



Post-School Education and Skills Reform:

Consultation on legislation

Analysis of responses



January 2025



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Summary

This report presents findings from an analysis of responses to the Post-School Education and Skills Reform consultation on legislation. This report presents findings from an analysis of responses to the Post-School Education and Skills Reform consultation on legislation conducted by Craigforth on behalf of the Scottish Government. The consultation sought views on proposed changes to the role of public bodies, with the aim of simplifying responsibilities in relation to apprenticeships and student support. Views on specific proposals and the main themes raised by respondents are summarised below.

Apprenticeships and student support

The most commonly preferred of proposals to streamline funding was proposal 2; SFC managing all provision funding and SAAS all student support funding. This was preferred by 44% of respondents. There was also support for other options: 35% preferred proposal 3 (all provision and student support funding is consolidated with SFC) and 21% preferred proposal 1 (“business as usual”). Key themes raised in relation to proposed reforms are summarised below.

Key themes

Differing views on **the need for reform** shaped support for these proposals. There was comment in favour of reform objectives set out in the consultation paper, but some of those supporting “business as usual” wished to retain current strengths of the system and saw proposed reforms as incurring unnecessary resource and opportunity costs.

Others were of the view that significant reform was required to address challenges facing the post-school skills system. It was suggested that consolidating funding for provision and student support could enable a more **holistic and consistent approach** across skills sectors and models of provision. This included some who felt that a wholly centralised approach with a single funding body would be necessary to deliver these benefits.

Concerns around **equity of funding** were reflected in comments supporting a more coherent and consistent approach. Equity was highlighted in terms of ensuring fair access to funding support across learner groups, and access to provision funding for different provider types. This included concern that prioritisation of colleges and universities could adversely impact access to funding for other providers.

There was also support for proposed reforms as enabling greater **clarity of purpose** for funding bodies. Respondents supported the proposed separation of provision and student support as enabling funding bodies to focus on their respective roles and sectors. This was seen as simplifying the landscape while retaining the expertise of both SFC and SAAS, and reducing potential for confusion.

The **responsiveness** of the skills system also emerged as a common theme for those who saw a need for a more streamlined and coherent approach. It was suggested that greater consolidation of funding would enable a more responsive skills system, for example through a more coordinated approach to information and advice for learners, and ensuring skills provision can better meet the diverse needs of learners. In this context, respondents wished to see reforms place learners at the centre of the skills system.

Securing efficiencies was highlighted as a key positive for proposed reforms, including by those who supported a move to a single funding body (proposal 3). These respondents suggested that a more streamlined and centralised funding system could deliver significant resource savings, reflecting a view that overlapping roles and duplication of effort across agencies is an issue for the system. However, it was also suggested that efficiency savings could take time to be realised.

Other challenges were raised for **implementation of reforms**, particularly around ensuring access to sufficient resources. There was concern that Scottish Government must not underestimate the investment of time and resources required to successfully implement reforms. This was seen as a key issue in the context of current financial challenges across skills sectors, and there was concern around potential to divert SFC's energy and focus at a critical time for the skills system. Ongoing operational concerns were also raised for a single funding body around retention of knowledge and expertise, the diversity of roles, and ensuring an equitable approach across sectors and provision models.

The potential for **disruption** associated with implementation of reforms was a common concern amongst respondents. This was raised as an issue for learners, employers, institutions, providers and other users of the skills system. There was reference to the potential scale of change required to current roles and responsibilities, to operational issues such as technical and staffing changes, and to challenges in achieving the required change of culture across funding bodies.

Governance of the SFC

Around half of respondents wished to see reform of SFC governance arrangements to remove time limits on Board appointments and restriction on reappointments. This included 48% who supported removal of restrictions in relation to both term and reappointments, and 6% only for term or reappointment. The remaining 46% indicated that they had a different suggestion – although most of these respondents were focused on the need for change or on the other options set out. Key themes raised in relation to proposed reforms are summarised below.

Key themes

Support for the removal of Board appointment restrictions reflected a view that this would provide **greater flexibility** to broaden membership and ensure the Board has the necessary skills, knowledge and experience. This was seen as important in enabling the Board to adapt quickly to challenges and to allow for more effective and agile succession planning. Others disagreed, referring to current restrictions as a positive in terms of refreshing Board membership and enabling more effective governance. However, there was a common view that ensuring the right mix of skills, knowledge and experience is key for the effectiveness of the Board.

In terms of ensuring sufficient **depth and breadth of knowledge**, there was a view that membership should reflect the skills and expertise required by SFC functions – including the new responsibilities being proposed. There was a perceived need for awareness of developments in skills, higher education, research and funding.

Some sought to ensure an understanding of both **academic and vocational learning** for Board members. This was linked to comments on the need for parity of esteem for vocational learning and higher education, and calls for a balance of industry and academia members. Understanding the specific structure, delivery and value of apprenticeships and work-based learning was also seen as important, including an appreciation of how this fits into the skills development landscape.

Wider representation was a key theme. Suggestions included membership places on the SFC Board, advisory groups or co-options, and reference to industry/employers, learners and teaching staff as important voices to be heard. A range of inclusion and diversity considerations were highlighted. There was reference here to place-based representation (including remote rural communities), social mobility and inclusion, intersectionality and protected characteristics.

Discussion of Board membership also included reference to the value of **co-design and collaboration** for SFC Board governance. Respondents wished to ensure that decision-making processes include input from a diversity of stakeholder interests.

Enhanced functions for SFC

The largest group of respondents (46%) saw a need for new duties on all organisations in receipt of public funding to provide better information to SFC. The majority of respondents (66%) also saw a need to strengthen existing data collection and reporting systems and processes. Key themes raised in relation to proposed reforms are summarised below.

Key themes

Comments on the **importance of data collection and reporting** included ensuring best value and evidencing impact, supporting SFC oversight and governance, and enabling prospective learners to make more informed choices. Respondents also highlighted the role of accurate and meaningful data in enabling the system to **respond to skills needs**. This included reference to shaping improvement in skills provision, and informing forward planning to ensure programmes align with wider economic needs and policy priorities.

There was support for **consistency of information requirements**, with a single system applying to colleges, employers and training providers. However, views differed on whether and how a single system should apply across all stakeholders. Some also expressed a view that data collection and reporting for the FE and HE sectors currently works well, although there was perceived scope to make better use of this data. It was suggested that there may be a need for better data collection and reporting for private skills providers.

Discussion of specific **information to be collected** included a particular focus on: financial information including the level and profile of funding awards, and financial sustainability; the profile and uptake of funded provision; information on capacity and governance for funded organisations; and delivery of outcomes. There was also a perceived need for **more agile data systems** that can reduce the lag in reporting timelines and provide real-time data. Respondents referred to potential for integration of datasets to support a more joined up approach, and comparability across sectors and internationally was highlighted.

Introduction

This report presents findings from an analysis of responses to the Post-School Education and Skills Reform consultation on legislation.

Background

The education and skills system is critical to the Scottish Government's vision of a strong and resilient economy and society, and the ambition for a wellbeing economy supported by a skilled workforce as set out in Scotland's National Strategy for Economic Transformation¹. This will require an education and skills system that works for everyone, providing lifelong opportunities for people to gain the knowledge and skills they need to fulfil their potential, and enabling the research and innovation that is vital to Scotland's global competitiveness.

The ongoing programme of reform for post-school education and skills is a key element in the Scottish Government's approach to ensuring the system can deliver these objectives. The reform programme is underpinned by two key documents:

- The Purpose and Principles for Post-School Education, Research and Skills (the "Purpose and Principles")² sets the vision and objectives for the programme, developed through engagement with stakeholders across the education and skills system which identified a strong case for reform.
- James Withers' Independent Review of the Skills Delivery Landscape (the "Withers Review")³ identified a range of issues for post-school learning and skills and set out 15 recommendations for change. These included reform of two of the key public bodies which help run the post-school education and skills system, Skills Development Scotland (SDS) and the Scottish Funding Council (SFC).

The post-school reform programme incorporates a range of activities across the education and skills landscape. In addition to the role of public bodies (the subject of this consultation), the programme also includes changes to skills planning, improving the apprenticeship offer and national careers service.

The consultation

The overall purpose of the consultation was to gather views on proposed changes to what public bodies do in the post-school system, with the aim of simplifying responsibilities in relation to apprenticeships and student support.

The consultation paper noted that proposals would involve changes to the three principal public bodies in the post-school system; the Student Awards Agency Scotland (SAAS), SFC and SDS. The first part of the consultation sought views on options to streamline funding for colleges, universities and apprenticeships. The remainder of the consultation sought views on proposed changes to the governance and functions of the SFC specifically.

1 [Scotland's National Strategy for Economic Transformation.](#)

2 [Post-school education, research and skills – purpose and principles.](#)

3 [Independent Review of the Skills Delivery Landscape.](#)

A total of 12 questions were asked in relation to proposals. All questions gave respondents the opportunity to provide a written response, and five also included a 'closed' element where respondents could select from a pre-defined list of answers.

Response

A total of 194 responses were received, of which 133 were from groups or organisations and 61 from individual members of the public. Where consent has been given to publish the response, it may be found at <https://consult.gov.scot/lifelong-learning-and-skills/post-school-education-and-skills-reform/>.

Respondents were asked to identify whether they were responding as an individual or on behalf of a group or organisation, and group respondents asked what type of organisation. On this basis, respondents were allocated to one of 14 categories.

A breakdown of the number of responses received by respondent type is set out below, and a full list of group respondents provided at Annex 2.

Overview of respondents by type

	Number	% of all respondents
Organisations	133	69%
Fundable education body	23	12%
Local authority or school	9	5%
Other public sector	15	8%
Training provider	18	9%
Private business/employer	8	4%
Third sector/charitable	12	6%
Trade union/other staff rep	5	3%
Student interest/representative	4	2%
Sector/business representative	26	13%
Other organisation	13	7%
Individuals	61	31%
Individual learner	4	2%
Individual educator	14	7%
Individual manager/employer	13	7%
Individual other	30	15%
All respondents	194	100%

The analysis

The report presents a question-by-question analysis of answers to the closed questions and further comments at open questions, structured around the three main parts of the consultation: apprenticeships and student support, governance of the SFC, and enhanced functions for the SFC.

The analysis of closed questions uses variable bases – i.e. includes only those who answered the closed question. Percentages may not sum to 100% due to rounding.

The analysis of written comments is qualitative: if a point was more frequently raised this will be indicated, but otherwise the focus is on setting out the range of issues raised. This approach reflects not only the self-selecting sample, but also the nature of the qualitative data.

It is also important to note that analysis of this type reflects the comments made and does not seek to verify the accuracy of those comments or make any judgment on the views expressed. However, if views appear to be based on a misunderstanding of the proposals or if they set out objectively inaccurate information, this will be noted in the analysis. The language used within the report reflects that used by respondents.

As with any public consultation exercise, it should be noted that those responding generally have a particular interest in the subject area and the views expressed cannot necessarily be seen as representative of wider public opinion. For the present consultation, this includes several organisation respondents with a key role in the current skills delivery landscape, and who may be directly impacted by some of the issues or proposals under consideration.

Apprenticeships and student support

The first part of the consultation sought views on proposals to streamline funding for colleges, universities and apprenticeships:

Proposal 1: Business as usual. Post-school education and skills funding would continue to be delivered through the three public bodies (SFC, SAAS and SDS).

Proposal 2: SFC manage all provision funding and SAAS manage all student support funding. National Training Programmes (NTP) would move from SDS to SFC, and further education (FE) student support from SFC to SAAS.

Proposal 3: Consolidate all provision and student support funding within SFC. NTP would move from SDS to SFC, and all SAAS student support to SFC.

