

Pillar 1 - Paper 3 - Synthesis of Published Reports

Summary

Scotland's college sector has been through a decade of major transformation. This paper finds that the sector has *“undergone significant structural, financial and policy change over the past decade.”* These shifts have brought real progress but also growing pressures affecting learners, employers, communities and the workforce.

Before regionalisation in 2013/14, Scotland had 41 independent colleges that could borrow, hold reserves and respond flexibly to local needs. The Post-16 Education (Scotland) Act 2013 reorganised the system into 13 regions and reduced the number of colleges to 26 (now 24). A 2023 Scottish Parliament inquiry found that regionalisation created a more coherent and collaborative system, though financial and governance constraints have limited its full potential.

In 2014, the ONS reclassified colleges as public bodies because of the level of government control over governance, finance and strategy. This removed the ability to borrow or hold reserves, leading to the creation of Arm's Length Foundations. Two of the three Regional Strategic Bodies were dissolved in 2025, leaving only UHI.

Financial pressures have intensified, with colleges increasingly dependent on government funding and facing limits on income generation. Recent reports - including the Cumberland-Little Report, the Independent Commission on the College of the Future and the Withers Review - describe colleges as “anchor institutions” central to economic renewal, lifelong learning and regional skills planning.

Learners continue to report strong satisfaction and positive destinations, but the sector faces falling student numbers, unmet demand and more students presenting with complex needs and poverty. Employers want shorter, job-ready training, higher-level technical skills and rapid upskilling in digital and green areas, while demand for apprenticeships exceeds funded places.

Communities rely on colleges for inclusion, wellbeing and regeneration, but expectations are rising faster than resources. Meanwhile, workforce challenges - recruitment, ageing staff, wellbeing and financial pressures - mean sustainability is now a critical risk for the sector.

Synthesis of Published Reports

Background

This document forms part of the evidence collated under the Pillar 1 element of the College Sector of the Future workstream. The collation is based on existing reviews, publications, and predictions to produce a synthesis of the evidence of the current and future needs of learners, industry and communities.

This is not new primary research, and does not contain any new data, but seeks to bring together the pre-existing reports and evidence in Appendix 1 into one single and easily understandable narrative.

Context

Pre-Regionalisation (prior to 2013/14)

Before the major reforms of 2014, Scotland's college sector consisted of a large number of largely autonomous institutions. In 2011 there were 41 colleges providing further and higher education across Scotland. These colleges operated independently. Whilst a similar proportion as now of the funding came from the Scottish Funding Council (SFC), these institutions were able to borrow money and hold reserves, each with its own board and management, and each responding differently to local needs and funding pressures.

The Scottish Government's regionalisation policy, enacted through the Post-16 Education (Scotland) Act 2013, reorganised the sector into 13 college regions by 2014/15, with the intention of creating larger, more strategic institutions. Mergers between smaller colleges reduced their number - to 26 colleges (now 24 due to a further merger of 3 institutions) across these regions by the mid-2010s.

The Government's main aims for regionalisation and mergers were to reduce duplication of courses and administrative functions, improve efficiency and financial sustainability, and to ensure planning and provision were better aligned with regional labour markets and economic needs. The reforms also aimed to strengthen pathways for students and simplify funding and accountability through regional outcomes agreements between colleges and the Scottish Funding Council. An inquiry into college regionalisation was held by the Scottish Parliament's Education, Children and Young People Committee, with a report published in March 2023. The report concluded that regionalisation created a more coherent, collaborative, and strategically aligned college system, but financial constraints and rigid governance limited its effectiveness and future impact.

Post-Regionalisation (2014-2020)

As evidenced by the Education, Children and Young People Committee inquiry into [College Regionalisation](#), this process, started in 2014 and led to the creation of larger institutions (and in three geographical areas the establishment of an overarching Regional Strategic Body (RSB)

as well). This process gave each college a greater platform within their regions, particularly with regard to

- local economic development;
- greater coherence in the curriculum offered across each region and;
- improved support for students, alongside more effective partnership working with schools, universities and local businesses.

