From Lisa Bird, Chief Executive

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Neil Bibby MSP, Convenor
Public Audit Committee
Scottish Parliament

15 October 2026

Dear Convenor,

Post-School Education and Skills Reform

Thank you for the opportunity for the Student Awards Agency Scotland (SAAS) to provide a written submission to the Committee, following Audit Scotland's report on the Post-School Education and Skills Reform programme.

Post-School Education and Skills Reform – New role for SAAS

I am pleased to confirm that SAAS successfully assumed responsibility for the administration of Further Education Student Support (FESS), including the college elements of Education Maintenance Allowance (EMA), on 1 August 2026.

This ended a period of transition of responsibilities from the Scottish Funding Council (SFC) which began in March 2026. Legislation was not required hence enabling us to proceed at pace. This transfer was the first element of the Post-School Education and Skills Reform (PSESR) Programme's Simplification Project to go live and was delivered successfully on time and within scope. It was also a Programme for Government (2025-2026) commitment and meets Ministerial ambitions to deliver a simplified post-school funding body landscape and consolidate all student support funding within SAAS.

This additional responsibility for FESS is therefore a welcome addition to the operating model and remit of SAAS.

The Project Parameters

As you will be aware, in June 2025, Scottish Ministers agreed that the parameters of the FESS transfer would be 'lift and shift', with assurance given to the sector that there would be no significant policy or funding allocation changes for AY2026/27. As the delivery model of FESS was out of scope for the transfer, the role of colleges remains the same, with students continuing to apply directly to colleges for their funding.

On 1 August, SAAS therefore took on responsibility for all functions previously undertaken by the SFC in relation to FESS, including the allocation and payment of funds to colleges and the provision of student support guidance. The student support elements within scope encompassed Further Education (FE) Bursaries, FE Discretionary Funds, College Childcare Funds and EMA.

Joint Working with the SFC

SAAS and the SFC worked collaboratively from the outset to ensure the project was delivered in scope and to agreed timescales. Ensuring there was no negative impact on college operations, college staff and students was a critical success factor in this work. Early in the transfer process, the SFC hosted a range of workshops to share knowledge and best practice for FESS related processes with SAAS.

In May 2025, a Steering Group was established to oversee and coordinate delivery. This was chaired by SAAS, with attendance from SAAS, the SFC and Scottish Government (SG). The group provided a valuable forum for constructive engagement between organisations, enabling the identification and management of potential impacts and the timely resolution of issues throughout the transition period. It also provided an effective forum for managing risk, actions and emerging dependencies, with good representation from across SAAS, the SG and the SFC throughout.

This collaborative approach continues following the successful transfer and will support the ongoing delivery of FESS and EMA as part of SAAS's operational remit.

Development of Operational Frameworks

Ensuring the transfer was appropriately resourced across key business areas was critical to successful delivery. SAAS adopted a project management approach and established a dedicated cross-cutting team to coordinate activity across workstreams, manage interdependencies, and align policy and finance functions to support the delivery of key project objectives. Ahead of the transfer, we worked with SG colleagues to agree entity arrangements for student support payments and ensure the necessary system capabilities were in place to administer payments. This included end-to-end payment testing prior to go-live.

Project activity also included scenario planning for different project outcomes and communication requirements.

Following the successful transfer, FESS functions are now being incorporated into the wider SAAS Policy and Finance teams as part of our core delivery.

Accountable Officer (AO) Arrangements

In June 2026, the SG determined that the AO authority would be retained within SG, noting that the transfer could proceed as an administrative transfer alone, without SAAS becoming accountable for the associated spend. As a result, SAAS administers FESS on behalf of the SG. We have worked with the SG to agree roles and responsibilities and to ensure that future supporting governance correctly reflects that arrangement. Strategic decisions on budget and the future delivery model remain the responsibility of the SG. We will continue to work with the SG, including on in-year redistribution arrangements, future funding and any AO requirements.

Engagement with Trade Unions

During the life of the project, SAAS met with the PCS Trade Union on a monthly basis to provide updates on progress and address any concerns. The schedule of meetings complemented the Steering Group meetings to enable timely engagement. Although some staff were in scope to transfer under COSOP from the SFC to SAAS, none chose to do so. Regular updates to internal staff ensured transparency and maintained awareness of project progress throughout the transfer. Where appropriate, SAAS staff communications were shared with PCS in advance. To date, Trade Unions have not raised any critical concerns regarding this work.

Separate from SAAS Trade Union engagement, the SG invited public sector unions including PCS, Unite and Unison to attend the Simplification Project Board meetings starting in December 2025.

Engagement with Colleges Pre and Post Transfer

SAAS implemented a robust communication and engagement plan and liaised extensively with colleges ahead of the August deadline, working closely with the SFC and SG. This engagement enabled us to provide reassurance in relation to any concerns and explain the continued role of colleges post transfer. We also ensured that SAAS published the indicative and final budget at the same time as the SFC published the wider college operational allocations. This provided further reassurance to the sector of the close working between SAAS and the SFC. Policy guidance was published on the Student Information Scotland website in June 2026 which aligned with timings from previous years.

SAAS attended both the Further Education Student Support Advisory Group (FESSAG) and Student Funding Community of Practice (COP), using these forums to build relationships with the sector. Following the transfer, we have continued discussions with colleges to inform future engagement and support effective partnership working.

Parliamentary and Stakeholder Handling on 1 August

To mark the administrative transfer, the Cabinet Secretary for Education, Culture and Gaelic wrote to the Convenor of the Education and Gaelic Committee on 3 August to confirm that all functions for FESS had fully transferred, supporting ministerial commitments to deliver a simplified post-school education and skills funding body landscape.

As Chief Executive, I also wrote to sector leaders on 3 August to confirm the transfer and to convey our commitment to further build relationships.

Post Transfer Benefit Realisation

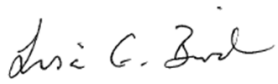
Following the transfer, SAAS continues to engage directly with colleges as we work through our transfer project closure, which is informing our work on ‘benefits realisation’. Feedback from colleges has been very positive confirming their perspective that the transfer was delivered successfully and with minimal disruption.

We are also evaluating success against the objectives, deliverables, expected benefits and key milestones defined in the Simplification Outline Business Case. The benefit of

the transfer is clear in relation to the simplification of operational responsibility across the post-school funding body landscape and the benefits to learners in consolidating all student support within SAAS. Outcomes in relation to reduced costs and increased efficiencies across the system and improved availability and quality, cannot be fully realised at this early stage. Our progress to date does however ensure we have a strong foundation in place to support these longer-term service improvements.

Meanwhile, SAAS continues to work closely with SG, the SFC and wider sector. We remain fully committed to supporting Scotland's learners and to playing our part in delivering on the Government's ambitions for an inclusive, prosperous, and sustainable future.

Yours sincerely,



Lisa E. Bird
Chief Executive