Respondents were asked to indicate which of the three options they preferred, and to indicate the reasons for their preference including key advantages and disadvantages for each option.

Support for proposals

Question 1. Which of the three proposals do you prefer?

The most commonly preferred option was proposal 2; this was selected by 44% of the 155 respondents those who answered the question. There was also support for the other options, with 35% preferring proposal 3 and 21% preferring proposal 1.

Responses show some variation in preferences across respondent types, with individuals most likely to prefer proposal 2 and organisations generally preferring proposals 2 or 3. In terms of specific organisation types, local authorities/schools and other public bodies were most likely to prefer proposal 2, fundable education bodies supported either proposal 2 (preferred by a mix of universities and colleges) or proposal 3 (primarily supported by colleges), and sector/business representatives were most likely to support proposal 3. In contrast, training providers, private businesses/employers and trade unions generally preferred proposal 1.

Question 1. Which of the three proposals do you prefer?

	Proposal 1	Proposal 2	Proposal 3	Total
Organisations	19	35	40	94
% of those answering	20%	37%	43%	
Fundable education body		12	9	21
Local Authority or school	1	5	3	9
Other public sector		5	3	8
Training provider	6	4	4	14
Private business/employer	4		2	6
Third sector/charitable			3	3
Trade union/other staff rep	5			5
Student interest/representative		2	2	4
Sector/business representative	1	5	11	17
Other organisation	2	2	3	7
Individuals	14	33	14	61
% of those answering	23%	54%	23%	
Individual learner		4		4
Individual educator	4	4	6	14
Individual manager/employer	3	9	1	13
Individual other	7	16	7	30
All respondents	33	68	54	155
% of those answering	21%	44%	35%	

Note: 39 respondents (20% of the total) did not answer Question 1. Percentages may not sum to 100% due to rounding.

Around 165 respondents provided further comment at Question 1. Some of those providing written comment – including fundable education bodies, other public sector and sector/business representative respondents – expressed their general support for skills reform objectives as set out in the consultation paper. Reforms were described as necessary to deliver against the Purpose and Principles and recommendations of the Withers Review.

Support for skills reform also included reference to a range of issues and priorities that respondents wished to see addressed through proposals. These included: perceived inefficiency and duplication of effort across the skills landscape, especially given what were seen as fragmented skills funding and delivery arrangements; potential for inconsistencies in support provided to learners and a need to ensure equity of access for learners; a perceived need for more streamlined and coordinated funding of apprenticeships specifically; a need to ensure learners are at the heart of the system; calls for more intensive collaboration with employers and industry to build the required skilled workforce; and a need for an ambitious policy of growth and renewal to guide skills reform. It was suggested that change was urgently required to address these issues.

Support for proposal 1

Of the 33 respondents who supported proposal 1 (21% of those answering the question), 29 provided written comment in support of their view. Key points from these and other respondents who did not select a preferred option are summarised below.

Comments from these respondents – including from businesses/employers and training providers – highlighted the value of proposal 1 in ensuring stability for providers and learners, and enabling SDS to retain a singular focus on skills development and work-based learning (including apprenticeships). This stability and clarity of focus was seen as important in ensuring skills provision is responsive to learners' needs.

Those expressing support for proposal 1 also suggested that the current skills landscape works well for learners and employers, and referred to evidence of positive outcomes. Specific current positives highlighted by respondents included reference to SDS as having the necessary knowledge and experience, having established effective working relationships with training providers, and as having proven more agile and responsive to the needs of the economy. Modern apprenticeships were also described as the most efficient and cost-effective pathway to support individuals into the labour market, including praise for SDS administration of these programmes. There was also positive reference to SAAS as operating effectively, including good communication and a strong public profile.

Proposal 1 was supported as a means to retain key aspects of the current approach that were working well, while making necessary improvements across existing organisations and systems. This included from respondents who agreed that reform was required – for example with reference to duplication of effort across agencies, and a view that the system has become too bureaucratic.

For a substantial number of those expressing support for proposal 1 – especially training providers and private businesses/employers – this was based on objection to alternative proposals. Some questioned the direction of wider skills reform policy, and disagreed with the Withers Review regarding weaknesses and complexity in the skills system. There was also reference to what were seen as significant challenges in delivering the required level of change for proposals 2 or 3, and concern that disruption associated with implementing proposals 2 or 3 could distract from the urgent need to address current skills challenges. A small number felt that proposals were driven by a desire for simplification and cost savings, and questioned whether proposals would lead to improvements for learners, employers or others.

Several specific objections were raised for proposals 2 and 3 as set out in the consultation. These included: a view that proposals were likely to incur significant implementation costs, and a preference for these resources to be used to improve existing structures; a perceived risk that significantly expanding SFC's remit could reduce the organisation's effectiveness; and concerns from training provider and local authority respondents that proposals 2 and 3 could prioritise funding of further education (FE) and/or higher education (HE) provision at the expense of other sectors and provision models (including apprenticeships and other work-based models). This was seen as a particular risk given SFC's longer track record in dealing with the FE and HE sectors.

Some also felt that the consultation paper lacked detail on how proposals 2 and 3 would work in practice, such that it was not clear how proposed reforms would generate the anticipated benefits. This included reference to a lack of information on how SFC would operate funding across sectors, and questions around whether a reformed SDS would offer additional value. A trade union respondent also suggested that there had been insufficient engagement with front-line staff around proposed reforms, and wished to ensure that staff had a voice in determining the best approach and that Fair Work principles were applied going forward.

Support for proposal 2

A total of 68 respondents supported proposal 2 (44% of those answering the question), and 60 of these provided written comment in support of their view. Key points from these and other respondents who did not select a preferred option are summarised below.

Those in favour of proposal 2 – especially fundable education bodies and individuals – expressed a particular preference for the proposal as a means of simplifying the skills landscape while retaining the expertise of both SFC and SAAS. This approach was seen as being better aligned with the recommendations of the Withers Review in terms of enabling a more joined-up approach, and better supporting objectives set out in the Purpose and Principles including the commitment to a “colleges and universities first” approach. Maintaining the separation of provision and student support funding was also seen as a particular positive in terms of ensuring clarity of focus, although a small number of those who supported Proposal 2 suggested that a single funding body could be the best option in the longer term.

There was support for proposal 2 as enabling each funding body to focus on their respective roles and sectors, simplifying funding flows, and avoiding potential for confusion. The proposal was seen by some fundable education bodies and sector representatives as having potential to ensure greater clarity of purpose for SFC and SAAS (including favourable comparison with proposal 3 in this regard). These respondents wished to ensure SFC retains the current focus on provision funding, and recognises the distinctiveness of each stakeholder. Support for retaining separate roles for each funding body was also linked to particular confidence in SAAS, including from a number of individual respondents.

The specific proposed reallocation of responsibilities between the two public bodies (SFC and SAAS) was referenced by respondents, including support from fundable education bodies and sector representatives. For example, respondents saw centralising post-school learning and training with SFC as a positive in terms of streamlining apprenticeship funding (described by a fundable education body as the ‘top priority’ for skills reform). This was also seen as important in enabling FE and HE sectors to diversify skills provision to better support regional skills needs, and in maintaining strong links between skills provision and research.

Consolidating all student support within SAAS was also supported as ensuring a clear focus on student needs. This was highlighted as important in maintaining access to the necessary expertise in student support, and in ensuring independence of approach. There were also calls to maintain localised face-to-face student support arrangements for FE college students, seen as especially valuable for disadvantaged or vulnerable students in the college sector.

Support for proposal 2 included several fundable education bodies in particular who were opposed to 'business as usual', and saw proposal 2 as preferable to proposal 3. These respondents suggested that proposal 3 would require significant structural change and associated investment of time and resources, with potential to divert SFC's energy and focus at a critical time. The SFC and skills sectors were seen as facing significant financial and other challenges requiring SFC's full capacity, including the new Tertiary Quality Enhancement Framework, Knowledge Exchange and Innovation Framework. There was also concern that proposal 3 would create a single funding agency with too many competing roles and responsibilities. A small number of fundable education bodies also suggested that proposal 3 could lead to the institutional autonomy of universities being undermined over time, with potential to negatively impact the sector's diversity.

Caveats and clarifications

A number of respondents qualified their support for proposal 2 with concerns or requests for clarification.

Potential concerns were most commonly related to the scale of change required, and the importance of ensuring that organisations have the necessary resourcing. This included reference to anticipated challenges in redefining funding body duties and powers, the time and resources required to implement legislation change, and ensuring SFC in particular is adequately resourced to manage reforms alongside ongoing operation. It was also noted that proposal 2 would still require reform of SFC and SAAS to enhance their effectiveness, ensure alignment of purpose, and improve transparency on allocation of funding.

Transfer of FE student support to SAAS was also identified as a potential risk, including comments questioning whether this change would benefit students. The distinctive needs of FE learners were highlighted, and questions raised around whether these could be fully met by SAAS.

Further detail on how proposal 2 would work in practice was sought by several fundable education body and other public sector respondents. This included reference to:

- How equity of access to funding would be ensured across all institutions and skills providers, including third and private sector organisations.
- Whether the funding body would retain its Non-Departmental Public Body status and independence from Ministers.
- How the university sector's Office for National Statistics (ONS) classification would be maintained.
- Whether reforms would merge HE and FE student support arrangements.
- Calls to retain specified budgets for universities and colleges.
- Whether key aspects of the current administration of fees would be retained, including 'fees only' university places.
- It was suggested that proposal 2 should also involve SFC taking responsibility for HE tuition fee administered by SAAS – this was described by one public sector respondent as provision funding rather than student support.

Support for proposal 3

Of the 54 respondents who supported proposal 3 (35% of those answering the question), 49 provided written comment in support of their preference. Key points from these and other respondents who did not select a preferred option are summarised below.

Support of proposal 3 included a view from some fundable education bodies that significant reform was required to address challenges facing the post-school skills system, and to deliver Withers Review recommendations. There was also a preference for proposal 3 over proposal 2 in terms of further streamlining the skills landscape and maximising potential efficiencies.

Comments in support of proposal 3 also reflected benefits noted above in relation to proposal 2, such as around simplifying apprenticeship funding and functions within SFC. Centralising all student support within SFC was also seen as having potential to enable a more holistic view of funding provision and student support. It was suggested that consolidating FE and HE student support funding would ensure a fairer and more consistent approach.

Other anticipated benefits highlighted in support of proposal 3 included: improved clarity of purpose; greater equity of funding approach across learner groups and provision models; a simplified landscape that is easier to navigate for learners; greater transparency and accountability, including specifically in relation to the apprenticeship funding model; other specific benefits for apprenticeship programmes; and potential cost savings associated with consolidation of roles and operational efficiencies.

Caveats and clarifications

The most common concerns raised for proposal 3 were around the range of responsibilities proposed for SFC and the challenges this may present for ongoing operation, and potential for proposal 3 to give SFC a “monopoly” over post-school skills funding. It was suggested that a move to a single funding body may not be to the benefit of the sector, and for example may hinder a more person-centred approach. One public sector respondent wished to ensure that the reform process, and selection of a preferred option by Scottish Government, was driven by outcomes rather than the structure of the new body.

Respondents also saw substantial challenges in delivering the level of change required by proposal 3, especially in the context of significant budgetary pressures. There was concern that modern apprenticeship funding could be “diluted” amongst SFC’s expanded funding streams, reflecting a view that this has been the case for foundation and graduate apprenticeships under SFC. It was suggested that modern apprenticeship funding should be ringfenced if proposal 3 was taken forward.

Those expressing support for proposal 3 – including a number of fundable education body and other public sector respondents – also identified areas where further detail is required around how reforms would work in practice. These are summarised below:

- How specific powers and duties will be defined for SFC, including the relationship between SFC and recipients of funding (for example how this may differ from the existing relationship between SFC and universities).