This change, along with the related governance changes, led colleges to be re-classified as public bodies in 2014, as the Office for National Statistics (ONS) reviewed and applied the most up to date statistical rules. This concluded that due to factors such as governance control, financial dependency and strategic direction, that colleges were not operating independently enough to be outside the public sector. This change resulted in colleges being unable to hold reserves or borrow money and led to the creation of Arm's Length Foundations (ALFs) as independent trusts to hold reserves accumulated up to that point.

RSBs were introduced so that delivery could be planned across an entire region with coordinated financial management and curriculum provision. RSBs also act as a single point of accountability for SFC. Subsequently, in 2025, two of the three RSBs (covering Glasgow and Lanarkshire regions) were dissolved because, in practice, they were seen as adding complexity without delivering enough additional value compared to simpler governance models. The Scottish Government did not dissolve the RSB for UHI as the structural complexity and geographical dispersion would still benefit from an RSB to provide a coordinated approach, continue to support the integrated model and to avoid fragmentation.

The period since 2014 has been characterised by financial challenges, with colleges dependent on the Scottish Government and the Scottish Funding Council for the majority of their funding, with either structural or operational restrictions on how colleges can generate, save and utilise money, which (along with lack of flexibility) is limiting their ability to grow and innovate.

- In relation to income generation, colleges have identified several barriers, including the upfront and ongoing time and resources required, tight margins on commercial work, geographical constraints such as distance from major industry partners, and the instability of year-to-year income.
- Since losing the ability to hold reserves, many colleges have used Arm's Length Foundations (ALFs) where appropriate. Although ALFs add bureaucracy and operate independently, the main challenge remains the limited surplus funding returned to colleges.
- Restrictions on financial flexibility are evident in colleges' inability to hold reserves, limited scope to move funding between resource and capital budgets because of fiscal rules commonly referred to as RDEL/CDEL inflexibility, and spending thresholds that require additional approval.

It should be noted that there is currently a separate College Sector of The Future workstream looking at the barriers and options to address these issues.

Following the implementation of the regionalisation policy, the Scottish Government has embarked on various programmes of reform to the Post-16 education and skills system which have in-part focused on addressing both the current and future needs of learners, employers and communities.

Post-Regionalisation (2020-2026)

The role of colleges both in the present and future has been recognised and reflected by numerous reports completed since 2020.

The Cumberford Little Report, commissioned by Scottish Government Ministers and published in February 2020 evidenced that “Colleges in Scotland are nowadays metropolitan, regional, and rural powerhouses for pre-employment and technological education, sector-specific training and in-work reskilling and upskilling; they are beacons for social and human capital development and inward investment; they are bulwarks for social mobility, for continuing education and for lifelong learning. In Scotland, they are an essential lifeline to help some of the most vulnerable, fragile and marginalised in society onto pathways...are major economic catalysts...and are often first responders when firms collapse.”

In 2020, the Association of Colleges (AoC) coordinated an Independent Commission on the College of the Future, taking evidence from across the four nations of the UK. An overarching report was published in October 2020, with a separate Scottish focused report published in December 2020. (AoC, 2020a, 2020b) Together these two reports provide a coherent articulation of the evolving role of colleges as lifelong learning institutions, economic partners, and civic anchor organisations. The programme emphasises flexible provision, employer co-creation, regional leadership, and inclusive access.

Separately, the Scottish Funding Council’s Review of Coherent Provision and Sustainability, published in June 2021, evidenced the role of colleges as major national assets, with significant social, economic and cultural impact and their vital ability to support economic and social renewal and a green recovery from the Covid-19 pandemic.

The Scottish Government published the Purpose and Principles for post-school education, research and skills in June 2023. This accepted a number of the recommendations in the recent Skills Delivery Landscape Review, alongside setting out some areas of change which would contribute in bringing stability to Scotland’s colleges.

The Skills Delivery Landscape Review, completed by James Withers in 2023 for Scottish Government Ministers, showcased the broad and pivotal role that colleges play in their regions alongside the huge potential of colleges in planning for and addressing skills needs in their regions. The Review explicitly recommended that the Scottish Government considered a “colleges first” approach to ensure best value from public investment into Education and Skills.

The UK Government’s Post 16 Education and Skills White Paper, published in October 2025 by the Department for Education, is the main current policy document setting out the UK Government’s vision for further education colleges and post-16 skills reform in England.

