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1 October 2026

Dear Karen,

Guidance on the establishment and operation of the apprenticeship committee

Under paragraph 12A of schedule 1 of the Further and Higher Education (Scotland) Act 2005 (inserted by the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026), the Scottish Funding Council ("the SFC") is required to establish an apprenticeship committee to support the effective delivery of its new functions in relation to apprenticeships and work-based learning. This provision also requires the Scottish Ministers to issue guidance to the SFC on the apprenticeship committees' composition, the appointment of its chair and its functions. These requirements came into force today.

Further to my letter of 17 September providing you with further information on the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026 (Commencement No. 1) Regulations 2026, I am writing to inform you that the guidance on the apprenticeship committee was issued to the SFC today. The guidance has been shaped by extensive engagement with a wide range of stakeholders including employers, apprentices and trade unions, and I am grateful to all those who took the time to contribute their views and thoughtful feedback.

I enclose a copy of the guidance for your information.

ALYN SMITH MSP
MINISTER FOR INNOVATION, TECHNOLOGY AND TERTIARY EDUCATION

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Guidance on the establishment and operation of the Apprenticeship Committee

Issued to the Scottish Further and Higher Education Funding Council by the Scottish Ministers under the paragraph 12A(6) of schedule 1 of the Further and Higher Education (Scotland) Act 2005.

1 October 2026

Introduction

The purpose of the guidance is to outline the key principles and requirements that the Scottish Further and Higher Education Funding Council must have regard to when establishing the apprenticeship committee. It is intended to support the Council in ensuring that the committee is appropriately constituted, effectively governed, and equipped to carry out its functions in line with the requirements of the Further and Higher Education (Scotland) Act 2005, as amended by the Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026.

The guidance should be used by the Council to assist it in fulfilling its duties under paragraph 12A of schedule 1 of the 2005 Act, in particular when recruiting members of the apprenticeship committee and in the exercise of its functions.

The guidance may also be of interest to employers, learners, training providers, higher and further education institutions and local authorities.

Definitions

Apprenticeships
The 2005 Act contains a single definition of Scottish apprenticeship which is capable of encompassing existing modern and graduate apprenticeships. The definition of a Scottish apprenticeship is set out in section 12E of the 2005 Act as an arrangement where:

a) an apprentice works for a person ("the employer") for reward in an occupation or activity included in a Scottish apprenticeship framework,

b) the apprentice receives training to meet the relevant requirements specified in a Scottish apprenticeship framework,

c) there is an apprenticeship agreement in place between the apprentice and the employer and any training provider involved in the delivery of the apprenticeship, and

d) any other criteria set out in regulations made by the Scottish Ministers are satisfied.

References to "Scottish apprenticeships" or "apprenticeships" in this guidance are to be interpreted as including both modern and graduate apprenticeships. In exercising its functions, the Council must have regard to both types of apprenticeships on an equal basis.

Work-based learning
Work-based learning is defined at section 12I of the 2005 Act. It means education and training received by an individual in a working or educational environment in which work-based activities are undertaken by the individual and under a work-based learning agreement. There is no requirement that an individual is paid, unlike an apprentice.

A "work-based learning agreement" means an agreement which sets out the educational and vocational standards to be met by an individual and provides for the individual to receive education and training in order to meet those standards.

All provision that is currently delivered through foundation apprenticeships will be delivered under work-based learning powers. There will be no changes to the scope of activities on 1 April 2027. This means that any references to work-based learning in the guidance document should also be understood to mean foundation apprenticeships.

The Council
In this guidance, references to the Council (as set out in the 2005 Act) includes members of the Council itself, more commonly known as the Scottish Funding Council Board, and staff.

Guidance to the Scottish Funding Council on the apprenticeship committee

1. This guidance is issued by the Scottish Ministers to the Scottish Further and Higher Education Funding Council ("the Council") under the paragraph 12A(6) of schedule 1 of the Further and Higher Education (Scotland) Act 2005 ("the 2005 Act"). The Council is to have regard to this guidance in respect of:

    - the composition of the apprenticeship committee,
    - appointment of the chair of the committee, and
    - the functions of the committee.