- The approach to engagement with stakeholders, including reference to specific groups such as industry bodies and managing agents (a third party organisation managing apprenticeship programmes on behalf of industry and employers). There was a perceived need to ensure that good working relationships established by SDS were not degraded.
- How the implementation approach would prevent proposal 3 from having a negative impact on existing staff in terms of pay/conditions and job security, and ensure that unions are consulted.
- Whether any efficiencies and savings would be reinvested into skills funding, including into apprenticeship funding.
- Calls for the consolidated funding approach to allow multi-year tendering for apprenticeships, seen as providing greater certainty and encouraging investment.

Other issues raised

Respondents raised several other issues at Question 1 that were not specific to the three proposals, but which had informed their views on proposed reforms and/or were relevant to the selection of a preferred option.

Implementation was seen as a significant issue by a range of respondents including fundable education bodies, other public sector respondents, sector/business representatives and other organisations. Some recommended a staged approach to ensure that public bodies could continue to fulfil their roles and meet their responsibilities throughout the process, and that changes to provision funding should be prioritised. Several fundable education bodies, sector representatives and other public sector bodies suggested that proposal 2 could be a step towards proposal 3. It was suggested that this approach would reduce disruption, and allow time for SFC to embed the integration of SDS functions before adding SAAS functions (transfer of the latter was seen by some as more likely to result in disruption).

Linked to concerns around implementation, resourcing was seen as a significant issue. This included reference to wider resourcing pressures facing sector bodies and institutions, and a view that reforms alone will not resolve these. It was also suggested that proposed reforms were poorly timed and should be delayed, including to allow for effective engagement with industry.

Several training providers, sector representative and third sector respondents expressed a view that the consultation provided insufficient evidence to judge whether proposals were likely to achieve the expected aims. This was linked to a perceived need to ensure that reforms were informed by evidence, and supported by effective monitoring to ensure anticipated benefits were being delivered, and to identify any unintended negative consequences.

Reflecting some of the issues noted above – and a view that proposals will be insufficient to achieve policy outcomes – respondents suggested a number of amendments or alternatives to proposed reforms. Most were additions or modifications to specific aspects of the three proposals, but a small number of respondents set out more comprehensive alternatives. Amendments and alternatives suggested by respondents included:

- Reform of SDS to lead on the just transition and workforce growth/renewal, including collaboration with employers, colleges and training providers, and co-investment in vocational education, apprenticeships, upskilling/reskilling.
- Reform of SFC to enable more intensive collaboration with the university sector, building on what was seen as the 'high value' of Scotland's university sector and research activities.
- Transferring administration of the HE tuition fee from SAAS to SFC, seen as improving transparency and insight into Scottish Government investment in the HE sector.
- Transferring some or all SFC resources for vocational training to SDS.
- The creation of Regional Employer Boards to help direct funding decisions.
- Reference to ongoing or proposed reform at a regional level, and calls to ensure these could be supported by the preferred national approach.

Advantages of proposals

Question 2. What do you think are the main advantages of your preferred proposal?

Around 160 respondents provided comment at Question 2.

A small number of respondents felt unable to comment on the potential advantages of proposals without further detail on how they would operate. This included a particular focus on the changing role of SDS and the transfer of responsibilities, the level of funding for modern, foundation and graduate apprenticeships and how funding would be administered, and whether careers advice functions would remain with SDS. Respondents also sought further information on how Scottish Government would ensure that implementation of proposals would not adversely affect other aspects of education and skills reform.

However, most of those making comment identified advantages associated with proposals.

Advantages associated with proposal 1

Advantages identified by respondents in relation to proposal 1 most commonly related to a view that existing systems work well, and that proposals 2 and 3 would incur significant resource and opportunity costs. These and other advantages are summarised below.

Retaining key strengths of the current skills system was a significant motivation for some respondents, including training providers and trade unions. These respondents noted specific areas where they would like to see further improvement, but suggested that the current approach is effective and well understood. Existing skills systems were described as robust, equitable, responsive to needs, well-trusted, and supported by effective collaboration. SDS was highlighted as having a strong track record in development of work-based learning, and there was reference to specific functions including SDS administration of apprenticeships, contract procurement and information reporting systems such as the Funding Information and Processing System (FIPS). These respondents wished to retain SDS expertise and experience, and established relationships with skills providers and industry.

Proposal 1 was also supported for avoiding what were seen as "unnecessary" resource and opportunity costs of proposals 2 and 3, and enabling these resources to be invested in existing systems. There was concern that implementation of proposals 2 or 3 would distract

from work to address current skills challenges. Respondents pointed to experience of other significant reform as demonstrating how difficult this process can be, including a view that Scottish Government had a poor track record in delivering this scale of change.

Other perceived advantages for proposal 1 included:

- Maintaining personalisation and choice for learners, ensuring access to the providers best placed to meet these needs, and enabling approaches to be tailored across different forms of provision. This was linked to concern that a single body could be less flexible and responsive than current systems.
- Suggestions that proposal 1 would best support work-based learning and apprenticeships, linked to concerns around a move to a “colleges and universities first” approach, and potential for work-based learning to be devalued if provision funding was centralised.
- Providing stability and certainty for stakeholders, reflecting a perceived lack of clarity around how proposals 2 or 3 would operate and whether anticipated benefits would be realised.
- Concern that consolidation of provision funding under proposals 2 or 3 could expose work-based learning to “financial contagion” from within the HE and FE sectors.

Advantages associated with proposal 2

Key advantages highlighted by those supporting proposal 2 were most commonly focused on ensuring a more coherent strategic approach across a simplified skills landscape, while retaining clarity of focus.

Scope for proposal 2 to enable a more coordinated and streamlined skills system was highlighted primarily by organisation respondents, including fundable education bodies, local authorities/schools, other public sector respondents and training providers. This was linked to a view that a centralised funding system could support a more coherent strategic approach, including greater coordination across public sector bodies and partners. Proposal 2 was also seen as enabling greater consistency in management of funding, with potential to improve equity and parity of esteem across sectors and provision models.

This more coordinated and consistent approach was associated with several key benefits. These included: cost savings including through reduction in duplication of effort; facilitating greater flexibility for skills provision to meet both learner and employer needs, and respond to local and regional skills priorities; better joint working; simpler and clearer funding routes for providers; improved accountability for delivery of outcomes; stronger strategic links between apprenticeships and other parts of the skills landscape; and better links between skills provision, research, innovation and entrepreneurialism. It was observed that a more centralised funding system could enable further change to be implemented more quickly.

Some of those commenting in support of proposal 2 – especially fundable education bodies, local authorities/schools and other public sector respondents – specifically referenced the value of retaining separation of provision and student support funding. This included reference to concerns around disruption associated with the aggregation of provision and student support funding under proposal 3. Proposal 2 was preferred by these respondents as ensuring a clear distinction between the two roles, providing greater clarity of purpose, avoiding potential for confusion, and any perception of competition between funding bodies.

In addition to the above points, respondents also cited advantages associated with specific aspects of proposal 2. These are summarised below.

Bringing post-school learning/training and apprenticeships into SFC was specifically referenced by a number of fundable education bodies. This was seen as improving alignment with recommendations of the Withers' Review, and the Purpose and Principles including a "colleges and universities first" approach. There was also support for SFC as an organisation, including positive reference to the previous transfer of graduate apprenticeship funding. Other specific benefits associated with this aspect of proposal 2 were:

- Simplified engagement for funded organisations.
- Improved access to information for key stakeholders including providers and employers.
- Potential time and resource savings for skills providers in their dealings with funding bodies.
- Improvements for modern apprenticeships including better alignment with needs of employers and economy.

Centralising student support with SAAS was most commonly referenced by individual respondents. This included comments highlighting the value of SAAS' existing knowledge and expertise, noting that the agency was already focused on supporting students and their families, and a view that this role and associated systems were well understood. Respondents drew comparison between SAAS and SFC; it was suggested that SFC was not widely recognised as having a role in supporting students, and that transfer of this role to SFC would require significant work to build expertise and raise awareness. It was also noted that proposal 2 would enable SFC to focus solely on funding providers.

Support for proposal 2 included a number of individuals highlighting potential benefits for learners were student support funding to be consolidated with SAAS. This included a view that a consolidated approach would be more easily understood and navigated by learners, would enable a more consistent approach for learners, and provide scope for more holistic financial advice across the skills and education system.

Advantages associated with proposal 3

Advantages associated with proposal 3 included several of the points noted above in relation to proposal 2. These most commonly focused on: enabling a more coordinated and strategic approach to post-school skills; simplifying and reducing fragmentation of the funding landscape (especially for providers and employers) and improving clarity on roles and responsibilities; ensuring a more consistent approach for providers and learners; and achieving efficiency savings. The latter point was also highlighted specifically in relation to perceived inefficiencies in administration of apprenticeship funding, and potential for savings to enable a greater proportion of the apprenticeship budget to be made available to apprentices and employers.

While the above advantages were associated with both proposals 2 and 3, some suggested that only consolidation of functions within a single funding body (i.e. proposal 3) would deliver the significant reform required. This included a view that proposal 3 was required

to ensure proper clarity of purpose, to achieve efficiencies and reduce duplication, and to fully align with the Withers Review and Purpose and Principles. It was also suggested that proposal 3 would be more effective in delivering the four business needs set out in the consultation document – Vision, Clarity, Data and Assurance.

Advantages highlighted more specifically in relation to proposal 3 included a focus on improving access and experience for learners. Respondents suggested that proposal 3 would be more effective in improving responsiveness to individual learner needs, with consolidation of funding seen as enabling more coordinated and consistent access to information across sectors. Proposal 3 was also supported as addressing barriers to participation, enabling a more equitable and transparent approach to financial support, streamlining the learner journey including potential for development of a single point of contact, and improved flexibility for learners for example by making it easier to move between sectors and funding programmes.

Other key advantages associated with proposal 3 are summarised below.

- Greater flexibility for providers and potential to facilitate development of new provision models. Specific examples included timely short courses in response to employer demand and flexible credit allocation across apprenticeships and FE/HE provision.
- Ensuring a more equitable funding approach across sectors, and to support greater parity of esteem across academic and vocational or apprenticeship routes.
- Potential to support greater regional collaboration and skills planning.
- Benefits for widening access, including a more coordinated approach to support mechanisms and improved monitoring and reporting of access.
- Greater certainty for providers in relation to anticipated funding, linked to concerns that SAAS could be slow in confirming funding information.
- Specific benefits for administration of apprenticeship funding including greater transparency and accountability (seen as important for promotion of apprenticeship programmes to employers), improving equity in allocation of apprenticeship funding, and greater efficiency in administration of modern apprenticeship funding in particular.
- A consolidated approach to data collection, analysis and reporting – also seen as a positive in providing greater transparency.

Challenges for proposals

Question 3. What do you think could be the biggest challenges with your preferred proposal?

Around 150 respondents provided comment at Question 3.

Common challenges

Respondents were asked to comment specifically on challenges for their preferred proposal. However, several common themes emerged as potential issues for all three proposals; these are summarised below.

Minimising disruption to learners, employers, institutions, providers and other users of the skills system was one of the most commonly mentioned challenges, raised primarily by organisations (especially fundable education bodies, other public sector respondents and sector representatives). These respondents highlighted the potential scale of change required, particularly in revising current roles and responsibilities, and operational issues such as technical and staffing changes. There was also reference to challenges in achieving the change of culture required across funding bodies, and potential for disruption and frustration for staff within SFC, SAAS and SDS. Implementation of previous change to funding flows was cited as demonstrating the potential for significant disruption.

