Official Report
Aithisg Oifigeil

DRAFT

Public Audit Committee

Comataidh an Sgrùdaidh Phoblaich

Thursday 17 September 2026

Session 7

The Scottish Parliament
Pàrlamaid na h-Alba

Thursday 17 September 2026

CONTENTS

PUBLIC AUDIT COMMITTEE
4th Meeting 2026, Session 7

CONVENER

*Neil Bibby (West Scotland) (Lab)

DEPUTY CONVENER

*Dawn Black (Angus North and Mearns) (SNP)

COMMITTEE MEMBERS

*Miles Briggs (Edinburgh and Lothians East) (Con)
*Alan Brown (Kilmarnock and Irvine Valley) (SNP)
*David Kirkwood (South Scotland) (Reform)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Stephen Boyle (Auditor General for Scotland)
Alison Cumming (Audit Scotland)
Claire Tennyson (Audit Scotland)

LOCATION

The David Livingstone Room (CR6)

Scottish Parliament

Public Audit Committee

Thursday 17 September 2026

[The Convener opened the meeting at 09:30]

Decision on Taking Business in Private

The Convener (Neil Bibby): Good morning. I welcome everyone to the fourth meeting in session 7 of the Public Audit Committee.

Under agenda item 1, do members agree to take items 4 and 5 in private?

Members *indicated agreement*.

"Management of the ScotWind leasing round"

09:30

The Convener: Under agenda item 2, we will hear from the Auditor General for Scotland on his report entitled "Management of the ScotWind leasing round", which was published earlier this morning. This is prior to our evidence session on the report, which is scheduled to take place on 1 October. I invite the Auditor General to say a few words about his new report.

Stephen Boyle (Auditor General for Scotland): Good morning. As the convener mentioned, Audit Scotland published its report on the management of the ScotWind leasing round this morning. There were two main aspects to the audit that we undertook. One was to look at the arrangements that the Scottish Government and Crown Estate Scotland had in place for the award of offshore leasing and, in effect, the use of wind farms on the seabed. We also looked at the arrangements that have been in place since the best part of three quarters of a billion pounds of public money was secured from the leases, and how that money has been used.

In terms of the leasing arrangements, our report found, at a high level, that the Scottish Government and Crown Estate Scotland adopted a longer-term approach that offers the potential for higher rewards but also carries higher risks, as arrangements with developers that hold options to develop the seabed for offshore wind farms are still progressing. We have not yet drawn a value-for-money conclusion and, as we said in the report, it will be a number of years, subject to the sites being fully developed and connected to the grid, before it becomes clear whether that longer-term approach to site development was appropriate. It is very clear that, from the outset, the Scottish Government and Crown Estate Scotland intended this to be a long-term investment in a new industry, with the associated supply-chain benefits. A value-for-money judgment will be one for the years ahead.

The second part of the report explored the use of the moneys. At a high level, there needs to be more transparency about how they are being used. We note that there have been plans for some ScotWind moneys to be used at different points over a number of budget years since the conclusion of the leasing round, but it is only in one financial year that any money has been used. In several years, it had been intended to be used to support the delivery of financial balance for the Scottish Government's spending plans, but then those plans were changed.

Alongside that, it is important that there is clarity about the intended use of the ScotWind moneys. Initially, it was suggested that they were to support climate and environmental issues but, in the one year when they were used, there were more general applications.

Those are the two main themes of the report: the use of the money and the arrangements for awarding leases to developers. As you know, convener, we very much look forward to engaging with the committee on the report in a couple of weeks' time.

The Convener: Thank you very much for your report on ScotWind, which you published this morning, and for speaking to it at this meeting. The Minister for Europe, External Affairs and Energy has reportedly said that the report vindicates the Scottish Government's approach. However, it is important to put on the record that, as you have said, whether the ScotWind approach to leasing represents value for money will become clear only once it is known how many sites have been developed.

You have, rightly, made clear the calls for transparency and how money raised by the ScotWind leasing round has been and will be spent. I have no doubt that I and other committee members will want to explore issues such as the lack of clarity on whether the £96 million that has already been drawn down by the Scottish Government has been used as intended to support the transition to net zero; the lack of clarity on what the Scottish Government will do with the further £507 million that it intends to draw down by 2031; the extent to which the money has been used to invest as intended versus filling budget gaps; and plans for the establishment of a Scottish wealth fund.

As you have said, this is the public's money. The public will want to know that the approach is generating as much money as possible; they will also want to know what tangible difference the money will make to their lives. We look forward to hearing from you fully on that on 1 October.

"Post-school education and skills reform"

09:35

The Convener: Agenda item 3 is on post-school education and skills reform. I welcome our witnesses: Stephen Boyle, the Auditor General for Scotland; and, from Audit Scotland, Alison Cumming, executive director, and Claire Tennyson, audit manager. I invite the Auditor General to make a short opening statement.

Stephen Boyle: Thank you, convener. I am pleased to present our audit of the Scottish Government's post-school education and skills reform programme. The report was published on 25 June.

Scotland's post-school education and skills system is complex and, in places, under pressure. It faces fragmented funding, changing economic and technological needs, financial sustainability concerns, rising institutional costs and, in places, fewer international students. The reform programme was intended to create a more streamlined, responsive and sustainable system. There are five main strands to it: simplification of the funding body landscape; strengthening skills planning; reforming the apprenticeship model; reviewing post-school qualifications; and improving careers support.

The audit looks at whether the Scottish Government and its partners are set up to deliver the programme and what early progress has been made. There has been some early progress. The Tertiary Education and Training (Funding and Governance) (Scotland) Act 2026 received royal assent in March. It is intended to simplify the funding landscape for learners, employers and institutions, but it is perhaps too early to judge whether it will succeed.

Progress across the other programme projects has been slower. The programme still lacks a clear delivery plan and the Government does not yet know the cost of delivering each part of the project. We found weaknesses in planning, resourcing, governance, stakeholder engagement and monitoring arrangements. Together, those create significant risks to the successful delivery of the programme.