2. The apprenticeship committee should support the Council in the exercise of its functions relating to apprenticeships and work-based learning. It should operate as a key advisory and oversight body within the Council governance framework, helping to shape policy, inform funding priorities, and ensure that apprenticeship provision and work-based learning meets the needs of learners and the wider economy.

Section A – Composition of the committee

3. It is essential that the apprenticeship committee is comprised of members who bring an appropriate balance of skills, knowledge, and experience to support the effective discharge of its functions on apprenticeships and work-based learning.

4. Paragraph 12A(4) of schedule 1 the 2005 Act requires the Council, when appointing members to the apprenticeship committee, to have regard to the desirability of including persons who:

    - are apprentices or appear to the Council to be representative of apprentices,
    - appear to the Council to be representative of businesses, including small and rural businesses, with an interest in apprenticeships,
    - are employers of apprentices or appear to the Council to be representative of such employers,
    - appear to the Council to be representative of the post-16 education bodies,
    - are training providers (within the meaning given by section 12J(3) of the 2005 Act) or appear to the Council to be representative of training providers,

- are representative of trade unions (within the meaning given by section 1 of the Trade Union and Labour Relations (Consolidation) Act 1992) which appear to the Council to be representative of the interests of apprentices.

5. Paragraph 12A(5) of schedule 1 of the 2005 Act requires the Council, when appointing members of the apprenticeship committee, to consult and consider views of key stakeholders such as apprentices and their employers (as well as other parties that the Council determines to be relevant). Therefore, the Council must consult with the below persons in appointing members of the apprenticeship committee:

    - persons who appear to the Council to be representative of apprentices,
    - persons who appear to the Council to be representative of employers of apprentices,
    - such other persons as the Council considers appropriate.

Skills and experience

6. The Council must ensure that the membership of the committee reflects the full range of its responsibilities relating to apprenticeships and work-based learning.

7. The Council should consider achieving an appropriate balance of competencies and expertise, as well as reflecting the diversity of Scotland's population and labour market. This will help ensure that the apprenticeship committee's advice is representative, credible, and aligned with the needs of learners, employers, and the wider economy.

8. The Council should, therefore, appoint members with appropriate knowledge, experience and expertise in the following areas:

    - the existing apprenticeship and work-based learning landscape and policy environment, including employability support and skills development pathways;
    - the delivery and management of apprenticeship and work-based learning programmes, including the financial considerations associated with their delivery;
    - workforce planning and regional and local skills needs, including any cross-border considerations;
    - relevant industry or sectoral experience;
    - the tertiary education and training system;
    - the design or delivery of vocational qualifications;
    - quality assurance and standards relating to apprenticeship provision;

- best practice in apprenticeship delivery, including from other countries;
- the diversity of experience of apprentices and learners;
- advancing equality, diversity and inclusion; and
- the ability to think creatively and contribute to innovative approaches to apprenticeship development.

Membership

9. The membership of the apprenticeship committee should be capable of evolving over time to reflect changes in apprenticeship delivery and emerging priorities. Given the dynamic nature of skills needs in Scotland, the Council should ensure that employer voice remains central to the apprenticeship committee, so that apprenticeships and work-based learning are aligned with current and future labour market demands. The Scottish Ministers expect at least 50% of the committee membership to comprise employers with experience of employing apprentices or providing work experience or placements to work-based learners, as well as employer representatives.

10. The Council should recognise the important role of apprentices and work-based learners, ensuring that their interests and experiences are fully considered within the committee's work. Their perspectives should be meaningfully captured to help ensure that provision remains responsive, relevant, and learner-focused. The Council should consider putting in place infrastructure and resources to enable apprentices and work-based learners to participate successfully in the committee.

