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The Scottish Parliament  
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18 December 2025

Dear Convener,

I am writing to you, along with Professor Andrea Nolan CBE, as the co-chairs of the Steering Group, to make you aware of the launch of the Framework for Sustainability and Success of Scotland's Universities.

Scotland's universities have a strong record and reputation for excellence in teaching and research. They provide opportunities for individuals, create businesses, advance common societal goals, enhance our knowledge and understanding, drive forward economic development, and engage internationally for the benefit of all. Like other publicly-funded services and universities across the globe, our universities are facing a broad range of operational and funding pressures and escalating costs.

That is why on Thursday 18 December 2025, the launch of the Framework for Sustainability and Success of Scotland's Universities has been announced – a collaborative project between the Scottish Government and Universities Scotland.

The framework will be driven by the Steering Group including representatives from the sector, from Government, from staff and student bodies, and from the business community. This Group will quantify the scale of funding and other challenges facing institutions and oversee exploration of options to co-design a sustainable and successful future for Scotland's 19 higher education institutions to 2045, and will focus on designing a route to support the sector to help drive change.

Full membership of the Group will be confirmed as soon as possible in the new year, and we will write again once membership is finalised. The Group will meet for the first time in January. We expect it to conclude in the autumn of 2026 and for its recommendations to be considered by the next Scottish Government, following May's election.



One driver for this new Framework is to consider options to respond to the undeniable funding pressures facing universities. This work will take place within the context of Ministers' ongoing commitment to free tuition and to widening access to higher education, in particular for students from the most deprived communities.

A further, strategic driver is the desire from the sector to ensure it is well positioned to shape and respond to a range of anticipated changes - including the scale of technological, geopolitical and demographic change that Scotland will face, as well as the changing expectations of students and the economy.

Universities Scotland and the Scottish Government remain committed to open and collaborative working. Alongside the Steering Group we have also established a staff and student reference group and a cross-party MSP reference group, both of which we will engage with as this work develops.

We would like to confirm our commitment to maintaining staff and student involvement in this work and officials have met with student representative bodies and trade unions to keep them updated as the work has gone through its earlier development stages. Each of these groups will also be represented on the Steering Group but we will also maintain a forum to ensure wider engagement and opportunity for input noting the diverse opinions and experiences across the sector.

We remain committed to updating this Committee on the work as it develops throughout 2026.

Yours sincerely,

Neil

**NEIL RENNICK**

Director-General Education and Justice,  
Scottish Government

Andrea

**PROFESSOR ANDREA NOLAN CBE**

Emerita Professor,  
Edinburgh Napier University

## TERMS OF REFERENCE

### 1. Authority

The Steering Group will oversee a review of the future of Scotland's universities with a particular focus on higher education funding policy and university transformation. Group members will direct the development of associated workstreams, provide expert opinion and advice to help shape the scope of work required, and review/offer constructive challenge on key findings. Outcomes from the review will be published and reported to Scottish Ministers.

### Introduction

Universities Scotland and the Scottish Government will develop and deliver a co-designed body of work to establish an evidence base that quantifies the current funding gap within the sector, considers the future purpose of Scotland's university sector and the reforms necessary to deliver a sustainable and competitive funding and business model that allows for greater long-term flexibility of provision, and which supports institutions to thrive. This work will be taken forward within the context of a publicly funded tuition fee model.

The Steering Group is a small and collaborative group of relevant stakeholders who will provide direction, oversight, support, challenge and a decision-making function to the programme. The membership will include Scottish Government officials, Universities Scotland, staff and student union representatives and employers as members. The Steering Group will agree the detailed scope of associated workstreams and commission Project Groups to work collaboratively to deliver the programme's three 'pillars', ensuring open and transparent delivery in collaboration with the sector and interested stakeholders. The overall scope of the programme has been set out below.