The paper describes FE colleges as: “anchor institutions in their communities” and says colleges should:

- deliver skills aligned to economic growth
- support local employers and workforce planning
- expand higher technical education
- widen access and lifelong learning
- provide pathways into employment and further study.

Key themes include:

- Lifelong Learning Entitlement
- modular/flexible study
- employer-led skills systems
- qualification reform
- stronger regional economic roles for colleges.

The Mental Health Foundation study in 2022, the largest study on the mental health and wellbeing of college students in Scotland revealed more than a third (37%) experienced food insecurity in the previous 12 months, more than half of students surveyed (54%) reported having moderate, moderately severe, or severe symptoms of depression, and more than half (55%) said they had concealed a mental health problem due to fear of stigmatisation.

Together these reviews and their recommendations provide a framework through which the college of the future can be designed and delivered whilst building on the current strengths of the sector. This framework must allow the college sector to deliver locally, regionally and nationally, and be considered alongside a number of related workstreams that are being progressed in parallel.

Alongside these reports, SFC produces reports on the financial sustainability of the college sector, for example <https://www.sfc.ac.uk/publications/financial-sustainability-of-colleges-in-scotland-2022-23-to-2027-28/>

Synthesis of the evidence of the current and future needs

Learners

Recent evaluations of Scotland’s college sector indicate measurable improvements in learner experience, while simultaneously exposing structural constraints that limit the sustainability of course delivery.

Education Scotland's *College Sector Overview Report 2023–24* reports enhanced learner engagement, (Education Scotland, 2024), with Audit Scotland's *Scotland's Colleges 2025* report highlighting that student satisfaction remains high and the proportion of students progressing to positive destinations has increased (Audit Scotland, 2025). These findings are also reinforced by the SFC evidence, including student satisfaction and outcome achievement reports, which show high overall satisfaction and broadly stable attainment (SFC, 2023; 2024).

Nevertheless, the Audit Scotland report shows that student numbers have fallen, signalling that fewer learners are accessing college education than before. The report attributes this to funding and policy choices that shifted provision towards full-time, recognised qualifications, thereby reducing flexible and part-time opportunities. The evidence given by the college sector to the Scottish Parliament Education, Children and Young People Committee on 18 June 2025 provides evidence of significant unmet demand for college places in Scotland. Specific examples included the case of one college not being able to offer places to 764 applicants who had passed interview, whilst another college could only accept one out of every three applicants.

Moreover, there are also areas for improvement in tackling inequalities in retention, attainment and progression for learners from deprived backgrounds, those studying part-time, and those with complex support needs.

For example, Education Scotland's 2024 review acknowledged that learner transitions and articulation pathways remain inconsistent in practice, despite long-standing policy ambitions. Learners continue to report uncertainty around progression routes, credit recognition and the relative value of qualifications, particularly when moving from college to higher education.

Data from the then Scottish Qualifications Authority (SQA) in 2025 showed a record number of passes in vocational / technical qualifications, exceeding 100,000 in one year for the first time. This could indicate an increase in demand from younger people for more vocational qualifications, but would require further data to confirm.

The Independent Review of Qualifications Assessment review, completed by Professor Louise Hayward and published in June 2023, recommended the creation of a more coherent and navigable post-school system, with clearer learner journeys across school, college, university and employment. This work provides a framework for developing a future college sector which is able to facilitate a broader range of learner journeys, with which to meet both learner and economic demands and deliver Scottish Government policy priorities.

The 2020 Independent Commission of the College of the Future programme highlights an emerging shift from linear education pathways towards lifelong, flexible participation in learning, requiring colleges to support repeated engagement with education throughout peoples' working life.