I am joined this morning by Alison Cumming, who oversaw the audit, and Claire Tennyson, who is one of the report's authors. The three of us are very much looking forward to answering the committee's questions.

Miles Briggs (Edinburgh and Lothians East) (Con): I will start with a broad question. Ministers often state that progress is being made on positive destinations. Some of the Government's recent press releases say that, year on year, it is matching positive destinations, which can include quite a broad range of destinations for young people such as further education, training, employment, voluntary work and activity agreements. What audit has been done on the value of those positive destinations, and specifically on voluntary work and activity agreements? Are those being used more so that a box can be ticked to say that a positive destination has been achieved? Will they deliver skills for individuals to get into work and further training?

Stephen Boyle: You have raised an important point, but the extent to which we covered that in the report might mean that I am not able to give you the detailed answer that you are looking for. In a moment, I will turn to colleagues to say a bit more about the scope of the report and the detail that we have.

The extent to which positive destination rates are holding up will be with the committee next week, when we will give you evidence on our overview of further education colleges. We talk about positive destinations in that report.

I do not want to go into too much detail on that report, but, inevitably, there is some flow-through from the report that the committee is considering today. Our colleges report talks about how positive destinations are holding up, even in a sector that is under pressure.

You are right that the term "positive destinations" covers a fairly broad spectrum of outcomes for people on leaving full-time education. We do not have the detail of the trend analysis on activity agreements relative to other aspects, but we can certainly look at our records and get back to the committee.

I will pause there to see whether Alison Cumming or Claire Tennyson has any further insight to share with you.

Alison Cumming (Audit Scotland): As the Auditor General said, in "Post-school education and skills reform", we did not look specifically at the outcomes for individual learners. We focused on how well the Scottish Government and its delivery partners, including the Scottish Funding Council and Skills Development Scotland, have set themselves up to deliver the reforms. The objectives and outcomes of those reforms have been established very much with learners, employers and industry in mind. We also looked at the progress that has been made in delivering the reforms since the programme was launched.

I am happy to take further questions, unless Claire Tennyson has anything to add.

Claire Tennyson (Audit Scotland): No, I have nothing to add.

Miles Briggs: It is sometimes difficult to get a breakdown of what the various destinations are, how many young people have gone into each of them and what additional support they might need to get into training or on to a skills pathway. I do not see one hour of volunteering a day or a week as necessarily being a positive destination. We want to ensure that young people are on a proper pathway into further education.

I will return to questions that I asked in the Education, Children and Young People Committee about the apprenticeship levy when the Tertiary Education and Training (Funding and Governance) (Scotland) Bill was going through Parliament. Some of the coverage at the time was about the £171 million of Barnett consequential funding that the Scottish Government received from the apprenticeship levy that could not be tracked as having been put into apprenticeship delivery. Have you done any work on that money and where it has gone, and on the impact of its not having been spent on apprenticeships in Scotland?

Stephen Boyle: I will bring in colleagues in a moment. As Alison Cumming noted, in part 3 of the report, we make an assessment of the initial progress that has been made on reform. My colleagues will be able to say a bit more about whether we have the detail on the application of the apprenticeship levy and so forth.

As Mr Briggs will know from his time on the Education, Children and Young People Committee, the reform of the apprenticeship model was partly about reducing the complexity that people experience on leaving full-time education and reforming how bodies work with one another and the respective roles and responsibilities of the different organisations. We make general reference to the fact that there is still some way to go in providing clarity to young people on the roles and responsibilities of the different bodies.

For example, in paragraph 86, we set out that the work on the review of modern apprenticeships is on track but that, although the work to develop the proposals for the foundation apprenticeships is under way, it is not yet on track to be completed in phase 1 of the three phases of the reform activities.

In respect of the role of the Scottish Funding Council as it relates to apprenticeships, Mr Briggs will be familiar with the intention of the Tertiary Education and Training (Funding and

Governance) (Scotland) Act 2026 for those arrangements to be in place by 2027.

Therefore, there is something of a mixed picture when it comes to progress on reform.

The role that graduate apprenticeships will play is also noted in the report, and there is work to do in that regard for the Scottish Government and employers. The Scottish Government made it clear to us that it did not yet have the buy-in that it needed and expected from employers in relation to graduate apprenticeships.

There is work to be done. I can bring in colleagues if they have the detail on the application of the apprenticeship levy. What we have done in the report is evaluate progress. There are gaps, as the committee will see from reading the report. We make recommendations, but it will be for the Government and its partner bodies to share with the committee, should it decide to take evidence from them, details about their response and the next steps that they expect.

09:45

Claire Tennyson: I go back to our findings on apprenticeship reform, which is one of the five projects that are less developed in terms of the milestones that were set out by the Scottish Government. We never looked at the apprenticeship levy specifically. However, in our section on governance and risk management in part 2, we highlight that the Scottish Government, in its risk management approach, has not adequately considered interdependencies with other key factors, such as the apprenticeship levy. The United Kingdom Government funding for that provides an example of the need to consider those wider factors.

Miles Briggs: I am playing devil's advocate, because I lodged amendments about the issue during the passage of the Tertiary Education and Training (Funding and Governance) (Scotland) Bill, but would it be useful to be able to track that money? It is money that employers in Scotland contribute in order to fund apprenticeships—that is what the levy was set up for. There is no tracking of the money, and the Scottish Government can divert it without even publishing a figure. As an auditor, do you think that it would be useful to make that clear, so that everyone can see how much money has been raised and where it has been spent, instead of it just being put into a pot?

Stephen Boyle: There are two parts to that answer. As a general rule, public money should be spent properly and wisely, there should be clear audit trails associated with it and there should be appropriate accountability to individual public bodies and, ultimately, to the Parliament.

The slight caveat to that answer is the application of Barnett consequentials directly into the Scottish budget, because, as you know, it does not necessarily follow that the consequentials translate directly into an aligned spending programme that the Scottish Government chooses to follow.