11. The Scottish Ministers expect that, at minimum, the membership of the committee will include the following:

    - a chair who meets the requirements set out in **Section B**;
    - representatives of apprenticeship providers including:
        - one college representative;
        - one university representative, and
        - the Scottish Training Federation (representing other training providers).
    - two members of the Council who are also employers;
    - one or more employers drawn from the Scottish Government's strategic skills priority sectors, ensuring the committee membership comprises a mix of large, medium-sized, small and micro employers;

- two representatives from industry bodies, such as members of the Scottish Government's Industry Leadership Groups, sector skills councils or trade bodies;

- at least three apprentices or learners offering a broad perspective on apprenticeships and work-based learning;

- a trade union representative from the Scottish Trades Union Congress; and

- a Developing the Young Workforce representative.

12. The Council should also consider appropriate representation on the apprenticeship committee from one or more other education and training bodies, such as Education Scotland, Skills Development Scotland and awarding bodies, including Qualifications Scotland, in a capacity appropriate to the apprenticeship committee's remit.

13. It is likely that some appointed individuals will meet multiple membership criteria and posses knowledge, experience and skills across several areas identified above. The Council should, therefore, take a flexible approach to appointing members to the committee. For example, a member appointed to represent employers could be drawn from a local authority who are significant employers of apprentices and work-based learners. The Council should ensure that the views of local authorities are taken into account through committee membership or other engagement, as it sees fit.

14. Similarly, the Council should consider how perspectives of charities, social enterprises and other third sector organisations are reflected in the committee's work. These organisations offer distinct insights, particularly in relation to inclusion, widening access and supporting participation by under-represented groups.

15. The Council is expected to appoint members for the expertise, insight and experience they will bring to discussions and to make it clear in their terms and conditions of appointment that they should refrain from narrowly representing their own interests or that of their particular organisation. The Council is expected to appoint members who will draw on their knowledge and experience to support balanced, objective and collective decisions.

16. The Council is to ensure that, where appropriate, Scottish Government officials with responsibility for apprenticeship policy are invited to apprenticeship committee meetings to observe as non-members.

Size of the committee

17. Taking account of the membership outlined above, the need to ensure appropriate representation of skills and experience, and the importance of maintaining manageable meetings, the Council should consider keeping the

apprenticeship committee membership to no less than 10 and no more than 20 members.

18. Where specific expertise is required to inform particular issues or pieces of work, the Council should consider inviting non-members to attend meetings or contribute to the committee's work.

Recruitment and appointment of members

19. The Council should adhere to its Standing Orders, standard processes and governance protocols when recruiting and appointing members to the committee, in compliance with the 2005 Act and having regard to this guidance.

Section B – Chair of the committee

20. Under paragraph 12A(3) of schedule 1 the 2005 Act, the Council is to appoint one of its members to chair the apprenticeship committee.

21. The chair appointed should be a current or recent employer and have a strong track record of representing the views and interests of employers. This reflects the importance of ensuring that the committee fully considers and responds to employer needs.

22. The chair should provide strategic leadership to the committee and be capable of balancing a range of perspectives. They should have a strong understanding of the skills landscape and the apprenticeship and work-based learning system.

23. The Scottish Ministers expect that the chair will be experienced in facilitating effective discussions, so that apprenticeship committee meetings are conducted effectively and all committee members have the opportunity to contribute.

Section C – Functions of the committee

24. The apprenticeship committee's role is to provide advice to the Council on matters concerning apprenticeships and work-based learning. In doing so, it should help ensure that apprenticeships and work-based learning provision remains responsive to labour market and economic needs, while meeting the needs of learners and employers. It should also provide constructive challenge on policy development and funding priorities, and monitor the effectiveness of apprenticeship and work-based learning provision.

25. Whilst the apprenticeship committee is a standalone committee of the SFC, it should operate alongside and complement the skills committee, which the Council is required to establish under paragraph 11(1) of schedule 1 to the 2005 Act. Clear lines of accountability and communication must be maintained to support coherent, joined-up decision making across the SFC.