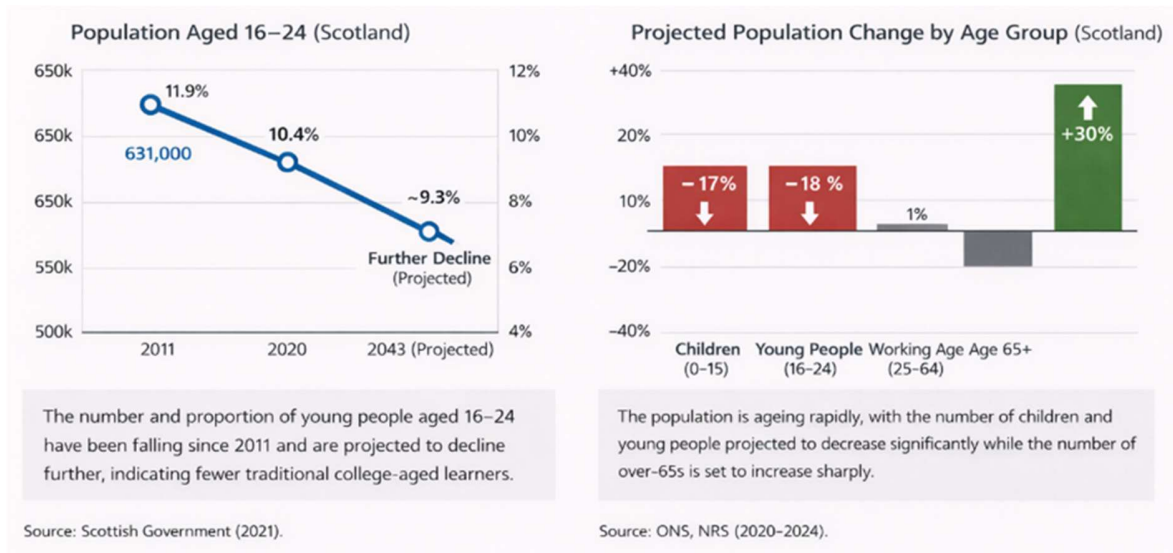
The evidence and data around future skills needs are currently set out in Regional Skills Assessment documents produced by Skills Development Scotland (SDS), some of which covers the period up to 2035. In response to a recommendation in the Withers report, the Scottish

Government has taken on the responsibility for national skills planning. This will generate skills needs assessments for identified priority sectors, setting out the vocational and technical skills required by these key sectors to Scotland's economic success. The impact of AI and automation on learning and education will also shape the future offer and approach, with a pivot towards education as a means to develop a person's capabilities, recognising the importance of human skills such as analytical thinking, leadership and social influence and emotional intelligence. This indicates that the education system, as a whole, will need to respond to this change, including through an emphasis on experimental learning, entrepreneurship and problem solving.

Future college learners are likely to present with increasingly complex behavioural and emotional needs, with direct implications for widening access and skills policy. The Changing Learner Report by the College Development Network (CDN) identifies rising levels of anxiety, reduced resilience, and underdeveloped social and communication skills, alongside lower engagement with traditional models of learning (CDN, 2024). Learners are also more shaped by digital environments, influencing how they engage with content and sustain attention. In this context, colleges will play a critical role in supporting not only subject knowledge, but also the development of core employability skills such as communication, self-management and resilience. This suggests a shift towards more holistic, learner-centred approaches that integrate wellbeing, behaviour support and skills development to improve access, participation and outcomes for a wider range of learners.

At the same time, the demographic profile of learners is increasingly shaped by poverty and structural inequality. The Pathways from Poverty report by CDN highlights that many learners face financial insecurity and multiple barriers to participation, which can impact attendance, attainment and progression (College Development Network, 2022a; 2022b; 2023). This reinforces the role of colleges within the skills agenda as key institutions for enabling social mobility and inclusive economic growth. As widening access priorities expand, colleges are likely to be required to support a more diverse and vulnerable learner population, while also delivering the skills needed for the labour market. Policy will therefore need to recognise the dual role of colleges in addressing both economic and social objectives, ensuring that provision is flexible, inclusive and responsive to the changing needs of learners and communities.

The following charts highlight key demographic trends that will influence the future role of colleges, including a declining college-age population and the growth of older age groups.



Overall, the evidence suggests that colleges will need to respond to both declining youth cohorts and increasing demand from adult learners, requiring more flexible, inclusive and skills-focused provision.

