

Education, Children, and Young People Committee

29th Meeting, 2023 (Session 6), Wednesday 15 November 2023

Report by James Withers on the Independent Review of the Skills Delivery Landscape

Introduction

1. The Education, Children, and Young People Committee has agreed to scrutinise the continuing reforms to education in Scotland throughout this session.
2. The focus of this session will be to consider James Withers's report on the [Independent Review of the Skills Delivery](#) and understand where it fits in the wider education reform context in Scotland, including in relation to the [Independent Review of Qualifications and Assessment](#), chaired by Professor Louise Hayward, and the [announcement by the Cabinet Secretary for Education and Skills of 7 November 2023](#).

Committee meeting

3. At its meeting today, the Committee will take evidence from James Withers.

Supporting information

4. A SPICe briefing paper is appended in **Annexe A**.
5. The Committee has received a submission from Universities Scotland which can be found in **Annexe B**.

**Education, Children, and Young People Committee Clerks
10 November 2023**

The logo for SPICe, featuring the letters 'SPICe' in a white, sans-serif font on a dark purple background.The text 'The Information Centre' and 'An t-Ionad Fiosrachaidh' in white, sans-serif font on a dark blue background.

Education, Children and Young People Committee

15 November 2023

Skills Reform: Independent Review of the Skills Delivery Landscape

Introduction

This briefing has been prepared to support the Committee in its consideration of the recent Independent Review of the Skills Delivery Landscape in Scotland. This is being considered in the context of the Committee's work examining wider planned reform of the education system.

Members have agreed to take evidence from James Withers who led the review. Skills policy in Scotland is an area of shared interest with the Economy and Fair Work Committee which held an evidence session with James Withers on 27 September 2023. A summary of this is included in the paper.

Independent Review of the Skills Delivery Landscape

In June this year, the [Independent Review of the Skills Delivery Landscape](#) report was published. This review was carried out by James Withers, former Chief Executive of Scotland Food and Drink and NFU Scotland.

The purpose of the review (as set out in the [Terms of Reference](#) (ToR)) was to make recommendations on how the skills delivery public body and advisory landscape could be adapted to drive forward objectives and outcomes of the [National Strategy for Economic Transformation](#) (NSET) and the Scottish Government's response to the [Scottish Funding Council's \(SFC\) review of coherence and sustainability](#). The vision of NSET is to create a well-being economy, while the SFC review looked at achieving coherence and sustainability in further and higher education.

The ToR set out that the review should focus on ensuring Scotland's workforce can support the transition to net zero and learners have the opportunities they need to have rewarding careers. The purpose of the review was to look at:

- Further embedding of careers guidance, work-based learning pathways and apprenticeships with the senior phase and post-school education system.
- Optimising the system for upskilling and reskilling people throughout their careers.
- Enhancing the role of industry and government priorities in projecting and communicating future skills need to shape provision.
- Considering the future remit and functions of Skills Development Scotland (SDS), along with the roles of SFC, the enterprise agencies and the new education and qualifications bodies.
- Wider reforms already underway - such as the Muir report, the Careers Review and the Hayward review - and how to take account of these without duplicating work.

The review's scope included:

- Recommendations around the operation, governance, framework and funding of apprenticeship programmes.
- Development and management of vocational qualifications.
- Quality of provision of upskilling and reskilling courses.
- Supporting employers to invest in skills and education.

The Resource Spending Review (RSR) sets out that public bodies should: deliver annual efficiencies of at least 3%, demonstrate that they remain fit for purpose and notes reform of the public bodies landscape is ahead.

In line with this, the scope of the skills review sets out that while the review "is not being driven by a pursuit of cost efficiencies", recommendations "should not present options which will be more costly for the public purse or diminish the service to those people and organisations in whose interests the body exists in the first place".

During the course of the review, over 80 engagement meetings with individuals and organisations and 11 webinars aimed at specific audiences were held.

A call for evidence was issued in October 2022 which closed in December and received 164 responses. An [analysis of the responses received was published in April 2023](#). The summary highlighted five themes which emerged across responses:

1. The skills landscape in Scotland is complex and cluttered, with a lack of clarity as to the roles of the various agencies involved.
2. There is a need for a clearer vision for skills delivery in Scotland which is more closely aligned with economic policy.