Concerns around potential disruption included a perceived risk that implementation of proposals could impact ongoing education and skills reform, and work to address existing skills challenges. This included specific concerns that ongoing reform of apprenticeship programmes could be lost amongst wider reforms.

Ensuring sufficient flexibility of approach in a more centralised system was also a commonly raised issue, especially for proposal 3 but also more generally. This was primarily highlighted by fundable education bodies and sector representatives, and reflected a view that the funding approach will require to be tailored for different skills sectors. These respondents noted differences in operating procedures and regulatory environment across sectors and providers, and highlighted institutional autonomy as an important consideration. There was also concern that a more centralised system may be less responsive to individual learner needs, and that achieving flexibility while realising the benefits of a more consistent and coherent approach will be a challenge. It was noted that the Welsh Government faced similar challenges in implementing skills reform, and that their approach may offer learning points.

Equity of funding was a key concern for some respondents, in terms of ensuring fair access to funding support across learner groups, and access to provision funding for different provider types. This included a particular focus on equity of funding across universities, colleges and private providers. There was concern that prioritisation of colleges and universities could adversely impact access to funding for other providers, including those delivering apprenticeship and other work-based provision. It was also suggested that SDS's work to raise awareness of the value of apprenticeships could be lost.

Ensuring sufficient resources to successfully implement the preferred proposal was also seen as a key challenge; this was raised across a range of organisation types including fundable education bodies and sector representatives. These respondents highlighted resourcing as a particular issue in the context of what were seen as significant financial challenges across all sectors. It was suggested that substantial additional investment in systems and personnel will be required to successfully implement proposals, with some also of the view that an increase in overall provision funding is required. Respondents referred to existing issues around funding for specific programmes and key agencies, and to the time that may be required for efficiency savings to be realised especially if significant change was implemented too quickly. There was also concern that transfer of apprenticeship funding should not be used as an opportunity to reduce budgets.

Challenges associated with proposal 1

A small number of respondents suggested that proposal 1 would not present any significant challenges. However, most of those expressing support for the proposal identified challenges; these are summarised below.

- Addressing existing issues across the skills landscape, including reference to a cluttered landscape, variable understanding of provision, and the balance of spending across sectors. Ongoing financial pressures were highlighted, with concerns raised around the sustainability of some providers and funding for modern apprenticeships.
- Specific challenges around the reform of SDS, including the need for clarity of direction to guide SDS reform, and concern around overlap with Education Scotland and awarding bodies in relation to quality assurance and monitoring. Some of those in favour of proposal 1 suggested that work to reform SDS would be preferable to removing the organisation from the funding landscape.
- Ensuring effective collaboration with skills providers, learners, employers and others was seen as a potential challenge.
- Respondents wished to see apprenticeship contribution rates reviewed as part of reforms, suggesting that SDS would be well placed to administer apprenticeships once rates were revised.

Challenges associated with proposal 2

As was the case for proposal 1, a small number of respondents (primarily individuals) suggested that proposal 2 should not raise significant challenges. This view appeared to reflect confidence in the ability of SAAS to take on additional student support funding responsibilities.

Most of those providing comment raised potential challenges for proposal 2 and these are summarised below.

- Specific resourcing and funding issues, raised especially by individuals and fundable education bodies, reflected a view that proposal 2 could incur significant costs over and above funding for business as usual. However, it was noted that resourcing needs would be less than for proposal 3.
- Issues around potential disruption to skills delivery and ongoing reforms, with some noting that this kind of reform could take time to plan and implement.
- Challenges in implementing a more streamlined and consistent approach including reference to: regional disparities in provision and potential mismatch with skills requirements; achieving the right balance across FE/HE sectors, apprenticeship programmes and smaller training providers; and resolving the current fragmentation and complexity of the skills landscape.
- Challenges ensuring a coordinated approach between SFC and SAAS, including perceived potential for separate funding streams to lead to “silo” working and for SFC to be overly focused on FE and HE provision.
- Retaining current experience and expertise, including concern that avoiding loss of staff and expertise will be a challenge, and calls to ensure reforms took account of SDS staff wellbeing.

- Potential difficulties in reform of existing structures including suggestions that the public bodies affected, and other stakeholders working in the skills system, might be resistant to change.
- Operational challenges for SFC managing a wider range of functions and providers, a perceived need for culture change, and risk of damage to SFC culture (described as a positive for the organisation).
- Challenges relating to specific proposed reforms including: whether SAAS had the capacity to meet the more localised and diverse needs of FE learners and the need for in-person support; resolving differences in current SDS and SFC approaches to apprenticeship funding; and calls for clarity around any ongoing role for SDS in relation to apprenticeships.
- Ensuring sufficient focus on research and innovation.
- Challenges around data and monitoring impact, including the feasibility of an integrated system-wide approach, and how to ensure proper accountability.
- Current skills challenges that will not be resolved by proposed reforms, including limits on foundation apprenticeship places, ensuring employers and learners are at the centre of the skills approach, and reform of the Apprenticeship Levy.

Challenges associated with proposal 3

Key challenges identified by respondents in relation proposal 3 most commonly related to the scale of change proposed, and whether SFC could manage a more diverse set of funding streams and skills providers. These are summarised below.

- The scale of change required including reference to potential for disruption to people, culture, operations and strategic focus, reference to the potential time required to implement reforms, and challenges in managing the transition period especially at a time of multiple pressures on the skills system.
- Ensuring sufficient resources was identified as a key success factor, and there was concern that short-term implementation costs must not negatively impact skills funding, that consolidation of funding could increase risk to individual funding streams, and that full resources and staffing should be transferred to SFC to maintain the quality of service.
- Challenges in ensuring SFC could manage an increased number of funding strands and more diverse range of institutions and skills, including questions around whether SFC could maintain sufficient focus across all sectors, and that programmes needed to be equitable and accessible to all.
- Ongoing operational challenges for SFC in securing the right mix of skills and experience across the organisation, and a risk that a larger organisation could become overly bureaucratic and less responsive to differing needs across sectors and organisations. Potential for SFC to have a “monopoly” on skills funding was seen as adding to the risk of a less responsive approach.
- Transfer of experience and expertise from SAAS and SDS would be necessary to minimise disruption around the transfer of functions, and was seen as a particular challenge if existing structures and stakeholders were resistant to change.

- Challenges relating to specific proposed changes including a perceived risk to apprenticeship funding if pressure on SFC's budget continued to grow, and difficulties associated with the transfer of student support to SFC especially given the more complex needs of some learners.
- Rebuilding relationships and networks developed by SDS and SAAS could require substantial time and resources.
- Effective communication around changes would be needed, especially where existing systems might have been in place for many years.
- Challenges around data collection and monitoring of impact to assess progress and identify any unintended consequences.

Other factors to consider

Question 4. Are there any other factors you think we should consider in making a decision?

Around 150 respondents provided comment at Question 4.

A substantial number of these respondents reiterated issues considered at previous questions such as resourcing, organisational capacity, change management and issues around transfer of specific funding streams and responsibilities. Other considerations highlighted as relevant to the selection of a preferred proposal are summarised below.

Operational and resourcing considerations

Discussion of implementation and operational issues reflected a view that disruption may be inevitable given the potential scale of change. There was concern around the potential impact on existing reform programmes being taken forward by SFC.

Respondents referred to programming of change to minimise disruption, including the importance of a clear timeline to enable planning by the bodies affected, and the need to support public bodies taking on additional responsibilities. Effective ongoing communication with stakeholders – staff, learners, employers, providers – was seen as vital and it was observed that some sectors would be less familiar with SFC. A small number of respondents questioned why proposals did not include an option based on SDS forming a single skills body, reflecting concern that proposal 3 in particular could result in the loss of SDS relationships and respect with industry.

The potential impact of significant change was highlighted as a particular concern at a time of financial challenges across all skills sectors. Respondents saw proposals 2 and 3 as requiring potentially significant resourcing to implement changes, and as having potential to incur substantial opportunity costs. There was also a perceived need for an increase in ongoing skills funding, and concern that reform should not be seen as the main answer to current resourcing challenges.

There was also reference to additional considerations around the proposed transfer of specific responsibilities. This included:

- Calls to ensure that reforms did not result in loss of funding body presence at a local level.

- Disagreement on the definition of tuition fees as student support or provision funding.
- Questions around removal of bursary funding from colleges, and the extent to which colleges would retain their current autonomy in financial support for learners.

Meeting skills requirements and supporting economic growth

Meeting skills requirements and supporting economic growth was a key consideration for some. Respondents highlighted the importance of alignment with labour market needs, and there were calls for stronger partnerships between institutions, providers and employers. There was also reference to the role of Regional Economic Partnerships in regional skills planning, and how this would integrate with SFC planning and funding.

The way in which public bodies engaged and aligned with employers and enterprise agencies was seen as a key consideration for any transfer of responsibilities and/or development of a new funding body. Sector representatives and other skills agencies were identified as having a potential role in facilitating this engagement and ensuring provision met skills requirements.

Monitoring impact

Monitoring the impact of changes was described as a vital element in ensuring best use of public funds, and assessing the extent to which reforms are delivering the anticipated benefits. This included reference to the value of impact monitoring in ensuring the long-term financial sustainability of any new skills structures or systems.

Respondents saw a need for a clear skills policy framework in enabling meaningful monitoring, and in setting the outcomes against which impact could be assessed. The importance of data in assessing the impact of any change was also highlighted.

Learner needs and equalities

Discussion of whether proposals met the needs of learners and communities included concern around the potential impact of reforms on learners, and calls for Scottish Government to ensure that learners were at the centre of any new system. It was suggested that this would require a whole systems approach. There were also calls to ensure that young people had a voice in shaping the approach to skills provision, especially for student support funding.

Reference to meeting learners' needs included comments – primarily from third sector respondents – highlighting specific equalities issues. These included: learners in rural and island communities; a need for greater recognition of challenges facing care-experienced learners in accessing skills provision and student support funding; the impact of mental health stigma and discrimination on access to provision and funding, and the place of Gaelic in education and skills provision (noting that SFC and SDS have Gaelic Language Plans).

Other considerations

Respondents highlighted a range of other issues as relevant to the selection of a preferred proposal. These were most commonly opportunities to use the reform process to review current skills systems and consider potential for change. These are summarised below.

- Support for longer-term financial planning included calls for multi-year funding settlements with organisations in receipt of public funds. This was highlighted by training providers, sector representatives and fundable education bodies as having potential to enable provision to be more closely aligned with the longer-term direction of education/skills reform.
- Consideration should be given to the balance of funding across specific sectors, and issues around parity of esteem.
- Review of apprenticeship funding and contribution rates was suggested most commonly by training providers, reflecting a perceived need to increase current rates and reference to the balance of rates across age groups.
- Expanding the range of work-based learning through the integration of skills and apprenticeship funding.
- Reviewing current processes including a perceived need for more flexible rules and processes associated with NTP procurement and contracting, administration and timescales associated with National Occupational Standards (NOS) and Scottish Vocational Qualifications (SVQ) development, and calls for more flexibility in contracting and performance management.
- Development of a national Careers Pathway Programme, seen as having potential to significantly improve outcomes for learners, employers and communities.
- Consideration should be given to integrating the Student Loans Company under the preferred proposal.
- The relationship between Scottish and English apprenticeship systems should be considered, with calls for systems to allow funding of training for those resident in England who cross the border to work.
- Ensuring skills planning and provision was aligned with climate policy priorities, integrates sustainability considerations and contributes to net zero targets.
- The role and responsibilities of SDS were proposals 2 or 3 to be implemented, including reference to connections and partnerships developed by SDS and careers advice functions.
- Reference to the Organisation for Economic Cooperation and Development (OECD)'s "Innovation in career pathways across five countries" report⁴ by several local authority and training provider respondents. This was seen as providing valuable insight into the key elements required for an effective education and skills system.