However, that does not detract from the high-level point. For the budget act, its implementation and the allocation to public bodies, there needs to be effective data—tracking, monitoring and reporting—so that there is transparency to the Parliament, the public and the users of the parts of public services that the public money supports.

If time allows, I will bring in Alison Cumming to add something about tracking, monitoring and the use of public money.

Alison Cumming: As members know, we have not looked specifically at that, but we want clarity and for the Parliament to have the ability to hold the Government to account for the decisions that it has taken. We want to track over time the value-for-money implications of the reforms that are being outlined in the programme to improve the value of the apprenticeships system in Scotland.

That is for those going through apprenticeships but, as Miles Briggs said, a really important consideration for employers is ensuring that decisions are taken to invest in the apprenticeship opportunities that provide the value back to the economy and to employers. We are keen to look at that longitudinal outcome impact over time.

It remains to be seen how some of the 2026 act's provisions will be implemented to increase transparency through the funding strategy, for example, and through other elements. We have not been able to reach judgments on that, but our expectations are very clear in terms of what we expect to see from Government, in all areas of public spending and policy, and specifically for apprenticeships.

Miles Briggs: Auditor General, in your opening statement, you pinpointed the lack of progress on being able to track projects and the lack of clarity on milestones for some of the planned activity. The fact that the 2026 act is quite new on the statute book might be why you have not been able to see progress, but will you outline your specific concerns about that, especially in relation to apprenticeships, the improvement of career support, and post-school qualifications? Is your concern that the responsibility for delivering that has moved from SDS to the Scottish Funding Council, or are there wider concerns about delivery?

Stephen Boyle: We are making a wider assessment of the delivery of post-school education and skills reforms. We are not commenting on which public body is responsible for the delivery of different aspects of the system. That is very much a policy matter for the Government; it is not a matter for us, as auditors.

Instead, our work considers how well the policy is being implemented. As you alluded to, our audit shows gaps between the Government's intentions and its ability to deliver clear plans and make the progress that it wants on education and skills reforms.

As I highlighted in my opening remarks, there has been new legislation: the Tertiary Education and Training (Funding and Governance) (Scotland) Bill received royal assent in March this year. That is welcome and a sign of progress, but, as parliamentarians, you will know that passing legislation does not automatically mean that that legislation's ambitions will follow. Legislation must be underpinned by effective project management and implementation.

I am happy to go into the detail if the committee wishes. As we set out in our report, there are gaps in relation to governance arrangements, risk management and the resources to deliver the programme—fairly fundamental issues. At a high level, our concerns are about the need for a clear implementation plan when changing policy, rather than about there being fundamental issues or flaws with the policy intentions.

Miles Briggs: I was struck by this sentence in your report:

> "The areas of work currently lack measurable outputs."

That is unacceptable, given that the 2026 act pointed towards how the redesign would take place. Can you expand on that? That sentence could cover all sins. It is important that people who read your report jump to it and ensure that such outputs are embedded so that we do not see a void in the delivery of apprenticeships. That could have hugely negative impacts on many people in this country and reduce the delivery of apprenticeships. The Government has not met its target to deliver 30,000 apprenticeships—I think that it delivered 25,000. Could you expand on what you expect such outputs to look like?

Stephen Boyle: Before I bring in Alison Cumming and Claire Tennyson, who will both want to contribute, I refer the committee to exhibit 2, on page 12 of our report, which sets out the intended phases of the programme's implementation. Phase 2 is clearly about providing clarity and improving outcomes, and phase 3 is the delivery phase. However, our audit work has shown that there is no clarity about what is intended, as you said, nor is there clarity about how progress will be tracked, monitored and measured.

We are talking about a large, complex public service reform programme, and there will no doubt need to be iteration. Having the right level of data to understand how a programme is being implemented is one of the fundamental building blocks, but we did not see enough evidence that the programme's intentions had, following the 2026 act, been mapped to data and outcomes in order to support programme delivery. Alison Cumming might want to talk a bit about that, and I will pass over to her next.

As I mentioned in my opening remarks, we published the report in June, and it is a live project iteration. We have since had engagement with the Scottish Government, so we can update the committee on recent developments that have followed the publication of the report.

Alison Cumming: A couple of pages further on in the report, exhibit 3 reproduces the vision map that the Scottish Government produced at the start of 2025 for the programme. That vision map articulates outcomes and benefits, but we have not yet seen the Scottish Government take things to the next stage by quantifying those outcomes and benefits. We know that work is under way to develop an approach to measurement and that the Scottish Government is planning to complete that by the end of 2026.

We consider that, to deliver an effective programme and support decision making within it, it would be helpful to have a guide on what the measurable benefits will be, and, as Stephen Boyle said, that would support our being able to understand what impact those programmes have had down the line.

We recognise that the Scottish Government has taken the first step, but we now need to see an acceleration in the development of that measurement approach, which will also enable Parliament, in due course, to hold Government to account for what has been delivered.

Miles Briggs: Thank you. I might come in again later on, convener.

The Convener: A critical issue here is that there are gaps between intentions and outcomes. However, the recommendation that really sticks out for me is that the Scottish Government needs to

> "clearly define the intended outcomes for partner organisations, learners and industry and how they align with wider government objectives, to secure understanding and support for reform".

It begs the question: if we are not clear about the intended outcomes, what is the point in reform? Also, how can the committee hold the Government to account when it is not clear what the intended outcomes are?

Stephen Boyle: I completely agree, convener. You will see that, within our recommendations, we include timescales and recommendations for other organisations. That recommendation to the Scottish Government is for it to work with its partners. The Scottish Government has moved towards taking a lead in the implementation of post-school education and skills reforms, but that recommendation is fundamental in relation to its plans to successfully deliver those reforms. It needs to know whether it is on track and what recalibrations may be necessary during the delivery of the programme, and it needs to bring people with it.

A number of public sector bodies will have roles and responsibilities in this, and they all need to be clear about how to play their part. Learners also need clarity about what skills, opportunities and training they can access. The third key component is employers, who, similarly, need a clear, consistent understanding of what role they will play and what the expectations are. There needs to be communication.