3. The skills system needs to be made more agile and responsive, including a more place-based approach to delivery which would recognise different priorities in different areas.
4. Learners and employers need better access to information to navigate the skills system.
5. There should be a streamlined approach to funding to reduce complexity, increase flexibility and ensure equity of access. A more coordinated approach should reduce the number of agencies involved in funding which would reduce inter agency competition and bureaucracy for applicants. Within the points made on equity of access, there was specific mention of the importance of ensuring sufficient provision for learners aged above 25 to retrain.

Issues identified in the current landscape

In the final report, [James Withers states that within the current landscape](#):

- Funding is “too fragmented” and this has an impact on the ability of providers to respond to needs.
- There is “no clarity” about the different qualifications and pathways available.
- There is an implication that skills are not being delivered through academic pathways as “terms like vocational are often used to apply to apprenticeships and college courses, but not professional occupation-focused degree programmes like medicine or law”.
- The current structure of agency landscape sees SFC and SDS advocating different parts of the system.
- There is general agreement that skills alignment is necessary but James Withers states: “I am not convinced that there is yet a collective, shared understanding between partners, including the Scottish Government, of what this means and what it entails in practice.”
- Current efforts to satisfy every sector means Scotland is “failing to plan for those which are most integral to Scotland's current and future success”. This means issues such as achieving net zero seem out of reach “as no one is able to articulate the specific skills or occupations that will be required to deliver the policies and programmes that are necessary to meet Scotland's emissions reductions targets”.

James Withers states that more private sector investment will be needed for the post-school learning system to have capacity to support Scotland's ambitions:

“...there is a clear role for employers in funding the training of employees, their upskilling and attracting talent.” – [Skills Review Final Report](#)

On the role of Skills Development Scotland (SDS), James Withers states:

“It seems to me that SDS operates first as a business with a remit for engaging employers and promoting apprenticeships or work-based training initiatives, rather than a public body which has a duty to deliver services in line with Ministers' policy ambitions. As such, it doesn't always appear that it makes decisions or demonstrates

behaviours which are focused first on public service delivery or the needs of learners. This dynamic is acting as a blocker for partnership working, joined-up thinking and delivery across the public sector. The changes recommended in this report relating to SDS are designed to give the body a crystal-clear focus, in an area of strategic importance to our future post-school learning system, where I believe it can have a transformational impact.” - [Skills Review Final Report](#)

Recommendations

The [final report](#) sets out 15 recommendations.

Five of these are structural, setting out reforms for the agencies involved in skills delivery. James Withers states in his report that the structural recommendations “form a package of public service reform, which, in my view, would need to be implemented in full” to be a success.

Structural recommendations are:

- Giving the Scottish Government responsibility for skills planning at national level. (Recommendation 3)
- Establishing a single funding body, bringing together many of the functions of SFC, SDS and SAAS. (Recommendation 5)
- Giving the new qualifications body a remit for development and accreditation of all publicly funded post-school qualifications, the underpinning skills frameworks and occupational standards. (Recommendation 8)
- Reform Skills Development Scotland (SDS) to focus on development of a national careers service and embed careers advice within educational settings, workplaces and communities. (Recommendation 11)
- Giving the enterprise agencies a clear remit for supporting businesses with workforce planning. (Recommendation 13)

The remaining recommendations are operational. These include:

- New culture of leadership from the Scottish Government. (Recommendation 1)
- The need for success in skills to be defined. (Recommendation 2)
- Establish areas of strategic workforce opportunity and need and empower regional partners to develop their own solutions (Recommendations 3 and 4).
- Building a new model of funding for post-school learning provision, taking in all learning pathways and flexible and part-time modes of study. (Recommendation 6 and 7).
- Reviewing post-school qualifications using SCQF as a foundation to create a universal skills framework with consistent language around qualifications at the same SCQF attainment levels. (Recommendation 9)

- Developing a new digital training record for learners to track their skills development throughout their lives. (Recommendation 10)
- Expanding the remit of Developing the Young Workforce (DYW) to establish a national employer board, and wind up the Scottish Apprenticeship Advisory Board (SAAB). (Recommendation 12)
- Exploring greater private sector investment in the post-school learning system, for example, through in-work learning opportunities. (Recommendation 14)
- Developing a clear map of the post-school system to help aid understanding around qualifications and learning pathways. (Recommendation 15)

A diagram of the potential future public bodies landscape can be found in **Appendix A** to this briefing.