4 [Innovation in career pathways across five countries | OECD](#).

Governance of the Scottish Funding Council

This section considered proposed changes to SFC governance arrangements, focused on removing the time limit on appointments, restriction on reappointments, and updating the skills, knowledge and experience requirements for new members.

Removing restrictions on SFC Board appointments

Question 5. Should the 2005 Act be amended to remove the restrictions in respect of Board appointments?

Nearly half (48%) of those answering the question wished to see amendment to remove restrictions in relation to both term and reappointments. A small number favoured removal of restrictions only for term or reappointment, and 46% had a different suggestion. Local authorities were most likely to support the removal of restrictions, while fundable education bodies were least likely to support this.

Question 5. Should the 2005 Act be amended to remove the restrictions in respect of Board appointments?

	Term and reappointment	Term only	Reappointment only	Different suggestion	Total
Organisations	39	0	2	40	81
% of those answering	48%	0%	2%	49%	
Fundable education body	4		1	17	22
Local Authority or school	8				8
Other public sector	2			3	5
Training provider	10			8	18
Private business/employer	1			1	2
Third sector/charitable				2	2
Trade union/other staff rep	1			1	2
Student interest/representative	1				1
Sector/business representative	9		1	6	16
Other organisation	3			2	5

	Term and reappointment	Term Reappointment only	Different only suggestion	Total	
Individuals	25	4	2	22	53
% of those answering	47%	8%	4%	42%	
Individual learner	3			1	4
Individual educator	6	1		7	14
Individual manager/employer	6	1		3	10
Individual other	10	2	2	11	25
All respondents	64	4	4	62	134
% of those answering	48%	3%	3%	46%	

Note: 60 respondents (31% of the total) did not answer Question 5. Percentages may not sum to 100% due to rounding.

Around 105 respondents provided further comment at Question 5.

Support for removing restrictions for both term and reappointments

Of the 64 respondents who wished to see amendment to remove restrictions in relation to both term and reappointments (48% of those answering the question), 35 provided written comment. Key points from these and other respondents who did not select a preferred option are summarised below.

There was general agreement that greater flexibility would create the opportunity to broaden Board membership and ensure that Board members have the skills, knowledge and experience required to understand a complex, changing landscape. This would give the Board the ability to adapt quickly to challenges and allow for more effective and agile succession planning. A need for understanding of, and expertise in, apprenticeship provision was highlighted including by training provider, local authority, and sector/business representative respondents. There was also support for greater inclusivity and diversity on the Board, and for Board members having the knowledge and experience of wider policy issues such as child poverty and the climate emergency.

However, several respondents caveated their support, with concerns from a few sector/business representatives that long-term Board membership could stifle innovation. Other comments included the need for sufficient turnover in membership with mechanisms allowing for the removal of Board members where necessary. Other suggestions related to the need for regular training and skills updates for Board members, with evaluation to ensure they were performing effectively.

Support for removing restrictions for term or reappointment only

Within the small number of comments made in support of removing restrictions for term only, it was observed that this would reduce risk and that the current term is too short. However, it was also suggested that the term should not be for too long, as changes in leadership and strategy can be effective.

Only one comment was made in support of removing restrictions for reappointments only, which was that it should be at the Chair's discretion.

Alternative suggestions

Of the 62 respondents who selected “I have a different suggestion” (46% of those answering the question), 58 provided written comment in support of their view. Some of the comments made were focused on the need for change, or on the other options set out, rather than outlining an alternative proposal. Key points from these and other respondents who did not select a preferred option are summarised below.

It was noted that the issues raised were not unique to the SFC, with a few respondents suggesting that clearer justification for changes to the current restrictions was required. It was also observed that the Board structure would depend on its future role and remit.

Several respondents commented that flexibility could enable more effective governance, including the ability to respond quickly to challenges as well as creating greater expertise and stability in Board membership. However, it was stressed that membership should not be open-ended since this could lead to overly long appointments.

Some respondents – including individual educators, training providers, fundable education body, and other public sector – did not support potential changes and thought the current arrangements should remain in place. These were seen as allowing a refresh of Board members on a regular basis, seen as important for bringing in new thinking and ideas. It was also suggested that tenure limits help ensure Board members retain independence from management and facilitate the appointment of members with new perspectives and from diverse backgrounds.

Several respondents, including fundable education bodies, expressed concerns that the proposed changes did not align with the Code of Practice for Ministerial Appointments to Public Bodies in Scotland. It was suggested that this would make SFC an outlier in public sector governance when it should be complying with the same arrangements as other public bodies.

Other issues or concerns included that:

- The current limits on the length of terms and reappointments follow principles of governance and were in line with other regulated public appointments. Existing guidance on membership of statutory board should be followed.
- Current arrangements allowing for up to eight years of Board membership seemed adequate for succession planning, which should be possible within current legislation.

In terms of suggested alternatives or changes to the options set out in the consultation paper, suggestions included:

- Appointing Board members for three terms of three years (but with no automatic renewal, unless under exceptional circumstances and with a recommendation by a Committee or equivalent).
- If recruitment was an issue, reviewing current methods. For example, review of selection tools to increase commercial representation.
- Undertaking an annual review of each Board member’s effectiveness, with an evaluation of why they should be retained.
- Enabling co-opted members, with any additional skills needed, to be brought in.

- Rotation of a certain percentage of Board members each year. It was suggested that this would avoid significant loss of experience at any one time by staggering when Board members were replaced and retaining continuity.
- Removing restrictions but not for all members – maintaining the term and reappointment restrictions to one or two senior Board appointments, so that their experience could be retained.

Additional skills, knowledge and experience for Board members

Question 6. If SFC takes on responsibility for all apprenticeship funding, what additional skills, knowledge and experience should be considered for Board members?

Around 140 respondents provided comment at Question 6.

Several respondents, including fundable education bodies, highlighted that Board membership should reflect the skills and expertise required for new functions. Comments included the need for a broader awareness of relevant developments across the UK, and international perspectives on skills, higher education, research and funding.

Board members understanding the structure, delivery and value of apprenticeships and work-based learning was seen as important by a range of respondents. This included local authorities, sector/business representatives, third sector/charitable organisations, fundable education bodies and training providers.

Others focussed on the necessity of Board members having experience of vocational education and an appreciation of how colleges and apprenticeships fitted into the wider skills development landscape. Comments were also made on the need for parity of esteem between vocational learning and higher education and the need for a balance between industry and academia on the Board.

Specific suggestions for the apprenticeship-related skills, knowledge and experience required on the Board were that the following would be beneficial:

- Knowledge of work-based learning, vocational and apprenticeship pathways, apprenticeship models and frameworks, and models of provision.
- Experience of working with employers and apprentices, direct experience of being an apprentice or delivering apprenticeships.
- Understanding how training providers operated (highlighted by fundable education bodies and training providers).
- Understanding of commissioning, funding and financial management in vocational training, and the Apprenticeship Levy. This was mentioned by individual managers/employers and individual educators, as well as training provider and fundable education body respondents.
- Awareness of education and skills frameworks such as the Scottish Credit and Qualifications Framework (SCQF), SQA vocational qualifications, National Occupational Standards, and Sector Skills Councils.
- An understanding of current and future skills needs, workforce development issues, labour market analysis, data and projections, skills demand forecasting, and population demographics.

- Skills in cost-benefit analysis, evaluation, data collection and analysis, performance management and reporting, and data-driven decision-making.

Several other respondents – including local authority, fundable education body and private business/employer respondents – focused on the need for Board members to have knowledge of and expertise in key industry sectors. Health, social care, rural industries and manufacturing were given as examples. There was reference to engagement with employers, from large corporations to small to medium-sized enterprises (SMEs).

Some respondents highlighted issues relating to inclusion and diversity which should be considered and understood by the Board, outlined below.

- Place-based representation, and understanding of different social contexts, to ensure inclusivity from all parts of Scotland, and including areas covered by the Scottish Index of Multiple Deprivation.
- Appreciation of the difficulties of delivery in remote rural areas and challenges of rural employment and population decline.
- An understanding of social mobility and inclusion, and intersectionality. Protected characteristics (including race, gender, disability and age), care experience, and neurodiversity were also highlighted.
- Dual language issues (Gaelic was specifically highlighted).
- Engagement with equalities organisations and the communities they represent.

Respondents also commented on who should be included or represented on the SFC Board. For several this involved thinking more widely than their own sector or interests. For example, respondents from third sector/charitable organisations and fundable education bodies supported employer and industry representation on the Board. Similarly, student or learner involvement was suggested by sector/business representatives, third sector/charitable respondents, local authority or school respondents and fundable education bodies.

Specific suggestions for representation on the Board included:

- Employers, including those contributing to the Apprenticeship Levy.
- Industry including SMEs and micro businesses, and industry representatives and trade bodies.
- Trade unions.
- Third sector organisations.
- Student/learner representation including young people undertaking apprenticeships at various levels.
- People with non-traditional routes through education and/or into employment – such as adult returners to learning, Community Learning and Development (CLD) and careers services.
- Expertise in intersectional structural discrimination across all protected characteristics.
- University/college leadership, lecturing staff, further and higher education sector representatives.

- Training providers and qualified assessors.
- Awarding bodies and Skills Sector Council leads.
- Renewable energy sector and rural/nature-based sectors, to ensure funding decisions align with policies supporting the transition to Net Zero, tackling climate change, biodiversity loss issues etc.

There were also suggestions for specific organisations that should be represented including the Scottish Apprenticeship Advisory Board, Scottish Training Federation, Scottish Qualifications Authority, Convention of Scottish Local Authorities (COSLA), Association of Directors of Education in Scotland (ADES), and OECD or an equivalent for an international perspective.

Other comments or suggestions

Question 7. Do you have any other comments or suggestions for governance of the SFC Board or other aspects of SFC governance?

Around 80 respondents provided comment at Question 7. A number of respondents made comments or gave suggestions for how the SFC Board could be structured, and how it should operate (including in its communications). There were also comments on funding, membership, and diversity and inclusion.

Structure and operation

Some respondents, including from fundable education bodies, suggested that a Research Committee should be set up, with the Vice-Chair of the Board as Chair. There was also support for creating advisory groups as a means of ensuring SFC is attuned to the diverse needs of stakeholders. Another option put forward was a core governance group supported by representatives from relevant bodies acting as “consultants” to the main Board.

The need for a transparent and robust performance review framework, with metrics for success, and regular assessment of individual and collective Board performance was also highlighted.

Co-design and collaboration were seen as being important for SFC Board governance, as was exhibiting openness, transparency, inclusivity, and accountability. Other respondents stressed that decision-making processes should include diverse voices from across a range of industries, business sizes and educational backgrounds, with controls to ensure all stakeholder interests are balanced.

It was suggested that formal systems should be set up to enable delivery staff (lecturers, trainers, apprenticeship co-ordinators) to provide insight, drawing on their day-to-day experiences, directly to the Board. It was thought that this would support more responsive and impactful governance.

With reference to Board communications, suggestions included that:

- Regular feedback mechanisms should involve key stakeholders – including students, educators, industry and trade bodies.
- Board decisions, including those relating to apprenticeship programmes, should be communicated to stakeholders.

Funding

Some respondents took the opportunity to give their views on how the Board should act in respect of funding, with key points set out below.

- There should be transparency in the processes for funding and in how funds were allocated across education and training sectors, with robust and consistent arrangements across training providers and colleges.
- Funding should be allocated in consultation with key stakeholders including academia and industry, to ensure skills needs were addressed. The employer voice should be considered when shaping how skills funding was used.
- SFC could explore regional allocation of funding, with mechanisms for agreeing the local distribution of regional amounts, which would encourage collaboration.
- Several respondents expressed concerns about whether the current funding models were sustainable.