Employers

Scotland's colleges will need to respond to learners whose pathways are increasingly shaped by rapid labour-market and demographic changes. Feedback to the college sector has indicated that employers are seeking shorter, more targeted training for learners that delivers specific, job-ready skills, particularly in digital, green and technical occupations. This points to growth in flexible, modular provision that can be taken alongside work and built up over time. Colleges will also play a growing role offering in-work upskilling and mid-career retraining, supporting people to adapt as jobs evolve or disappear.

Scottish colleges are likely to be central to meeting workforce needs by delivering vocational and technical education courses that align with employer demand, including apprenticeships, professional qualifications, and work-based learning.

Over the last three decades, participation in university education has expanded significantly, with graduates now representing around 41% of Scotland's workforce. While degree-level qualifications deliver clear benefits for individuals and the economy, growth in graduate numbers has outpaced the creation of highly skilled graduate roles. As a result, increasing numbers of graduates are entering occupations previously undertaken by non-graduates, highlighting a growing mismatch between qualification supply and labour-market demand (CIPD, 2022).

The 2020 Independent Commission of the College of the Future programme helps point to what is required going forward, with colleges as dynamic workforce partners rather than education providers alone. This future role takes into account employer co-design of curriculum, regional skills systems, responsiveness to the labour market, and the need for higher technical skills training expansion.

Looking forward, workforce needs are expected to intensify and diversify as Scotland faces technological change, labour shortages, and the transition to a net zero economy. National reviews highlight growing demand for higher-level technical skills, digital capabilities, and transferable meta-skills such as problem-solving, creativity, and adaptability (Scottish Government, 2023). Evidence from employer surveys indicates that skills gaps are likely to persist without a more responsive and integrated skills system, reinforcing the importance of colleges' role in workforce planning and delivery (CIPD Scotland, 2022).

The disruptive nature of AI also needs to be taken into account, with data published by the World Economic Forum suggesting that around 22% of jobs worldwide will transform within five years due largely to AI and automation (World Economic Forum, 2026).

The *Independent Skills Delivery Landscape Review* (2023) conducted by James Withers offered a critique of the skills system in Scotland and set out recommendations on how colleges, and the wider tertiary sector, should engage with employers to respond to demand. The passing of the Tertiary Education and Training (Scotland) Act 2026 offers a helpful first step in implementing the vision of the skills delivery landscape laid out by Withers. However, to fully implement the recommendations from the Withers' review, further steps need to be taken such as equity of funding and esteem, digital training records and empowering regional partners. In doing so this would strengthen the structural foundations for sustained college–employer partnership by simplifying pathways for employer input and aligning investment with economic demand rather than institutional silos.

There are significant opportunities for colleges to meet the skills demands of employers through the expansion of a “colleges first” approach to Apprenticeship delivery, which would build on the consolidation of funding for Apprenticeships within the Scottish Funding Council. The Audit Scotland report highlights that although the Scottish Government funded a large number of Modern Apprenticeship places in 2023–24 and 2024–25, demand significantly exceeds the number of funded apprenticeship placements requested by providers. This demand comes from priority sectors such as engineering, construction, digital skills, healthcare and renewable energy.

Overall, the data suggests that colleges will need to respond to employer demand for shorter, more targeted training for learners that delivers specific, job-ready skills, particularly in high-growth sectors. There is also evidence that employer demand for apprenticeships continues to outstrip what colleges can deliver under current arrangements, which indicates that employer engagement is strong but constrained by these structures.

Communities

Scottish colleges currently play a vital role in meeting the needs of their communities by acting as place-based anchor institutions, providing accessible education, skills development and community learning opportunities that support social inclusion. Evidence from Education Scotland highlights colleges' importance in widening participation, particularly for learners from disadvantaged backgrounds, adults returning to learning, and those seeking to upskill or retrain in response to local labour market change (Education Scotland, 2023).

Colleges also contribute to broader community wellbeing through partnership working with local authorities, third-sector organisations and employers. Education Scotland notes that colleges collaborate with partners such as local authorities, the Department for Work and Pensions, and third-sector organisations to support learners facing barriers related to poverty, health, housing and disengagement, helping them to remain connected to learning and their communities (Education Scotland, 2023). Colleges' participation in Community Planning Partnerships further enables them to align provision with local priorities, including support for disadvantaged groups, ESOL learners, and those furthest from the labour market (Education Scotland, 2023). National case study evidence also demonstrates colleges' wider civic role in strengthening community engagement and inclusion through locally embedded initiatives (Scottish Funding Council, 2025).