I think that it is fair, convener, that you highlight that recommendation. Although we do not rank our recommendations, it is an important one for supporting more successful delivery of this project.

The Convener: You have rightly said that we have to remember the learners and the employers. If the main purpose of the reform is to create a simpler, more responsive system that meets the needs of learners and employers, we need to know what the concrete benefits will be for both. As things stand, are you able to say what the anticipated benefits will be for both, or do we need to wait until the end of the year, as Alison Cumming mentioned, for more metrics on what those benefits will be?

Alison Cumming: The committee might want to pursue that line of questioning further when taking evidence from the Scottish Government. We do not have any more specific information on the measures that are emerging, other than what we have published in our report.

10:00

Stephen Boyle: I will add to that briefly. Alison Cumming mentioned the vision map in exhibit 3. The outcomes are high level—

The Convener: Very high level.

Stephen Boyle: They need to be accompanied by available, reliable data that comes from particular sources and can be tracked to milestones and intended outcomes over the course of the project's delivery. We hope that the Government will set out more detail soon, and I think that it intends to do so by the end of the year. That information will give assurance to the Parliament, public bodies, employers and learners about how the significant and complex delivery landscape and programme will be given the best chance of success. There is work to do.

The Convener: You mentioned that the vision map is high level; it is very high level and vague. It includes things such as improved career support. If one additional student has access to career support, that could be considered an improvement. In your view, should the metrics have been set out much earlier?

Stephen Boyle: Alison Cumming and I are nodding because that is absolutely right. Metrics are a hallmark of clarity. It is not just about outputs and tracking numbers but about the intended outcomes and benefits of the programme. We think that the metrics should have been part and parcel of the delivery and the intention much earlier in the process.

The Convener: Dawn Black has some questions about wider national priorities.

Dawn Black (Angus North and Mearns) (SNP): Could you comment on the progress of the reform programme? I probably know the answer, but is it where you would expect it to be at this early stage? Are the delays down to the structure of the programme, or are the delivery partners not delivering the strategy?

Stephen Boyle: There are a couple of parts to that. In our judgment, the five projects that form part of the overall programme are moving at different speeds. The simplification project feels the most advanced, with the legislation that has been passed and the intentions around staff transfers. Not all of that has been implemented yet, with roles and responsibilities still subject to resolution. I will not go through all the projects, but the next most advanced is skills planning. The new model has been agreed to, but priority sectors and skills need pilots are behind schedule. The detail and timeline for apprenticeships, career support, and qualifications are not as progressed. The measurable outputs and the delivery framework associated with career support have not yet been settled. Although the audit of qualifications is complete, further specific milestones for delivery are not in place.

That is not a comment about structure. There are different models for delivery of post-school education and skills, but any model can work effectively with clarity on roles and responsibilities, governance, leadership arrangements, and risk management, which are some of the behind-the-scenes fundamentals. Most importantly, as the convener touched on, there needs to be clarity around what is intended and why. Forgive me if I have missed part of your question, but I hope that I have answered it.

Dawn Black: The question was really about whether there is equal responsibility between the Scottish Government, with its strategy, and the delivery partners that are on the ground making the reform programme happen. Is the programme the responsibility of one or the other, or of both? Where is that responsibility, and who needs to work more to get to where we need to be?

Stephen Boyle: I will bring Alison Cumming in shortly to say a bit more about how all that is transpiring. The Scottish Government holds the project; it is a ministerial priority, and its implementation sits with the Scottish Government, its departments and its partner bodies. The partner bodies in the public sector need to work together, and there need to be better arrangements. There is a reference in the report about those partner bodies being only latterly involved in some of the governance arrangements, which might have been a missed opportunity for everybody to be represented and to have their say.

There is complexity that must be navigated, but responsibility is with the Scottish Government, and most of our recommendations to improve the chance of successfully delivering the project are for the Scottish Government. I will pass over to Alison to say a bit more about that.

Alison Cumming: It comes down to the arrangements that have been put in place to deliver the overall programme. We consider that progress has been slow in establishing those arrangements in the first place, which sets the scene for some of the other delays that come through to the specific projects that the Auditor General outlined.

The reform programme itself was established by the Scottish Government in 2024, and the programme board has now been in place since August 2024. Although we recognise the complexities that are involved—there was complex legislation to take through Parliament as an element of the programme—one of the things that we have focused on is how the Scottish Government has mobilised the programme delivery and governance arrangements to create the conditions for the reforms to succeed down the line.

The Auditor General referred to there being a slight delay at different times in getting clarity for some of the programme's delivery partners about their roles and what was expected of them. The convener also referred to there still being a need to be clearer about the outcomes that relate to the delivery partners.

However, we have seen in some of the updates that we have received since the report's publication that work is now progressing on track with regard to the contributions that the Funding Council and Skills Development Scotland are expected to make. Work is also progressing on the transfer of responsibility for further education support to Student Awards Agency Scotland. Although we have not looked at that in detail, our understanding is that that transfer happened on schedule in August. Therefore, more of those actions are coming through as the arrangements mature.

Dawn Black: That is helpful—thank you.

The Auditor General already touched on this point in his initial response, but my other question is about the national priorities that relate to skills planning for the future workforce in different industries, and the need to have a skilled workforce for things such as the climate change agenda. Will you elaborate further on that? You said that the work was behind schedule, but Alison Cumming has just said that actions have been taken over the summer since the report was published. Is further work required, or is that aspect now coming on track? It would be helpful if you could dig down a bit further into that point on ensuring that we have the skilled workforce that we need to move into the future.

Stephen Boyle: I am happy to do so, and I think that Alison Cumming and Claire Tennyson might also want to comment. I will give Claire an opportunity to update the committee on some of the developments that we understand, from our engagement with the Scottish Government, have taken place since we published the report, and we will then address the other parts of your question.

Claire Tennyson: In relation to the skills planning project, our understanding is that the national skills plan is expected to be published in April 2027. At the time of our audit work, the Scottish Government was working with partners to agree a set of priority skills sectors, which are the sectors that are most in need of further attention. Our understanding is that the Scottish Government is still engaging with partners and industry to agree those areas of focus.