Membership

General points made were that appointments should be open and inclusive with broad sector representation from institutions, balanced with members from industry, training providers, and both public and private sector representation.

Additional suggestions included:

- Creating the ability for the Board to co-opt members for a short period of time, so it can respond to the need for specific skills sets.
- Increasing the number of Board members with direct experience in key industries.
- Appointing a student representative or rotating student members, or the NUS Scotland President, as an ex-officio Board member.
- Appointing Board members with knowledge and experience of wider social policy agendas, including to help remove barriers to participation in education and training.
- Considering key stakeholder nominations for some Board places.
- Ensuring that the Board and its governance arrangements reflect that delivery in rural areas required a different approach.

Diversity and inclusion

Comments included that it would be important to support a culture of inclusion to enable colleges' role in supporting marginalised and disadvantaged groups. There were calls for Board membership to be diverse and representative of the Scottish population, with regional disparities identified and addressed.

In relation to learners, there was a suggestion that the perspectives of part-time learners should be considered. Also, that there should be clarification on how the post-school learner voice (of all ages) would be part of the structural process of SFC, SDS and SAAS.

Finally, it was noted that guidance and legislation arising from the consultation should recognise and complement other legislation and reforms, for example the Learning Disabilities, Autism and Neurodivergence Bill.

Enhanced functions for the SFC

This section sought views on SFC collection and reporting of data from funded organisations, and any additional duties and powers that may be required.

New duties to provide better information to SFC

Question 8. Do you think we need to introduce new duties on organisations receiving public funding to provide better information to SFC?

The largest group (46%) saw a need for new duties on all organisations in receipt of public funding, while 17% wished to see new duties only for some organisations, and 16% did not see a need for any such new duties. This balance of views was broadly similar between organisations and individuals, although fundable education bodies were most likely to see a need for new duties only for some organisations.

Question 8. Do you think we need to introduce new duties on organisations receiving public funding to provide better information to SFC?

	Yes, for all organisations	Yes, for some organisations	No	Don't know	Total
Organisations	37	20	13	15	85
% of those answering	44%	24%	15%	18%	
Fundable education body	3	13	6		22
Local Authority or school	7	1	1		9
Other public sector	4				4
Training provider	8	2	3	5	18
Private business/employer				1	1
Third sector/charitable	2	1		3	6
Trade union/other staff rep	1		1		2
Student interest/representative	2				2
Sector/business representative	8	2	2	4	16
Other organisation	2	1		2	5
Individuals	27	4	10	14	55
% of those answering	49%	7%	18%	25%	
Individual learner	2		1	1	4
Individual educator	9			5	14
Individual manager/employer	7		1	4	12
Individual other	9	4	8	4	25
All respondents	64	24	23	29	140
% of those answering	46%	17%	16%	21%	

Note: 54 respondents (28% of the total) did not answer Question 8. Percentages may not sum to 100% due to rounding.

Around 110 respondents provided further comment at Question 8.

New duties for all organisations

Of the 64 respondents who saw a need for new duties on all organisations (46% of those answering the question), 48 provided written comment. Key points from these and other respondents who did not select a preferred option are summarised below.

Among respondents choosing this option there was broad agreement that any organisation receiving public funding should have a duty to provide evidence of impact and that this should be done in a transparent and consistent way. Comments on why this was important included the need to ensure that public funds are being used to achieve outcomes, and that where and how money is spent is relevant to ensuring value for money for the public purse.

Further comments, including from training providers, supported consistency in information requirements across all organisations, with a single system applying to colleges, employers and training providers, comprising standardised data returns. Reducing duplication was also highlighted, with the example given by an individual educator of current reporting on apprenticeships to SDS, SQA and in Further Education Statistics (FES) returns.

Sector/business representatives were amongst those observing that better information would support SFC oversight and governance and improve efficiency. A related comment was that enforceable guidelines would enable under-performance to be identified and addressed early. Examples given of key metrics included learner progression, pass rates, employer feedback, learner feedback, and completion rates. There was also support from some respondents, including from fundable education bodies, and sector/business representatives for using information for benchmarking.

Other suggestions included:

- Information requirements should vary according to the type of provider, with data collection streamlined to reduce the administrative burden, for smaller organisations in particular.
- Organisations in receipt of funding should be required to provide information on their contribution to tackling poverty and inequality and how they were making a wider social impact through training and development.
- Gathering a larger breadth of information on student experience, including dissatisfaction, and more general student/apprenticeship wellbeing.
- Current information systems and processes should be strengthened to support careers information and skills/workforce planning. Renewables and sectors supporting low carbon solutions and sustainability were referred to, as was health.

In relation to who should have access to published data, suggestions included providers, policy makers, delivery partners (such as careers services). A few respondents commented that organisations should report on their Fair Work employer credentials and paying the Living Wage.

New duties for some organisations

Of the 24 respondents who saw a need for new duties only for some organisations (17% of those answering the question), 22 provided written comment. Key points from these and other respondents who did not select a preferred option are summarised below.

As at earlier comments, there were calls for an appropriate balance to be struck. This included comments in favour of a proportionate approach, avoiding duplication of information, with fundable education bodies amongst those advocating utilising existing data.

In terms of which organisations might or might not have additional requirements placed on them, several respondents, including fundable education bodies, addressed why they thought current reporting requirements were sufficient. These comments tended to be focused on universities. It was highlighted that these institutions already provide detailed information, including through the Higher Education Statistics Agency (HESA) and UCAS, with some university data used in wider UK and global settings. HESA data was mentioned as enabling benchmarking across the UK. From a college perspective, it was observed that reporting responsibilities were already considerable, with FES returns providing information to SFC and SDS.

There was also a view from fundable education bodies that the public sector was already providing sufficient reassurance on meeting key priorities. It was suggested that private sector should operate under the same mechanisms, enabling consistent reporting on apprentice numbers, progress and outcomes.

There was a suggestion that information requirements for organisations should be linked to their relationships with SFC as a funding body (for example, if SFC takes responsibility for funding private providers). The role and scope of Ministers' powers in these funding relationships were also highlighted.

No new duties required

The 17 respondents – including fundable education bodies – providing comment who did not support introducing new duties tended to focus on there already being sufficient data collected. It was suggested that this should not be increased without discussions on why additional data was needed. There were comments that there was an emphasis on data mining, without any evidence of how it fed into a continuous development loop or how it enhanced sector efficiency or effectiveness.

Don't know

As previously, respondents felt that data collection should be transparent, without being onerous on organisations. It was suggested that current information could be used more efficiently and effectively and shared with stakeholder agencies to minimise duplication of effort. It could also be used to support better understanding of the learner journey.

Systems for collecting data

Question 9. Do you think there is a need to strengthen existing systems and processes for collecting data? If your answer is yes, then please explain why the data is needed.

The majority of respondents (66%) saw a need to strengthen existing data collection systems and processes. This balance of views broadly similar between organisations (63%) and individuals (71%), although training providers were less likely to agree than other organisation respondents.

Question 9. Do you think there is a need to strengthen existing systems and processes for collecting data?

	Yes	No	Don't know	Total
Organisations	56	14	19	89
% of those answering	63%	16%	21%	
Fundable education body	15	6	1	22
Local Authority or school	6	3		9
Other public sector	5		2	7
Training provider	9	3	6	18
Private business/employer			1	1
Third sector/charitable	4		1	5
Trade union/other staff rep	1	1		2
Student interest/representative	1			1
Sector/business representative	11	1	5	17
Other organisation	4		3	7
Individuals	39	6	10	55
% of those answering	71%	11%	18%	
Individual learner	3	1		4
Individual educator	8	2	4	14
Individual manager/employer	9	2		11
Individual other	19	1	6	26
All respondents	95	20	29	144
% of those answering	66%	14%	20%	

Note: 50 respondents (26% of the total) did not answer Question 9. Percentages may not sum to 100% due to rounding.

Around 105 respondents provided further comment at Question 9.

A need to strengthen existing systems and processes

Of the 95 respondents who saw a need to strengthen existing systems (66% of those answering the question), 75 provided written comment. Key points from these and other respondents who did not select a preferred option are summarised below.

Respondents – including training providers and sector/business representatives – highlighted the role of accurate and meaningful data in helping stakeholders identify areas for improvement in education programmes and ensuring programmes aligned with the needs of the broader economy. However, it was also noted that it could sometimes appear that data was being gathered for no defined purpose and in multiple formats, with several fundable education body and local authority or school respondents suggesting that there should be an assessment of what was being collected and why.

In terms of how existing systems could be strengthened, suggestions included:

- Better alignment of data collection formats, including to allow for comparison.
- Developing more agile data systems that could collect and make data available in real time. Respondents observed that there were significant lags in reporting timelines for colleges and universities and that a real-time predictive approach would allow learning providers to make efficient and effective use of the data intelligence.
- Integrating existing datasets and reporting to create a more joined up approach to education, skills development and research. There was also support for creating better linkages between datasets, to help follow the learner journey.

Several training provider and sector/business representative respondents made comparisons with the SDS FIPS which allowed users to tailor it to their needs, and which provided real time data – although there was a contrary view that FIPS could be complicated to use and required review.

Other specific comments on systems and technology included:

- Moving to a digital system would streamline data capture and analysis.
- Standardised data collection will allow benchmarking and mapping to support planning, monitoring and reporting.
- Rationalising the system across sectors could result in economies of scale which could help cover the purchasing costs of a new system. Investment could be ring-fenced for a Customer Relationship Management (CRM) system or similar.
- If SFC and SAAS merged, data collection processes and dissemination should be strengthened to align data insights, at national and regional levels.

No need to strengthen existing systems

Of the 20 respondents who did not see a need to strengthen existing systems (14% of those answering the question), 13 provided written comment. Key points from these and other respondents who did not select a preferred option are summarised below.

Those who did not support changes often reasoned that current systems were sufficient. Comments, including from training provider respondents, once again referred to FIPS as working well.

Other suggested that the SFC's Outcomes Framework and Assurance Model should be given time before introducing new reporting requirements. A few fundable education body respondents referred to higher education's engagement with HESA Data Futures and again mentioned that current systems and processes are sufficient for university data. The SDS systems were also described as robust.

Don't know responses which included comments

A small number of written responses came from those selecting this option. Comments made were:

- FIPS was a good system, with real time information. It could respond to mid-year changes, and monitored learners through surveys.
- HESA and FES returns seemed to have strong processes.
- SDS already had effective systems for collecting data.

Didn't answer the question, but gave comments

Respondents in this category reiterated many of the comments outlined earlier, including the need to streamline data collection, the role of data in strategic decision-making and observations that current data could be utilised better instead of increasing reporting requirements.

It was also suggested that the SFC should be required to produce a cohesive plan on equalities data across the learning and skills sectors which Scottish Government should sign off and which the Scottish Parliament should scrutinise.

Systems for reporting and publishing data

Question 10. Do you think there is a need to strengthen existing systems and processes for reporting and publishing data? If your answer is yes, then please explain the purposes for which you or others might use the information.

The majority of respondents (66%) saw a need to strengthen existing data reporting systems and processes. Organisations and individuals showed a similar balance of views (67% and 64% respectively). However, there was some variation across organisation types; fundable education bodies and other public sector respondents were most likely to agree, while training providers were least likely.

Question 10. Do you think there is a need to strengthen existing systems and processes for reporting and publishing data?

