People Committee

The Scottish Parliament

Edinburgh

EH99 1SP

(by email)

Email: ECYP.committee@parliament.scot

22 January 2025

Dear Convener,

Update to education committee - simplification of the post school funding body landscape in Scotland.

We are writing to the Education, Children and Young People Committee to provide an update on plans to simplify the post-school funding body landscape in Scotland. This follows on from previous correspondence to the committee in June 2024.

Firstly, we want to reiterate that our work to simplify and rationalise this landscape is not a reflection on the performance of any individual organisation, indeed there is strength and depth across all our public bodies. Our focus is on how the overall system functions, and how it adapts to today's pressures, expectations and opportunities. We also want to put on record our thanks to the staff in your organisation for their patience and input, which has helped us reach a clear and well-informed position.

The work we are writing to update you on today is part of a much wider body of reform and improvement that will bring greater agility and efficiency to the system, while making the best use of our substantial investment in the economy and in people across Scotland. Other elements of these reforms include establishing a new national skills planning approach and strengthening regional skills planning approaches, improving careers support and leading on improvements to Scotland's apprenticeship offerings.

Throughout this work, we have acted on the evidence and engagement that underpinned our Purpose and Principles for post-school education, research and skills, alongside the observations and conclusions of James Withers' Independent Review of the Skills Delivery Landscape.

We can now confirm that a decision has been made to proceed with the proposal to consolidate all post-school provision funding within the Scottish Funding Council (SFC) and all student support funding within the Student Awards Agency Scotland (SAAS). This was option two within the consultation. The change will see the SFC taking responsibility from Skills Development Scotland (SDS) to deliver all apprenticeships and national training programmes. The changes will also see responsibility for funding of further education student support move from SFC to SAAS.

In coming to this decision we carefully considered the [responses from the consultation](#) that set out proposals for the legislative changes needed to simplify the post-school funding body landscape, on 25 June 2024. In addition to the consultation, extensive work was undertaken to establish an [Outline Business Case](#) in partnership with Scottish Government analysts and economists and in alignment with HMT Green Book principles.

These changes will, for the first time, bring responsibility for funding all forms of post-school learning, including apprenticeships, into one place. This will allow greater flexibility, not only within the apprenticeship family, but across all provision. Taken together with changes to simplify student support, this will mean the system is:

- Easier to navigate for learners and employers.
- More efficient following the removal of overlapping roles, functions and responsibilities, ensuring maximum public value.
- Able to provide comparable system-wide data and evidence to better understand the social and economic value of our investment and to enable more targeted support.
- Better set up to ensure parity of esteem between different pathways.

We look forward to working with stakeholders on these changes that we are confident will bring about benefits to the post-school system, and importantly for learners and employers.

We hope you find this update helpful, and we will, of course, continue to provide updates to the Committee as this work progresses.

Jenny Gilruth

Graeme Dey