We believe that that work has been on track since the audit was published, although the initial milestone for the project suggested that the plan was to be published earlier in the year—so it was behind schedule from the initial milestone.

Stephen Boyle: I refer the committee to case study 1 on page 18 of our report, which refers to the national strategy for economic transformation. The NSET—if you forgive me for using the term—was published in March 2022, prior to the post-school education and skills reform, but it speaks to the cross-cutting delivery of complex programmes of that sort, which cover more than one Government department. The success of post-school education reforms will not just concern the education and lifelong learning department of the Scottish Government, as has been discussed already this morning.

What does Scotland need? What do employers need for a thriving economy? In particular, what are the different skills that they require? Your predecessor committee spent some time considering taxation arrangements, how the fiscal framework operates and the need for well-paid jobs in Scotland to deliver economic and fiscal benefits for the country.

Alison Cumming may wish to say a bit more about some of this but, for me, the line that sticks out from that case study is about the need for more clarity to demonstrate how the post-school education and skills reform programme is aligned and is delivering the objectives of the national strategy for economic transformation. The report mentions

"Implementation … limited detail on delivery planning and milestones".

It discusses the alignment between those two things and the interdependencies. It goes on to mention "Measuring impact", which has been a consistent theme this morning. How do we know whether we are on track to deliver the ambitions of post-school education and skills reform? What difference will that make to bringing skills for the future for different industries, new technologies, green jobs and so forth? How do we know that there is an alignment between the two strategies, and that the Government can successfully deliver those cross-cutting projects with the necessary complexity and underpinnings?

Alison Cumming: The case study outlines the commonality of representation. There has been a representative from the director general economy's area on the PSESR programme boards, which is really helpful for the softer join-ups. However, as the Auditor General has outlined, we would have expected to see much greater clarity on exactly how the two things relate and on the specific contribution that the programme for post-school education and skills reform can make to the skilled workforce priority in the national strategy for economic transformation.

The two strategies appear to be pointing in the same direction at a high level, but there are issues with the interdependencies and the efficiency of programme arrangements. The Government needs to be focused in lining up its activity and contribution while understanding how its different programmes and strategies interrelate. We consider there to be considerable scope for improved clarification and streamlining in that area.

The Convener: You produce regular reports concerning skills shortages in the public sector and in health and social care. There is obviously a threat or a risk to delivering our economic outcomes if we do not fulfil the skills needs to match the economy in digital and green energy.

On page 30, your report discusses the timescales slipping for publishing the new skills planning model. The report says:

"A dedicated Skills Planning Policy Unit (SPPU) has been set up within the Scottish Government".

Do you know when that was done?

Claire Tennyson: I believe that that has been done over the past couple of years, but I would need to double-check the exact dates. The current senior responsible officer has been in post since 2024; I think that that has been the timeframe.

10:15

The Convener: Okay. It is useful to know whether that helped with the planning model.

We move to questions from Alan Brown.

Alan Brown (Kilmarnock and Irvine Valley) (SNP): Good morning. I apologise for the fact that I risk going round in circles about the lack of a delivery plan and measurable outcomes. Alison Cumming mentioned that the programme board has been in place for two years. Did you look at how it operates? To be honest, I struggle to reconcile the fact that that board, chaired by a programme lead, has been in place for two years—alongside a high-level overarching programme—with the fact that there is no delivery plan yet. How does that board function? How does it action and measure things? You detailed that a refresh programme is ongoing, but I do not understand how the need for a refresh programme was identified. What do you measure the refresh programme against for baseline outputs and why is that work getting concluded before a delivery plan has been put in place?

Stephen Boyle: That speaks to the subheading in the section of the report above paragraph 40, which I am happy to share with the committee:

"There have been weaknesses in governance and risk management of the … programme, with a refresh now under way".

The governance does not reside solely in the programme board and the overall arrangements for the committee. Exhibit 4 sets out extensive governance, but volume is not necessarily an indicator of effective governance.

One of the arrangements that is in place is an a measure that the Scottish Government has called "gateway reviews". Using a traffic light system, gateway reviews are quite a common feature of complex project and programme arrangements in the Scottish Government, whereby it brings in its internal audit and assurance service. The May 2025 gateway review identified those weaknesses and made critical recommendations about the effectiveness of the programme board and the more defined requirements that were needed around risk management. There is absolutely work to be done for the programme board to support the complexity of that project. Alison Cumming has also looked at this, so she might want to share a bit more detail.

Alison Cumming: It goes to the fundamental judgment that we have made that the governance is not at the level that we would have expected for the complexity and the ambitions that are set out for the programme. We have seen individual components at project level, but it is about elevating those components to programme governance as a whole. The delivery plan is really important in order to link those levels together and to give the leadership a clear sense of what needs to be done and what issues need to be escalated.

Alan Brown: Is that the purpose of the refresh programme? If governance weaknesses still need to be resolved, how do you manage and put in place a refresh programme? Again, why would that work come before the delivery plan? I might be easily confused, but—

Alison Cumming: No, not at all. Claire Tennyson might want to come in with further detail but, as I understand it, those things are beginning to happen in parallel. The programme team is building out the tranche-based plan into the full delivery plan.

There has been a response to the gateway review that Stephen Boyle referred to and outlined, which recognised that the governance needed to change. Changes to the composition of the programme board, to bring in the external members, are starting to happen, so that there can be oversight of the whole programme. I think that those things are starting to happen in parallel, but Claire might have some more detail on the matter.

Claire Tennyson: From paragraph 40, we set out the timelines for key developments around governance arrangements since the programme board was first formalised in 2024. External membership started later in 2025.

The internal programme board has been a result of the refresh, which was taking place at the time of our audit work. The purpose of the refresh was to recognise that a lot of governance activity was taking place but that it was not necessarily effective. It was often a cluttered process, with lots of progress-level updates, rather than governance as a way to drive more strategic change. We have also been building on the gateway review, which was carried out in 2025. At the time of our audit work, the refresh work was still being concluded in order to address some of the issues that we have identified in this report and the gateway review.