	Yes	No	Don't know	Total
Organisations	60	9	20	89
% of those answering	67%	10%	22%	
Fundable education body	20	1	1	22
Local Authority or school	6	3		9
Other public sector	6	1		7
Training provider	7	2	9	18
Private business/employer	1		1	2
Third sector/charitable	2		2	4
Trade union/other staff rep	1	1		2
Student interest/representative	1			1
Sector/business representative	11	1	5	17
Other organisation	5		2	7
Individuals	34	9	10	53
% of those answering	64%	17%	19%	
Individual learner	2	2		4
Individual educator	9	2	3	14
Individual manager/employer	7	2	2	11
Individual other	16	3	5	24
All respondents	94	18	30	142
% of those answering	66%	13%	21%	

Note: 52 respondents (27% of the total) did not answer Question 10. Percentages may not sum to 100% due to rounding.

Around 95 respondents provided comment at Question 10.

Reflecting some of the points noted previously at Question 9, comments emphasised the importance of effective reporting and publishing of data. This included reference to the role of data reporting in:

- Supporting transparency, accountability and demonstrating value for money. A comprehensive understanding of how public funds were being used was seen as essential, including to build public trust.
- Improving understanding of activity and outcomes being delivered across the skills landscape. Respondents noted the importance of outcomes data in measuring the contribution made to national policy objectives, and data on current training and apprenticeship activity for providers and others.

- Evidencing skills need and demand to inform forward planning for providers, public bodies (including local authorities, local employability partnerships, and development of apprenticeship frameworks), employers and other stakeholders.
- Enabling learners to make more informed decisions between provision options.
- Supporting improvement in skills provision, including reference to the potential value of SFC data in quality frameworks.

Respondents also highlighted specific aspects of the current SFC data reporting approach. This included reference to ongoing reform under the new Outcomes Framework, to modernisation of the reporting approach (e.g. expanded digital functionality) and to specific data streams such as Further Education Statistics. Other relevant data reporting was also highlighted, most commonly SDS publications, and higher education reporting through HESA and UCAS.

Making best use of currently collected data

Current SFC reporting was generally seen as effective. However, it was suggested that better use could be made of existing data collection and reporting systems, to avoid unnecessary development of new reporting mechanisms and to minimise duplication of effort. The resourcing required of funded organisations to support existing data collection was highlighted, and there was a view that there was little appetite for more data reporting unless this added value.

Some felt that the skills sector could make better use of published data (e.g. in forward planning), but a more common view was that more of the data currently collected from funded organisations should be published. There were calls for this aspect of the data reporting approach to be improved before additional data requirements were added. It was also observed that making better use of collected data might result in providers being more receptive to any additional data requirements.

Key areas to strengthen existing systems

Of the 94 respondents who did see a need to strengthen existing systems (66% of those answering the question), 13 provided written comment. These respondents highlighted several areas for improvement.

Consistency and comparability were commonly cited issues, and there was a perceived need for a more consistent approach to reporting across all sectors, including private providers. This was thought to be a particular priority if SFC's remit was expanded to include additional providers. There was also a perceived discrepancy between FE and HE sectors in reporting of data, and a view that there was currently less transparency in relation to HE skills provision.

Enabling meaningful comparison of data across sectors, and internationally, was highlighted as of particular value. Benchmarking of performance between providers and sectors was seen as key to driving improvements in provision. It was suggested that data already held by SFC and/or publicly available could be better used to enable more meaningful comparison.

Comment on the quality of current publications acknowledged recent improvement, but some saw scope for further change to aid understanding, for example in the visual presentation of data. This included a particular focus on making publications more accessible for learners. Development of online dashboards was proposed to present data in a more accessible and useable way, with reference to dashboards developed by the Office for Students as a positive example.

The timing and speed of publication was also highlighted as an area for improvement, most commonly a perceived need to shorten the time between data collection and publication to ensure published data was more current. Respondents saw this as having potential to improve the usefulness of published data, with respondents referring to publication of data up to 12 months after collection as significantly diminishing its value.

SDS FIPS reporting was cited as a positive example of a responsive and flexible data reporting system. Greater use of digital technologies to collect, validate and process data was recommended to speed up publication. It was also noted that reducing the volume of data collected could streamline this process.

Specific proposed improvements to current reporting systems focused on the following areas.

- Ensuring the reporting approach addressed skills policy priorities, such as demonstrating how funded provision contributed to national skills priorities and regional need/demand, and supported access and equity issues. In addition to skills policy, respondents wished to see reporting take account of wider policy priorities such as around sustainability and equality.
- More detailed reporting in relation to specific sectors and funding streams was most commonly focused on apprenticeship funding. This included calls for more detailed data on: equity of provision across programmes, sectors and regions; contract values, ownership structures of bidders and use of subcontracting arrangements; and greater transparency in relation to HE skills provision. It was also suggested that apprenticeship data could be better integrated into wider SFC reporting.
- A focus on ensuring the trustworthiness and honesty of reporting was a particular concern for some individual respondents who wished to ensure that the reporting approach could demonstrate the accuracy of data.
- Respondents highlighted potential to strengthen specific reporting streams, including:
 - More detailed FES reports, providing an account of the logic modelling used, and incorporating all data required for reporting.
 - Retaining current SDS reporting such as Regional Skills Assessments, Sectoral Skills Assessments and the Data Matrix. These were seen as providing essential data on the labour market and skills demand.
 - Establishing a replacement for previous INFACT database reporting capabilities.
 - More granular detail in publication of data on graduate apprenticeships.
- Calls for SFC to provide a detailed schedule of recurrent publications, similar to that provided by HESA.
- Perceived scope for better linking of SFC data with other relevant sources, such as local authorities, to add value to reporting (e.g. to support widening access work).

- A proposal for SFC to produce sector-level “horizon scanning” reports, for example around projected demographic shifts, to aid skills planning.
- A view that SFC could be more transparent with funded organisations through better sharing of data in a way that could be integrated with internal systems, and calls for raw data to be provided.
- Comment on the value of engagement with stakeholders to inform the reporting approach, including specifically where SFC was considering a change to data reporting. There was reference to a recent SFC consultation with skills providers as providing useful insight that could inform ongoing improvement.

No need to strengthen systems

Of the 18 respondents who did not see any need to strengthen existing systems (13% of those answering the question), 9 provided written comment. These respondents described current national and local reporting as proportionate and sufficient to meet needs, and felt that the approach was transparent and trusted. This included specific reference to SDS data reporting such as FIPS and Sector Skills Assessment. Some also repeated the view that better use could be made of the extensive data already provided by institutions and skills providers.

Information to be collected

Question 11. What information about funded organisations would you most like to know and why?

Around 105 respondents provided comment at Question 11.

The value of skills data

The importance of access to robust information on funded organisations was highlighted, including to ensure transparency around allocation of public funds to assess value for money. Respondents referred to several skills sectors (such as apprenticeship and FE sector funding) where it was suggested that data reporting could improve transparency and understanding. There were also calls for SFC to lead by example on transparency by publishing organisational information around governance and allocation of funding.

The role of data reporting in quality assurance was also discussed. This included reference to use of data to compare performance and outcomes across providers and sectors, and to improve understanding of demand, for example to inform workforce planning and recruitment. It was also noted that published data could enable prospective learners to make more informed decisions on their education and skills development.

Respondents highlighted several key principles seen as relevant to the scope of data collection, with reference to the current SFC approach to data collection and reporting. This included a perceived need to ensure that data collection was proportionate and focused on what was relevant, did not unnecessarily burden funded organisations, and was consistent and coordinated across sectors, ensuring the same reporting and transparency standards applied to all organisations. It was also suggested that the reporting approach should recognise the potential for information collected from providers to be confidential or commercially sensitive.

Enabling comparability of outcomes across sectors and internationally was identified as a key priority, especially if SFC's remit was expanded under proposals 2 or 3. Respondents highlighted the importance of enabling global comparison in particular, and observed that the Purpose and Principles included "globally respected" as a principle for post-16 education.

It was suggested that further work was required to enable meaningful comparison of outcomes across sectors, including to ensure consistency of reporting and transparency standards across funded organisations. There was also reference to the value of longitudinal trends, and for reporting to track key measures over time to inform ongoing improvement activity.

Specific data types

In terms of specific data to be collected, some made reference to the range of data currently collected and held by SFC. It was suggested that the new Outcomes Framework and Assurance Model provided an opportunity for SFC to disseminate this information. There were calls to make better use of existing data and documents produced by organisations, such as annual reports and audits, governance documents and equalities reports.

Other specific information suggested by respondents is summarised below.

- Reference to **financial information and forecasts** was most commonly related to the level and profile of funding awards, including information on the criteria or rationale used in allocation of funding, and to demonstrate how funding had been used. This included interest in the profile of awards by organisation type, geographic distribution (and how this fits with local/regional priorities), provision type and specific vocational pathway. Other financial information suggested by respondents included:
 - Information on award of apprenticeship contracts was mentioned by several fundable education body and local authority respondents. There was specific interest in contract value, organisation type, ownership structures and any subcontracting arrangements, and management/overhead costs – the latter reflected interest in maximising the amount of allocated funding that was directly spent on skills delivery for learners.
 - Data on the qualifications, learning aims and expected outcomes linked to funding. There was particular interest in information on how these deliverables fitted with skills requirements and wider policy priorities.
 - There were also calls for up to date information on the financial sustainability of institutions and skills providers, and the financial health of the skills sector as a whole.
- Information on **funded organisations' activity** included reference to the profile of provision, and uptake data including the number and profile of learners (e.g. geographic and equalities information). Calls for more detailed information on the profile of learners were linked to a perceived need for greater transparency around quality and widening access information for providers. Other information on funded activity referenced by respondents included:
 - The quality of provision and learner satisfaction, including calls for more qualitative information reflecting learners' experiences, especially in relation to widening access and participation.

- How funding was used for student support and development including reference to additional support needs, mental health support, safeguarding, and access to careers support.
- The extent to which provision was meeting local, regional and national skills requirements, and sector-specific skills priorities.
- Information on contribution to wider public policy commitments such as Fair Work First, sustainability and climate policy, sustainable development goals, and the needs of rural and remote communities.
- **Organisational information** including delivery capacity, governance and oversight (e.g. structure, leadership, compliance and risk management), and organisational strategies.
- **Delivery of outcomes** was seen by some as the most important information on funded organisations, including to enable monitoring of delivery against agreed targets and ensure public funds were delivering value. Respondents made specific reference to: retention and completion rates; learner outcomes including post-course destinations (e.g. the number of learners entering employment or continuing to other study); and wider value in relation to research and innovation, social value, and economic impact.

Additional powers for SFC

Question 12. What, if any, additional powers should SFC have in order to help ensure the post-school education and skills system operates effectively?

Around 95 respondents provided comment at Question 12.

This included a number of fundable education bodies, individuals and others who did not see any need for additional powers for SFC. These respondents suggested that SFC had all of the powers required for their current role, and that proposed reforms should be implemented before reviewing the need for new powers. This was also linked to a view that implementation of reforms should initially focus on policy and support.

Other respondents – including several fundable education bodies – saw a need for additional powers to ensure that SFC could deliver the new responsibilities being proposed. This was reflected in calls to ensure that any new powers were tailored and proportionate to SFC's role and duties. It was also suggested that new powers must enable SFC to support a diversity of funded organisations across sectors, including reference to the differing legal status and regulatory contexts of funded organisations.

While recognising the diversity of providers, there was a perceived need for greater consistency and parity of approach across skills sectors – and for this to be reflected in the requirements placed on different funded organisations. This included with reference to the Further and Higher Education (Scotland) Act 2005. It was noted that SFC also needed to take account of UK-wide policy and regulation for some sectors.

There were calls for SFC to be permitted some flexibility in funding approach, including to ensure sufficient autonomy for funded organisations. It was noted that the legal status of universities, for example, granted them some autonomy. There was also a perceived need to provide other organisations with flexibility to undertake institution-led projects. Balancing the need for flexibility within a more coordinated and consistent approach was seen by some as a key challenge for SFC if proposals 2 or 3 were preferred.