26. The Scottish Ministers expect the apprenticeship committee to advise and support the Council in carrying out its functions. In doing so, the committee is expected to:

    a) Provide insight and constructive challenge to support the Council's role in securing and funding apprenticeships and work-based learning, in line with Scottish Government priorities.

    b) Advise the Council on how apprenticeships and work-based learning can remain responsive to the needs of learners, employers, and the wider economy, including current and emerging skills demands. The committee should consider how best to maximise value and impact for learners, employers, the wider economy and the public purse.

    c) Provide advice and gather evidence to inform the Council's consideration of the scale, shape and prioritisation of apprenticeship and work-based learning across Scotland and by region and sector.

    d) Provide advice on the development, quality and continuous improvement of apprenticeship frameworks, including the required standards or qualifications to be achieved by apprentices during an apprenticeship.

    e) Draw on sectoral expertise and employer insight, and to share industry intelligence and examples of good practice to identify opportunities to strengthen and improve the apprenticeship and work-based learning system. The committee should have regard to a broad range of evidence and considerations, including employer and learner experience, labour market intelligence, equalities, and sustainability. This will help to ensure that apprenticeship provision is inclusive and forward looking.

    f) Support the Council in taking a holistic approach across apprenticeships and work-based learning provision to help ensure a more coherent and connected skills system. This should include consideration of the alignment between different pathways with a view of simplifying and removing duplication across tertiary education and training pathways, and promoting parity of esteem for learners. This integrated approach will support greater clarity for employers and learners, and contribute to a skills system that is flexible, responsive, and inclusive.

    g) Consider evidence on outcomes relating to apprenticeships and work-based learning including completion rates and barriers to access and participation. The committee should provide advice to support the Council's understanding of trends, emerging risks and opportunities for improvement across the wider tertiary education and skills system. This should include consideration of implications for future funding priorities.

27. Paragraph 15 of schedule 1 of the 2005 Act enables the Council to delegate functions to its committees, including the apprenticeship committee. The Council may wish to consider whether delegating any functions would support the effective delivery of its responsibilities. In accordance with the 2005 Act, whether

or not functions are delegated, the Council retains overall responsibility for the exercise of the functions.

Subcommittees

28. Apprenticeship frameworks and approval processes are essential to effective apprenticeship delivery. The development, approval and ongoing reviewing of these frameworks are key functions in maintaining an effective apprenticeship system.

29. Given the significant operational activity required to develop and maintain apprenticeship frameworks, the Council is encouraged to consider establishing subcommittees to support the apprenticeship committee in carrying out its functions. The Council should ensure that the voices of employers, apprentices, learners and training providers are effectively heard on the work of any subcommittees.

30. The roles and functions of the subcommittees are matters for the Council to determine. These could include subcommittees that support the development, review and maintenance of apprenticeship frameworks. Where such subcommittees are established, the Scottish Minsters would expect them to include the technical expertise necessary to support those functions.

31. For example, subcommittees could be:

    a) responsible for the development, review, and ongoing refinement of apprenticeship frameworks, standards, and quality approaches. Activities might include:

        - considering progress in the development, design and updating of apprenticeship frameworks by SFC staff, ensuring consistency and alignment with employer needs, reporting to the apprenticeship committee on opportunities and risks;

        - considering external quality assurance arrangements in line with the relevant quality framework;

        - drawing on sectoral expertise and industry intelligence to identify opportunities for improvement and innovation;

        - ensuring frameworks support equality, diversity, fair work, and sustainability objectives;

        - coordinating forward planning for framework development and updates; and

        - advising the apprenticeship committee on areas for improvement to maximise the quality, impact, performance and outcomes of apprenticeships and work-based learning and their contribution to the economy.

b) responsible for the formal evaluation and approval of new or amended apprenticeship frameworks and associated qualifications and standards and the ratification of the revocation of apprenticeship frameworks. Activities might include:

- reviewing apprenticeship proposals against agreed approval criteria and guidance and, where appropriate, approve frameworks, ensuring alignment with Scottish Government policy and industry requirements;
- considering the operation and effectiveness of quality assurance across the approval process;
- considering compliance with equality, fair work, and sustainability expectations;
- working closely with the other subcommittee to ensure alignment between framework development and approval processes; and
- providing assurance and make recommendations to the apprenticeship committee on approvals and related processes.

32. Clear arrangements must be in place to define the roles and responsibilities of any subcommittees and their relationship to the apprenticeship committee.