Alan Brown: On resourcing, key message number 4 in your report highlights that the project was understaffed, but, in recommendation 5, you say that a resource plan should be put in place. How did you identify that, first, the project was understaffed but, secondly, there needed to be a resource plan? I would have thought that you would measure staffing against a resource plan.

Stephen Boyle: We can set out the detail and sequencing of those. I refer the committee to paragraph 44 of the report, which refers to some of the work that was undertaken to address recommendations in the gateway review. Although the gateway review gave the programme an amber rating, one of the review's key recommendations related to the assessment of whether there were enough resources to deliver the project. It seemed that that was not clear and nor were the roles and responsibilities that were necessary to deliver the project, which was still a £26 million project of reform against a many-billion pound aspect of public spending. I think that it is a fairly straightforward recommendation, building on the work of the gateway review.

Alan Brown: I agree that a resource plan should be in place, but the issue is that you have also identified that the programme was understaffed.

Stephen Boyle: I will bring colleagues in to comment on specific roles and responsibilities. We recognise that there has been leadership on the project. There is oversight from the director general for education and justice and the director for lifelong learning and skills, but, from our work and supported by the work of the gateway reviewers, we are not clear that there has been sufficient resource across the piece to support the delivery of the programme. That is probably borne out by some of the challenges that the programme itself has had—the detail and the skills necessary to deliver the project are absolutely fundamental elements of the resource plan to come. Colleagues might want to say more.

Alison Cumming: I will elaborate on that in relation to paragraph 65 of the report. In its risk register documentation, the programme itself had identified the issue of whether it had adequate internal staffing resources to deliver what was required. Although there were some dedicated posts in the form of a programme lead and a programme manager, staff were being redeployed from existing responsibilities to support the delivery of other elements of the programme. The additional issue that we identified through the audit was that it is not just about the volume of staff but the skill sets that you need to ensure appropriate management of the programme to achieve delivery. It is really important that that comes through in the resourcing plan, because it is not just about the numbers but about looking seriously at the skills you need across the team and ensuring that you are recruiting people with those skills or that you are able to access them through the team.

Alan Brown: You touched on the overall cost of £26 million, which is obviously small in relation to the overall spend. Page 35 sets out that, within the figure of £26 million, the biggest single item is £8 million for a pension shortfall, which accounts for a third of the project costs. Do we know how that pension shortfall comes about, and, if that is a result of merging bodies, does it have wider implications for further public sector reform?

Stephen Boyle: That is absolutely right. As public bodies go through changes in roles and responsibilities, if there is to be a reduction in head count, or a transfer from terms and conditions in one part of the public sector to those in another, my experience of auditing the public sector for many years is that the implications for pensions are often considered too late, and they can run into hundreds, millions or billions of pounds. That has to be part of an understanding of the totality of the costs at the outset, Mr Brown. I do not think that you can overestimate it, and I am glad that you have raised the point, because it is absolutely right: it applies not just to this project but to the overall delivery of the Scottish Government's public service reform ambitions. Staff terms and conditions, especially pensions, have to be known and understood.

On the £8 million, let me check in with Claire Tennyson to find out whether she wants to say a bit more.

Claire Tennyson: The figure of up to £8 million was identified in the updated financial memorandum—published in January—that accompanied the legislation.. The indicative value is up to £8 million, but that has not yet been confirmed. As we highlighted in paragraph 57 of our report, a lot of the costs are unclear and do not have that degree of certainty. The pensions costs of up to £8 million will be dictated by the scale and nature of the staff that will be in scope for the final transfer. Discussions to support that analysis were to take place over the summer, through the legal processes. That is an indicative value, and the overall costs that surrounded it were uncertain.

Alan Brown: Was that picked up in the original business case, or has it just come to light as the project has evolved and there has been an updated financial memorandum?

Claire Tennyson: The original outline business case for the simplification project did not have an estimation for the pension shortfall at that stage. The outline business case looked at different options at that early stage. The bill as introduced had a range of identified costs of, I think, up to £23 million. Those costs have been further refined over 2025, and the most up-to-date information presents a range of costs from £1 million to £8 million, which will materialise in 2027-28.

Alan Brown: I have a couple of questions about Skills Development Scotland, which is another body that has come under the Scottish Funding Council, as I understand from the report. According to paragraph 78,

"SDS does not have clarity about its future role"

yet, according to paragraph 70, SDS has estimated that a restructuring programme will take three years, and it has outlined a range of potential redundancy costs and savings. How can SDS say, on the one hand, that it does not know what its role will be in the future, and, on the other, "Oh, by the way, here are the redundancies that we're probably going to have to make over a period of three years"? If it does not know its future, I do not know how it can develop a restructuring plan. How does that fit into the wider mix?

Stephen Boyle: Both points speak to some of the certainty that is required in order to deliver the remainder of the simplification project and what happens thereafter. Uncertainty will be an unhelpful presence in the successful delivery of the project.

You are right that both those things are stated: Skills Development Scotland's aspiration for more clarity on its roles and responsibilities, and, equally, the fact that the savings and costs that are necessary to make some of those changes, although they are given as a range, will undoubtedly have a bearing on the delivery of the project.

If that is an area of interest to the committee, what we are reporting today is, in effect, that there is a lack of clarity and that that needs to be resolved, both for the successful delivery of the project and for the outputs, savings and intended outcomes that are necessary for the programme to move forward at the pace that is intended.

Alan Brown: For me, that is fundamental and is just another illustration of the issue.

10:30

The Convener: On resourcing, the report states that

“The Scottish Government has not prioritised the resources required to implement the reform”,

and that

“The reform programme has not been adequately resourced.”

Last week, we talked about the courts backlog and the lack of resources there—there might be an ongoing theme about a lack of resources. Last week, you said that resources were a matter for the Scottish Government budget. Obviously, there are different reforms and resource needs but, on the issue that we are discussing today, are you aware of any other pieces of work with similar levels of underprioritisation of resources? If so, what learnings could be taken from those to potentially help this programme? Alternatively, is it just a matter of funding in the budget?