The 2020 Independent Commission of the College of the Future programme recognises colleges as anchor institutions that provide civic leadership and community wellbeing. They also play a role in tackling inequality and place-based disadvantage. All of which demonstrates that colleges are not only skills providers but part of civic infrastructure.

All of this evidence suggests that communities will continue to require colleges to provide flexible, place-based and preventative interventions, rather than solely responding to labour market demand. National reviews highlight growing pressures linked to demographic change, population ageing, migration, digital exclusion, and the transition to a net zero economy. These factors have uneven local impacts and require locally responsive solutions (Scottish Government, 2023). This points to a future role for colleges that combines skills provision with sustained community engagement, including modular lifelong learning, targeted support for those furthest from participation, and deeper collaboration with local authorities and third-sector partners. The current structure around the college sector provides, through the outcomes framework and labour and skills intelligence, an opportunity to match provision to Scotland's economic and community needs, as well as specific policy drivers, for example Health and Social Care, renewable energy and the Net Zero agenda.

Recently, [economic analysis by the Fraser of Allander Institute](#) highlighted the significant role colleges play in reducing poverty in communities, and strengthening Scotland's public finances, by keeping 15,000 out of absolute poverty, and 10,000 out of severe poverty, meaning that 400,000 households – including 250,000 children – benefit from the higher incomes earned by those with college-level education.

However, without greater system coherence and long-term investment, there is a risk that the role of colleges, in supporting inclusive growth and resilient communities, will become increasingly aspirational rather than deliverable. Despite clear evidence of need and rising expectations amongst colleges of their civic role (Audit Scotland, 2023).

Overall, the evidence suggests that colleges are currently fulfilling a role of community anchor institutions for some of Scotland's most disadvantaged groups and promoting the government's aims of inclusive growth. However, meeting rising expectations of what colleges can do in this regard will be challenging should there be an increase in need.

College Sector Workforce

The 2024 Workforce Survey Analysis Report by the Colleges Development Network highlights significant workforce pressures across Scotland's college sector. Colleges report ongoing recruitment and retention difficulties, particularly in specialist teaching and professional support roles. An ageing workforce, increased workload demands, and competition with higher-paying sectors are contributing to staffing shortages. The report identifies staff wellbeing concerns, rising absence levels, and growing reliance on temporary or part-time staff. Skills gaps and limited professional development capacity risk affecting future delivery. Overall, workforce sustainability is a key concern, with staffing challenges potentially constraining colleges' ability to meet learner demand and support sector reform priorities.

Meeting future community, employer and workforce needs will require colleges to operate in new and flexible ways, including closer collaboration with employers, modular and blended learning models, and rapid adaptation to labour market intelligence. The impact on back office and administrative functions as a result of AI and automation will also need to be considered..

The 2020 Independent Commission of the College of the Future programme highlights the changing needs of workforce skills and digital capability, as well as continued professional development. The benefits of industry-experienced teaching staff and collaboration across institutions are also themes that emerge from this programme.

At the same time, reports note workforce pressures within the college sector itself, including recruitment and retention challenges, and identify rising staffing costs as colleges' biggest financial pressure, which may limit capacity to respond to increasing demand (Audit Scotland, 2023). Addressing these future needs depends not only on curriculum and wider system reform, but also on sustaining the college workforce and enabling strategic, long-term planning for skills development.

Concerningly the [most recent data from SFC](#) shows the trend over the last four years and the steady reduction in the college workforce. Voluntary severance has been a key tool for colleges to maintain financial viability and rebalance budgets. While such measures can assist in managing short-term financial pressures, they underscore the importance of longer-term financial sustainability for the sector. Greater certainty over both future funding and cost assumptions would support more stable workforce planning, help reduce reliance on

short-term interventions, and enable colleges to maintain organisational resilience while continuing to deliver high-quality learning for students.

In the absence of funding certainty and cost certainty the sector has started to develop its own response to the transformation opportunities for the college workforce. This has led to the development of arm's length subsidiaries and the appointment of staff to deliver some commercial training activity.