### 2. Background and context

Scotland's universities are places of inspiration – providing opportunities for individuals, creating businesses, advancing common societal goals, enhancing our knowledge and understanding, driving forward economic development, and engaging internationally for the benefit of all. They are anchored in our communities, with national and international connections that span the country and the globe. The sector's success depends on a motivated and valued workforce of practitioners who empowered to deliver consistently high-quality and relevant teaching, research and innovation with national and international reach and impact. The future of our universities is intrinsically linked to Scotland's future, and something in which we all have an interest.

The challenges and opportunities facing the Scottish university sector are similar to those grappled with by other nations: increasing student needs, rising costs, increasing competition, shifting demographics, fast-paced changes in technology and industry needs, and uncertain or changing global markets.

Alongside that, the sector in Scotland faces specific challenges. A tight fiscal environment has resulted in a sustained period of underinvestment and an increasing reliance on cross-subsidy for both teaching and research. This has left the sector over-exposed to both geopolitical shocks, and the impact of policy decisions made outside of Scotland.

Against this backdrop, and with the Scottish Parliament elections in May 2026, the Scottish Government, university sector and parties across the Scottish Parliament believe this is the right time to initiate a

fundamental discussion on the future of universities and sustainable funding. This begins with an acknowledgement that this process will only be effective if it is inclusive of staff, students, and the wide range of stakeholders for whom the sector's success is vital.

The Scottish Government and Universities Scotland want to seize the opportunity to craft policies that enables agility and responsiveness to the needs of learners, the workforce, funders and investors for the next 20 years and beyond. A whole-system approach is needed – one that considers teaching, research, innovation, and other capital funding requirements, given their interconnected contribution to sustainability. Consideration will also have to be given to universities' regional, national and international roles, which reinforce one another.

Supporting Scotland's universities to a more sustainable future, ensuring they continue to deliver for the people of Scotland, and enabling their wider international impact across both teaching and research, will require a multi-disciplinary approach from stakeholders across the sector.

### **3. Purpose**

The overarching objective of the review is to build an impartial and robust evidence base:

- Which quantifies the scale of resource needed to ensure the higher education sector delivers high-quality teaching and research outputs on a sustainable basis
- Considering ways in which the sector can transform to best meet the future needs of students and the economy, enhancing effectiveness and impact.
- Reflecting global trends in higher education and best practice, to ensure that Scotland remains internationally competitive.
- Producing options for future funding arrangements for Scotland's universities, which deliver on the shared goals of:
  - greater fairness for learners, and access to free tuition;
  - future-proofed to meet the next generation of workforce and industry needs; and,
  - ensuring the sector is sustainably funded, allowing it to deliver nationally and to compete internationally.

### **4. Scope**

The programme will:

- Look holistically at the role of the sector's purpose in learning and teaching, research, innovation, business creation, knowledge exchange and international collaboration.
- Quantify funding levels relative to cost for both teaching and research.
- Seek to articulate a sustainable funding and business model that allows for greater long-term flexibility of provision, and which supports institutions to thrive.
- Enhances learner pathways across the education system.
- Consider the action necessary to enable and support forms of strategic and operational collaboration that increase sector effectiveness.
- Test new ideas against Scotland's needs in an increasingly competitive global market.
- Define its boundaries with regard to existing workstreams of relevance to the HE landscape to avoid duplication.

Policies that do not align with Scottish Minister's ongoing commitment to free tuition will not be considered, as they are judged to be out of scope.

### **5. Steering group Approach & Membership**

The Steering Group will agree a programme of work to pursue the objectives described above. It will establish Project Groups with necessary experts and other participants. The remit of the Project Groups

will be agreed by the Steering Group members. The Group will receive reports and consider recommendations from the Project Groups as appropriate.

In recognition of the public interest in this work, and in the higher education sector, the terms of reference, membership of the steering group and project groups and work programme will be published online.

The Steering Group will include one representative from staff trades unions and one for student unions. Beyond the Steering Group it is our expectation that staff and student trade union would participate throughout the totality of this project and would additionally contribute via the pillar project teams, as appropriate. Finally, to ensure transparency, build trust and opportunities for engagement, there will be a stakeholder group created in parallel to the Steering Group, which can meet as a forum to stay fully informed of progress. Working in an advisory capacity and be led by one/both of the Co-Chairs, this group would meet at scheduled intervals, as linked to the phases of the project.