Stephen Boyle: You are right that, last week, we discussed aspects of the issue as it relates to the courts backlog. It is also a matter of prioritisation in the allocation of the necessary expertise. Alison Cumming is right that it is not just about the totality of resource; it is about having the right resource and the necessary skill set to deliver transformation activities. It is for the Scottish Government to determine who delivers particular projects but, as the Scottish Government is moving more regularly into transformation and reform activities, that does not necessarily have to be done on a department-by-department basis. It is perhaps more about the project management and reform skill set that can be delivered on a cross-cutting organisational basis to support the delivery of the complex change programmes.

Both things count. Ultimately, there will need to be an adequately resourced programme, with people, skills and volume, but a broader look is necessary. We have touched on the relationship that education and lifelong learning has with the economic aspirations from the programme. As we set out in our recommendations, the resource plan is not just about volume; it is about the skill set that is necessary to deliver the programme.

David Kirkwood (South Scotland) (Reform): Good morning. One thing that popped out for me is the mention, fairly late on in the report, of the universal learner number and the lack of ability to track people through their learning career. I know a bit about that because, for most of 2023, I worked for the UK Government Department for Education as a consultant data architect on a migration project for learning statistics, and I came across that problem there. The department had something that I think was called the universal pupil number, but it was not very useful or robust and was not used much. I wrote a paper of a dozen pages or so describing how to do the universal learner number. I am perfectly happy to share that with anybody who is at all interested. I think that it is robust and works quite well, so I am happy to share that at any time.

Stephen Boyle: Thank you. I am sure that the Government would be interested to see your thoughts on that.

David Kirkwood: If you give me an idea of who to send it to, I will do that.

There are five recommendations in the report. To paraphrase or extract quickly, you say that the Scottish Government needs to define the intended outcomes; communicate its ambitions for reform to partners; develop a programme delivery plan; and quantify the resources. The Government has not said what it wants to do, it has not told anybody what it intends to do and it has not worked out how it is going to do it or how much money it needs to do it. Would it be a fair summary to say that the Government just needs to get a grip of the project?

Stephen Boyle: As you mention, there is work to do, and we hope that our recommendations support the next two phases of the delivery of the programme and the intentions around it. There are some fundamentals. We have spoken about improvements in governance, resources, clarity on outcomes and having the necessary skill set to deliver. There is a need for better communication between public bodies and with learners and businesses. There is a need for the overarching role that only the Scottish Government can play with a programme of such scale.

David Kirkwood: Later in the report, you mention that risks have not been registered or managed adequately. That echoes what we heard last week about the Scottish Courts and Tribunals Service. It had a RAID—risks, assumptions, issues and decisions—log, which is good, but it had not done anything with it or updated it for more than two years. Does that show a systemic problem in the Scottish Government when it comes to risk management?

Stephen Boyle: I am cautious about making such a judgment based on two programmes and two audits. After we have completed our audit of the Scottish Government consolidated accounts and come to the committee to discuss our planned section 22 report on the consolidated accounts, I might be better placed to say a bit more about how risk management arrangements are developing in the Scottish Government. We will bring that detail to the committee later this year.

We make a pretty clear judgment that risk management, as it relates to this programme, has not been adequate to support the delivery of a programme of such scale, which feels fundamental. We know through all our audit work and through the Government's delivery of programmes that there will be events that have to be managed. There will, by necessity, be some iteration that will require effective scrutiny, with governance playing an important role in the delivery of a project. We need to look at those cross-cutting risks, how they are all managed and what improvements are needed around risk management.

I am sure that colleagues might want to elaborate, so I will pause and give them a bit of space to do so.

Alison Cumming: I absolutely support that point. We do not have sufficient evidence to make a judgment about the robustness of risk management across the piece, but the Scottish Government audit will give the committee further opportunity to consider that.

We recognise that the gateway review that the programme leadership commissioned identified weaknesses in programme management, and the programme has sought to address and implement the recommendations based on those findings. For us, the key thing is that distinction between some of the risks that we face with individual projects and the more strategic approach to risk. That is the area in which there was a particular gap in the programme, but we recognise that, prompted by the gateway review and having recognised the issues that are set out in our report, the programme leadership has taken steps to address that.

David Kirkwood: I will go back to exhibit 2 and to something that Alison Cumming mentioned earlier. Under "Phase 3" and "Maximising outcomes" it says:

> "Clearer, more equitable and more efficient … more transparency and accountability … clearer pathways … support economic priorities."

Before I was a data architect, I spent a lot of years working as a test manager. If a project document had come to me with those terms, it would have been sent straight back, because they are not testable. There is no way to know whether those outcomes have ever been achieved. Do you find such phraseology in many documents that come with Government projects?

Stephen Boyle: I hesitate to make an assessment across all aspects of Government programme and project management delivery. However, as it relates to this programme, you have made a fair observation, Mr Kirkwood. You have had a level of expertise through your career in considering such documents, and these ones are not SMART—specific, measurable, achievable, relevant and time bound. Without that level of precision, it is hard to track and support the delivery of the project or programme, never mind allow for the effective scrutiny that you, as parliamentarians or ministers, might want to carry out on the delivery of the project.

Such precision is necessary. One of the hallmarks of today's report is the recommendation that detail is needed to support the effective delivery of complex programmes. Clarity around roles, responsibilities, intended outcomes and resources has to be addressed in order to support the delivery of post-school education and skills reform.

David Kirkwood: I refer you to section 2, "Planning and Delivery of Reform", which starts on page 19. When I read the headline messages for each part of that section, there does not appear to be a lot of good news. It is pretty much a litany of failure.