Evidence Sources

The list of reviews, publications and reports that have been drawn on for this piece of work is set out in Appendix 1.

Appendix 1

Joe Little Report - *A Vision for the Delivery of Skills, Vocational and Technical*

Education in Scotland ([Vision For the Delivery of Skills, Vocational and Technical in Scotland](#))

The Independent Commission Report – *The Scottish College of the Future*

([COF-Scotland-Report.pdf](#))

The Cumberford-Little Report – *One Tertiary System: Agile, Collaborative, Inclusive*
([TheCLreport_210x260_AW_ALTS_EDlogo_SQA.indd](#))

SFC Report – *Coherence and Sustainability: A Review of Tertiary Education and Research*
([Review of Coherent Provision and Sustainability - phase 3](#))

Silver, R. (2016) – *A Blueprint for Fairness: The Final Report of the Commission on Widening Access.* ([A Blueprint for Fairness](#))

plus various subsequent Widening Access reports

Thomas, R., & Gunson, R. (2017) – *Scotland Skills 2030: The future of work and the skills system in Scotland.*

OECD (2019) – *OECD Skills Strategy 2019: Skills to Shape a Better Future.*

Hazelkorn, E. (2016) – *Towards 2030: A framework for building a world-class post-compulsory education system for Wales*

College sector overview report 2023–24 - Education Scotland ([College sector overview report 2023 to 2024](#))

#LoveScotlandsColleges2025 – Scottish Funding Council ([#LoveScotlandsColleges2025](#))

[Fit for the Future: developing a post-school learning system to fuel economic transformation](#) – Scottish Government, 2023

[Scotland's colleges 2023](#) – Audit Scotland, 2023

[Employer views on skills policy in Scotland](#) – CIPD Scotland, 2022

[The Changing Learner: A Case Study of School-College Partnerships](#) – College Development Network, 2024

[Pathways From Poverty: Current Challenges and the Role of Colleges](#) – College Development Network 2022a

[Pathways From Poverty: Colleges For Communities](#) – College Development Network, 2022b

[Pathways from Poverty: Leading with Empathy and Vision: An Insight into West Lothian College](#)

– College Development Network, 2023

[Young Person's Guarantee - employment and education landscape: current evidence - overview](#)

– Scottish Government, 2021

[National population projections: 2020-based interim](#) – Office for National Statistics, 2022

[Projected Population of Scotland \(2020-based\)](#) – National Records of Scotland, 2023

[In the age of AI, human skills are the new advantage | World Economic Forum](#) , 2026

<https://www.cipd.org/uk/knowledge/reports/graduate-overqualification-scotland/>

CIPD, 2022

[COF-Report-PDF.pdf](#) AoC, 2020a

[COF-Scotland-Report.pdf](#) AoC, 2020b

Annex 1

Scottish Government – [Purpose and Principles – June 2023](#)

The 5 Principles

- **Principle 1 – Transparent, Resilient and Trusted**
Streamlined funding (e.g. single funding body) to reduce bureaucracy and enable colleges to deliver learner-centred, value-for-money provision.
- **Principle 2 – Supportive and Equitable**
Improved and fair student support systems (including part-time learners) to widen access and ensure education is affordable and inclusive.
- **Principle 3 – High Quality**
Stronger careers guidance, skills planning, and qualification pathways, with colleges playing a key role in delivering skills-led regional education.
- **Principle 4 – Globally Respected**
Expansion of international opportunities, partnerships, and innovation, positioning colleges as contributors to Scotland’s global education reputation.
- **Principle 5 – Agile and Responsive**
Colleges acting as lead planners of skills and training, working closely with employers to deliver flexible, demand-led provision.