Additional proposed powers

Specific additional powers suggested by respondents typically focused on apprenticeship provision, ensuring the balance of provision met skills requirements, and data collection/reporting. These are summarised below.

Powers relating to apprenticeship provision were the most common specific suggestion. Respondents noted that new powers will be required if SFC were given the ability to fund different types of organisations, such as independent training providers (ITPs) and local authorities. This included a perceived need for SFC to better recognise differences in operating models and legal status. It was noted that a substantial number and range of training providers were currently involved in delivery of modern apprenticeships alone.

There were also calls for SFC to amend allocation of modern apprenticeship funding to ensure this is commercially viable, to enable greater flexibility in use of apprenticeship funding, and to have the power to mandate delivery of apprenticeship opportunities under the Outcomes Framework and Assurance Model. Changes to current information collection around apprenticeships were also proposed to reduce the burden on funded organisations. It was suggested that a requirement should be placed on the Minister to consult with SFC regarding any proposed changes in policy or funding for apprenticeships.

Proposed data collection and reporting powers included new duties to collect and report data, and to enforce compliance with data reporting requirements. It was noted that these powers needed to integrate with existing HESA and UCAS data functions for the higher education sector. Changes to the current SDS FIPS were also proposed to reduce the burden on funded organisations and improve administrative processes.

Ensuring the right volume and mix of provision across funded sectors and organisations was seen by some as a key priority. Respondents proposed new powers for SFC to ensure provision met skills requirements and to support equity of access across all skills and learning pathways and learner groups. This included the power to prioritise specific sectors or types of provision (e.g. based on skills requirements and outcomes), and to promote the diversity of learners (including mature learners, those from disadvantaged backgrounds, and those with protected characteristics).

Other additional powers proposed for SFC included:

- Powers related to SFC's regulatory oversight to ensure accountability for funded organisations including the power to specify governance requirements, prevention of 'double funding', and assuring the quality of funded provision.
- Powers to facilitate effective collaboration across sectors and funded organisations, and to ensure that teaching, research and knowledge exchange is supported. Respondents also referred to closer working with other key stakeholders, such as qualifications authorities and skills sector organisations, and integrating more sector-based expertise within SFC.
- Supporting development and piloting of new models, including the power to take a co-design approach to delivery.

Feedback on the consultation process

Several concerns or queries for the consultation process were raised by respondents in their response to specific consultation proposals. As is noted at Question 1, some of those expressing support for the “business as usual” option indicated that this was at least in part due to a perceived lack of detail on how alternative proposals would work in practice. These respondents felt unable to form a clear view on proposed reforms without further information on how proposals would generate the anticipated benefits. There were also calls for further detail on proposals relating to governance of SFC, for example to clarify that proposals would not result in SFC governance diverging from the Code of Practice for Ministerial Appointments to Public Bodies in Scotland.

Respondents were also asked for their view on the consultation as a whole. As the table over the page shows, around half of those answering the question (51%) indicated that they were satisfied with the consultation; this group was split between those describing themselves as “very” satisfied (35 respondents) and those who were “slightly” satisfied (38 respondents). In total, 25 respondents (17% of those answering the question) were dissatisfied with the consultation.

A minority of respondents (41 of the 143 answering the question) provided further comment on the consultation process. Most of these had expressed some dissatisfaction with the consultation and used the opportunity to raise concerns or suggest improvements. This included some reiterating comments noted above, for example a view that further detail is required to form a considered view on proposals. Concerns were also raised around whether the consultation would have a genuine impact on future reforms, linked to a perception that the consultation document and questions implied a preference for a specific proposal.

Other comments related to the consultation paper and process. There was a view that the consultation document could have used more accessible language, including specific reference to accessibility for young people. It was also suggested that parts of the consultation (especially those relating to SFC governance) would only be understood by a small minority of potential respondents.

In terms of the consultation process, it was suggested that the consultation exercise could have been better promoted. The timing of the consultation over the summer was also noted as a challenge for some membership organisations, who might have lacked the time to consult properly with members before responding.

How satisfied were you with this consultation?

	Very/Slightly satisfied	Neither satisfied nor dissatisfied	Very/Slightly dissatisfied	Total
Organisations	48	30	10	88
% of those answering	55%	34%	11%	
Fundable education body	14	2	0	16
Local Authority or school	4	3	0	7
Other public sector	5	0	1	6
Training provider	7	6	3	16
Private business/employer	0	2	2	4
Third sector/charitable	5	1	1	7
Trade union/other staff rep	0	2	1	3
Student interest/representative	1	1	0	2
Sector/business representative	7	9	1	17
Other organisation	5	4	1	10
Individuals	25	15	15	55
% of those answering	45%	27%	27%	
Individual learner	2	1	1	4
Individual educator	7	3	4	14
Individual manager/employer	6	2	4	12
Individual other	10	9	6	25
All respondents	73	45	25	143
% of those answering	51%	31%	17%	

Note: 51 respondents (26% of the total) did not answer the question. Percentages may not sum to 100% due to rounding.

Annex 1: Acronyms and initialisations

FE	Further Education
FES	Further Education Statistics
FIPS	Funding Information and Processing System
HE	Higher Education
HESA	Higher Education Statistics Agency
NTP	National Training Programmes
OECD	Organisation for Economic Cooperation and Development
ONS	Office for National Statistics
SAAS	Student Awards Agency Scotland
SDS	Skills Development Scotland
SFC	Scottish Funding Council
SQA	Scottish Qualifications Authority

Annex 2:

Organisational respondents

Respondent	Group type
Aberdeen City Council	LA or school
Aberdeenshire Council	LA or school
Ambition Centre for Training	Training provider
API Foilmakers	Private business/employer
Armstrong Chemtec	Private business/employer
Arran Skills Initiative, Arran Community & Voluntary Service	Third sector/charitable
Audit Scotland	Other organisation
Ayrshire College	Fundable education body
Babington Business College	Training provider
Bòrd na Gàidhlig	Other public sector
Borders College	Fundable education body
Career Development Institute	Other organisation
CB Technology	Private business/employer
Centre for Engineering Education & Development	Other organisation
Centre for Excellence for Children's Care and Protection	Other organisation
Chartered Institute of Personnel and Development	Sector/business representative
Chartered Management Institute	Third sector/charitable
Child Poverty Action Group in Scotland	Third sector/charitable
Citizens Advice Scotland	Third sector/charitable
City of Glasgow College	Fundable education body
CLD Standards Council Scotland	Other public sector
Colleges Scotland	Sector/business representative
Comann nam Pàrant (Nàiseanta)	Third sector/charitable
Comhairle Nan Eilean Siar	LA or school
Competence Based Training Ltd	Training provider

Respondent	Group type
Confederation of British Industry	Sector/business representative
Construction Industry Training Board Scotland	Other public sector
Creative Scotland	Other public sector
Developing Young Workforce Employers Forum	Other organisation
East Ayrshire Council	LA or school
EAUC Scotland	Third sector/charitable
Edinburgh Chamber of Commerce	Sector/business representative
Edinburgh College	Fundable education body
Edinburgh Napier University	Fundable education body
Educational Institute of Scotland	Trade union/other staff rep
Energy & Utility Skills Ltd	Sector/business representative
Engineering Construction Industry Training Board	Other public sector
Enginuity	Sector/business representative
Equality and Human Rights Commission	Other public sector
Esteem Training Limited	Training provider
Eyemouth Marine Ltd	Private business/employer
FDF Scotland	Sector/business representative
Federation of Awarding Bodies	Sector/business representative
Fife College	Fundable education body
Finesse Control Systems Ltd	Private business/employer
Genius People	Training provider
Glasgow Caledonian University	Fundable education body
Glasgow Clyde College	Fundable education body
Glasgow Kelvin College	Fundable education body
Glasgow University Students' Representative Council	Student interest/representative
Highlands & Islands Enterprise	Other public sector
Highlands & Islands Students' Association	Student interest/representative
His Majesty's Inspectorate of Education	Other organisation
Historic Environment Scotland	Other public sector

Respondent	Group type
Ident Training	Training provider
Institute of Directors	Sector/business representative
Institute of Physics	Sector/business representative
Inverclyde Council	LA or school
ITC Training consultants	Training provider
James Walker Devol	Private business/employer
JB Management (Scotland) Ltd	Training provider
Lantra	Other organisation
Learning for Sustainability Scotland	Third sector/charitable
McCrae Training Ltd	Private business/employer
Midlothian Community Planning (Midlothian LEP PLUS partnership)	Other organisation
Midlothian Education	LA or school
MillionPlus	Sector/business representative
National Association of Student Money Advisers	Student interest/representative
National Skills Academy for Rail	Other organisation
New College Lanarkshire	Fundable education body
NHS Education for Scotland	Other public sector
NHS Lothian Pharmacy and Medicines Service	Other public sector
NHS Tayside	Other public sector
North East Scotland College	Fundable education body
North Edinburgh Childcare	Other organisation
Offshore Energies UK	Sector/business representative
PCS	Trade union/other staff rep
Perth	LA or school
Peterhead Engineers Development Ltd	Training provider
Prosper (Scottish Council for Development and Industry)	Other organisation
Public and Commercial Services Union	Trade union/other staff rep
Quality Assurance Agency	Third sector/charitable

Respondent	Group type
Quest (Scotland) Ltd	Training provider
Rewards Training Recruitment Consultancy	Training provider
Scottish and Northern Ireland Joint Industry Board	Sector/business representative
Scottish and Northern Ireland Plumbing Employers Federation	Sector/business representative
Scottish Apprenticeship Advisory Board	Sector/business representative
Scottish Building Federation	Sector/business representative
Scottish Chambers of Commerce	Sector/business representative
Scottish Construction Qualifications and Skills Council	Sector/business representative
Scottish Decorators' Federation	Sector/business representative
Scottish Engineering	Sector/business representative
Scottish Enterprise	Other public sector
Scottish Funding Council	Other public sector
Scottish Graduate School of Social Science	Other organisation
Scottish Power	Private business/employer
Scottish Racing Academy	Fundable education body
Scottish Renewables	Sector/business representative
SDC-Learn	Training provider
See Me	Third sector/charitable
Skills Development Scotland	Other public sector
SNIPeF Training Services	Sector/business representative
South Ayrshire Council	LA or school
South Lanarkshire Council	LA or school
South of Scotland Enterprise	Other public sector
SRUC	Fundable education body
Station House Media Unit	Training provider
STF Ltd	Sector/business representative
Tarff Valley	Training provider
The Glasgow City Regional Skills Devolution	Other organisation

Respondent	Group type
The Institute of the Motor Industry	Sector/business representative
The National Union of Students Scotland, and National Society of Apprentices	Student interest/representative
The Open University in Scotland	Fundable education body
The Royal Society of Edinburgh	Sector/business representative
The Scottish Electrical Charitable Training Trust	Training provider
The Skills Federation	Third sector/charitable
The Tell Organisation Ltd	Training provider
The University of Manchester	Fundable education body
Tullos Training Limited	Training provider
UNISON Scotland	Trade union/other staff rep
Universities Scotland	Sector/business representative
University and College Union Scotland	Trade union/other staff rep
University of Aberdeen	Fundable education body
University of Edinburgh	Fundable education body
University of Glasgow	Fundable education body
University of St Andrews	Fundable education body
University of Stirling	Fundable education body
University of Strathclyde	Fundable education body
University of the Highlands and Islands	Fundable education body
University of the West of Scotland	Fundable education body
Who Cares? Scotland	Third sector/charitable
XL Training (Scotland) Ltd	Training provider
YouthLink Scotland	Third sector/charitable



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