Stephen Boyle: That reflects my opening remarks. There has been slow progress in the delivery of the programme. Yes, new legislation is in place, but some of the building blocks are not in place as you would expect. There is work to be done to provide clarity around roles and responsibilities, and in relation to effective communication, governance arrangements and risk management. There are very important next steps to be taken to support its delivery, and we hope that our report is helpful. The recommendations that we make allow for—to return to Mr Brown's point about a refresh—perhaps a stocktake of what is now necessary to support the delivery of the project.

I apologise for labouring the point, but it is not about this project in isolation. It relates to the economic ambitions, some of the transformation activity, the programme for government and the lessons on public service reform that can be learned to support what is another significant Government programme.

The Convener: Mr Kirkwood covered the recommendation about communication. You talked about the need to communicate the reforms, but there is also a need to listen. On improving communication, do you have any views on the mechanisms that the Government or partner bodies could use to communicate with learners and employers? On the point about listening to employers, they will have views about skills needs. Do you have any thoughts on that?

Stephen Boyle: You will never please everybody all the time. Inevitably, there will be a wide range of views about post-school education and skills, but consultation and engagement must be timely and follow good practice. There is plenty of appropriate guidance about communicating and consulting effectively. Employers and students especially have a clear understanding of the issues. There must be consistency through that communication.

We make a recommendation in the report that there should be a clear communication strategy, but perhaps I would go beyond that to say that the strategy should be supported by an implementation plan. Some of that detail is peppered throughout today's report as one of the elements that are required to support effective implementation. That applies equally to communication.

Alison Cumming: The only point that I would add in relation to the separate recommendation on engagement with learners and industry is that we have very deliberately addressed it not just to the Scottish Government but to the Scottish Government working with the Funding Council and Skills Development Scotland. There is something about recognising where those relationships already exist and where the means are already in place for reaching some of those audiences.

As the Auditor General has alluded to, as well as not being able to please everyone, Government will not be able to speak to everyone. However, it is important to recognise the expertise that delivery bodies have in reaching some of the groups with which Government may, for good reason, not be in regular communication. I just wanted to elaborate a little more on the framing of that recommendation and who we addressed it to.

10:45

The Convener: You have flagged an issue about the lack of clarity on future roles, which was mentioned earlier. In paragraph 79, you say:

> "SAAS has also experienced uncertainty about its role … as it transitions to take on responsibility of"

further education student support. How might that lack of clarity impact on the provision of that support?

Stephen Boyle: I will bring colleagues in to give a bit of detail, if we have it, convener. This report is a follow-up report to the one that we produced on education and skills reform three or four years ago. The theme of roles and responsibilities was a feature then and remains a feature of this audit. It is a theme of this report that the various organisations have a clear sense of what is expected of them as delivery organisations over the course of the reform programme. I think that only the Government can address that through sponsorship of and engagement with their public bodies, so that those organisations are clear.

Alison Cumming might want to say a bit more about how that relates to the Student Awards Agency for Scotland.

Alison Cumming: We set out that element in the report. The Withers review that was undertaken on the skills landscape was the origin for much of what is in the programme. My understanding is that the student support arrangements came into the programme later. They did not originate in the Withers review, so it has perhaps not been as clear to the Student Awards Agency what changes were going to happen when. We flag a risk on that in the report.

It goes back to many of the same issues that we have spoken about around lack of clarity on roles and responsibilities and what that can mean for ensuring that the appropriate planning takes place to ensure a successful change. We understand that the responsibility for further education student support passed from the Scottish Funding Council to the Student Awards Agency for Scotland as planned in August. We have not done any audit work to look at the effectiveness of how that went, but we understand that it happened on schedule.

The Convener: Do members have any other questions?

Alan Brown: I have one more question, if that is okay.

The Convener: I would not have asked if I was not going to bring you in.

Alan Brown: You mentioned that the Government was quite open about the fact that graduate apprenticeships do not have buy-in from employers. Why is there a lack of buy-in? Is it because of the concept? Is it because of the target numbers? Is support required? The engineering company that I worked with before I became an MSP brought through graduate apprenticeships in a very good way, combining skills and learning, so I am curious about the potential issues.

Stephen Boyle: Colleagues can clarify, but I think that we specifically refer to the Scottish Government's plans to explore a co-investment model with employers for graduate apprenticeships, and that that has not yet had buy-in from employers. Colleagues can say more about that, but you are right that, through our audit work and our wider work, we have seen very successful models of graduate apprenticeships coming in across Scotland as an aligned and alternative pathway to university. The industry that you are familiar with, Mr Brown, is pushing on with that model.

Claire Tennyson: There is probably not too much more to add. I echo that there has not been that buy-in. Our understanding is that that is in part due to the wider environment that some employers operate in.

To highlight graduate apprenticeships and the apprenticeship project more broadly, that is one of the projects in the programme as a whole that is less advanced.

David Kirkwood: On meeting some tertiary education heads, I received comments that they find the frameworks that the SFC has produced a bit restrictive. There are only 12 or 13 frameworks for graduate apprenticeships, and they find it difficult to provide the exact kind of degree that is necessary within the frameworks. That could be restricting the provision of GAs. I believe they are being changed to become degree apprenticeships, with a name change coming soon.

The Convener: As members have no further questions, we will bring our session to an end.

I thank our witnesses. You have highlighted several areas where we will need to see improvements, particularly in how measurable outcomes will make a difference for learners and employers. You also raised important points about the need to integrate this work with wider agendas, particularly the economic growth agenda. Thank you very much for your evidence this morning.

10:49

Meeting continued in private until 11:30.

Official Report
Room T2.20
Scottish Parliament
Edinburgh
EH99 1SP

Email: official.report@parliament.scot
Telephone: 0131 348 5447

Published in Edinburgh by the Scottish Parliamentary Corporate Body, the Scottish Parliament, Edinburgh, EH99 1SP

All documents are available on
the Scottish Parliament website at:

www.parliament.scot

Information on non-endorsed print suppliers
is available here:

www.parliament.scot/documents

For information on the Scottish Parliament contact
Public Information on:

Telephone: 0131 348 5000
Textphone: 0800 092 7100
Email: sp.info@parliament.scot

The Scottish Parliament
Pàrlamaid na h-Alba