Annex 2

Independent Review of the Skills Delivery Landscape – May 2023

Recommendations

- **Recommendation 1:** The Scottish Government must take a clearer leadership role in post-school learning policy and stronger oversight of delivery and performance.
- **Recommendation 2:** Through its Purpose and Principles, the Scottish Government should establish a single, coherent narrative for what a successful post-school learning system looks like and how progress towards it will be measured.
- **Recommendation 3:** The Scottish Government should be responsible for national skills planning and oversight of sector and regional needs, including the collation and dissemination of relevant labour market intelligence and data.
- **Recommendation 4:** Linked to Recommendation 3 above, in recognition of the need for a genuinely place-based approach to regional and local skills planning, the Scottish Government's new skills planning function should establish a clear template for regional skills planning, working with providers, employers and regional economic partners and using insights from the Scottish Funding Council Regional Pathfinder projects.
- **Recommendation 5:** Single National Funding Body – Scottish Ministers should create a single national body responsible for administering all publicly funded post-school learning and training, merging functions currently held by the Scottish Funding Council (SFC) and SDS.
- **Recommendation 6:** Redesigned Funding Process – the process for allocating funding should be redesigned to prioritize strategic outcomes and best value, ensuring it does not favour one type of provision over another and offers multi-year certainty.
- **Recommendation 7:** The Scottish Government should ensure that there is provision in the system for those undertaking part-time learning or pursuing certain approved accelerated retraining programmes to receive the same pro-rata level of funding support for living costs as those in full time education.
- **Recommendation 8:** The new national qualifications body should have oversight of the post-school qualifications landscape, including apprenticeships and National Occupational Standards, with associated resources moving from SDS to this body.
- **Recommendation 9:** A comprehensive audit of post-school qualifications should be conducted to rationalize pathways, expedite modularization, and treat Foundation Apprenticeships as school-based senior phase qualifications.

- **Recommendation 10:** The Scottish Government should commission a digital training record that allows learners to track and evidence their qualifications, meta-skills, and technical competencies throughout their lives.
- **Recommendation 11:** Skills Development Scotland (SDS) should be reformed into a national body dedicated solely to careers education and promotion, providing impartial advice and guidance to people of all ages.
- **Recommendation 12:** The Scottish Apprenticeship Advisory Board (SAAB) should be wound down and replaced by a network of regional employer boards and a national employers forum built on the existing Developing the Young Workforce (DYW) infrastructure.
- **Recommendation 13:** Responsibility for supporting businesses with skills and workforce planning should clearly sit with the three enterprise agencies as an embedded and integrated part of business and economic development support.
- **Recommendation 14:** The Scottish Government's new national skills planning function should work with the enterprise agencies and other relevant partners to ensure that public sector growth investment for priority sectors (e.g. through seed investment or licensing and consenting regimes) becomes conditional on business investment in their current and future workforce. This should include a focus on business providing opportunities to embed work-based learning into school, college and university subject courses as well as direct investment back into the system.
- **Recommendation 15:** Following these reforms, the Scottish Government must clearly map and promote the entry points for both learners and businesses to ensure the system is easy to navigate.

Annex 3

Cumberland-Little Report – February 2020

Summary of the Report

- **Colleges are central to Scotland’s economy and society**
They provide education, support social mobility, and contribute significantly to economic growth and productivity.
- **The current skills system is fragmented and needs reform**
The report highlights a ‘cluttered landscape’ with outdated structures limiting the full potential of colleges.
- **Stronger alignment with employers and the economy is needed**
Colleges must deepen engagement with businesses, especially SMEs, to better support workforce development and productivity.
- **Future challenges require a more flexible, skills-focused system**
Issues such as digitalisation, ageing population, and labour market changes demand reskilling, upskilling, and lifelong learning.
- **Colleges have untapped potential that requires system-wide change**
With better leadership, collaboration, and policy alignment, colleges can play a more pivotal role in national economic and social priorities.

Recommendations and Areas of Change

- **Simplify the skills system**
Reduce fragmentation and create a more joined-up, coherent structure across agencies and institutions.
- **Strengthen national skills planning**
Develop a clearer, data-driven approach to align education with economic and labour market needs.
- **Enhance employer engagement**
Increase collaboration with businesses (especially SMEs) to ensure training reflects real workforce demands.
- **Expand flexible learning and lifelong learning**
Support upskilling and reskilling through modular, part-time, and accessible learning options.
- **Improve funding structures**
Create a more sustainable and equitable funding model that supports colleges to meet growing demand.

- **Increase system leadership and coordination**
Provide clearer national direction and stronger alignment between government, agencies, and providers.
- **Maximise the role of colleges in economic growth**
Position colleges as key drivers of productivity, innovation, and regional development.