The group will publish the outputs of each of the pillars in sequence and the Co-Chairs will consider whether an additional interim paper, which summarises the progress made and the findings, would be of value to stakeholders.

In recognition of the cross-party interest in the sustainable future of the higher education sector, there will be a second adjacent process to the steering group created for Scotland's political parties to both stay informed of the evidence emerging from the work and to contribute ideas to the pillars, as appropriate. This will operate in an advisory capacity and be led by one/both of the Co-Chairs.

## 6. Meetings

The Steering group will meet every six-eight weeks. Dates for meetings will be agreed well in advance, and members must make every effort to attend and contribute.

It is anticipated that Project Groups will be formed to look in detail at each of the pillars that comprise the programme. The Project Groups will be self-running and can invite people with expertise from out with group membership to contribute. Terms of reference will be developed and agreed between Scottish Government and Universities Scotland for each strand of work.

Secretariat support for the meetings will be provided by Scottish Government. Meetings will be held using Microsoft Teams.

## 7. Pillar Work Packages

Universities Scotland and Scottish Ministers have agreed to the development of a programme of work built on the following three pillars:

Pillar One	Part one: a co-developed body of baseline evidence funding levels and costs of delivery of teaching and research, Part two: A forward look at macro-trends and stakeholder engagement on the future needs and purpose of the sector, and on the issues that need tackled to enable the sector to meet future needs, including funding gaps or issues;
Pillar Two	a sector led body of work to examine ways in which (and the degree to which) funding and sustainability challenges can be addressed via differing forms and levels of efficiencies and/or re-shaping of the sector and/or its offerings, with a strong emphasis on place and interactions with other public bodies and specifically with colleges on learner pathways.

Pillar Three	a co-delivered body of work to discuss scenarios/options to address any funding or policy gaps, including via expanding routes and access to other forms of funding/finance and addressing gaps and issues identified by the current sector funding model.
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## 8. Governance

The Steering Group will be co-chaired by the Scottish Government and Universities Scotland. All findings will be reported to Universities Scotland and Scottish Government SRO's for the Programme.

## 9. Membership

1. Membership of the group aims to be representative of the Scottish university sector, as well as relevant organisations representing students, staff, and other relevant stakeholders including business/industry. Organisations or individuals may approach the Chair to be considered for membership; any decision on membership will be made by the Chair and the Group's existing members. The Chair and the other members of the group may also propose new members.
2. Members may nominate a named alternate of a similar standing in their organisation to deputise at meetings on their behalf.
3. Members/organisations not attending 3 or more consecutive meetings will be asked to step down from the group.

## 10. Structure

Stakeholder events can be held from time to time to gather views from a wider range of organisations. This may be via Teams or in person if logistics allow. A parallel communication and engagement plan will be developed to ensure broad engagement across the three pillars of this programme

## 11. Commitment from Steering Group Members

1. To attend six-8 weekly meetings (a mixture of in-person and online) and contribute to discussions.
2. To agree a programme plan, with associated delivery timescales.
3. To take forward issues identified by the group within their own organisations and with other advisory or policy groups that they sit on, and to make appropriate links and networks.
4. To assist the group as far as they are able in engaging stakeholders and facilitating the feeding of their views into the work of the group.

## 12. Timeline and Milestones

<b>Now–Winter 25/26</b>	Work under Pillar 1 (baselining [inc. Funding issues], macro trends and sector purpose) undertaken
<b>Early Spring 2026</b>	Potential Pillar 1 publication
<b>Now – Spring 2026</b>	Substantive work under Pillar 2 (Sector lead efficiency and delivery review) undertaken
<b>Summer 2026</b>	Potential Pillar 2 Publication
<b>Spring – Summer 2026</b>	Substantive work under Pillar 3 (reconciling policy and/or funding gaps/issues identified under Pillar 1 and 2)
<b>Summer- Autumn 2026 (post-election)</b>	Potential Pillar 3 Publication & final conclusions