Chapter 5 of the review sets out how the recommendations will deliver on NSET, Purpose and Principles and other reviews and recommendations. James Withers states that the structure and governance of the skills landscape will be a vital element of success:

“I can't emphasise enough the importance of getting the structures and balance of responsibilities within the system right, alongside an agreed vision for success and a shared language. A well-structured and governed agency landscape will ensure that all the different parts of the landscape are working together in pursuit of shared goals, will be able to measure performance more effectively, and respond with evidence-informed action.” – [Skills Review Final Report](#)

James Withers states he believes:

- Recommendations 3, 4, 5, 6, 8, 9, 12 and 13 will “provide the basis for the system to deliver on its ambitions for responsiveness and agility.”
- Recommendations 2, 7, 8, 9, 10, 11 and 13 will “provide a platform for learners and employers alike to invest in skills and training.”
- Recommendations 4, 9, 11 and 12 “should provide a greater basis for understanding the sectors and regions where talent from outside Scotland should be a priority, making targeted intervention more effective and possible”.

Scottish Government response to review recommendations

In a [statement to Parliament on Education Reform](#) on 7 November 2023, the Cabinet Secretary for Education and Skills Jenny Gilruth MSP said that the Scottish Government had set out its “initial response” to the review in its [Purpose and Principles framework](#) [See ‘Scottish Government Purpose and Principles document’ section for more on this framework]. She said the Minister for Higher and Further Education; and Minister for Veterans Graeme Dey intended to update Parliament on the response to the review “later this year”.

The Cabinet Secretary also told Parliament she would chair a ministerial group that would advise on education and skills reform, and a reformed chief executive forum would be established to ensure bodies impacted by reform can engage with the Scottish Government.

The [2023-24 Programme for Government](#) published on 5 September 2023, commits to setting out plans for implementing reform of education and skills bodies in response to James Withers' review of skills. It also says the Scottish Government will implement priorities from the [Purpose and Principles framework](#) for further and higher education.

Priorities identified in the Purpose and Principles framework include the development of a new funding model for post-school education provision – a move which it is thought may see the functions of the Scottish Funding Council, Skills Development Scotland and the Student Awards Agency Scotland brought together. However, further details are not yet available.

In response to a [Parliamentary Question on 28 June 2023](#) asking which part of the skills review the Scottish Government plans to implement, the Minister for Higher and Further Education; and Minister for Veterans Graeme Dey said:

“The initial priorities document, which was published alongside the purpose and principles, is clear that we accept the basis of his recommendations on language, skills planning, employer engagement, funding and pathways reform. How we implement reform across the education system, including in the context of “It’s Our Future: Report of the Independent Review of Qualifications and Assessment”, which was published last week, will be determined by our further discussions with stakeholders over the coming weeks and months.” – [Official Report, 28/06/23](#)

When asked when there would be clarity around the future of SDS and its staff, the Minister said that the Scottish Government would “move as quickly as we can to provide them with the certainty that they will require.”

The Minister also stated that further detail would be provided following summer recess.

During Education and Skills Portfolio Questions on 26 October 2023, the Minister was asked for an update on progress toward implementing the skills review recommendations. The Minister stated:

“James Withers’s report was an important milestone in developing our approach to reform. We have been clear that we accept the direction of travel that is set out in the report, but we will take a little bit of time to fully consider the recommendations and engage with stakeholders before updating the Parliament in the coming months on a set of actions. That is what we are actively doing.” – [Official Report, 26/10/23](#)

Sector response to review recommendations

Responding to the review, SDS said it would “work constructively” with the Minister and others to consider the findings alongside the Hayward Review and Purpose and Principles. The response also stated:

“We are hugely grateful to the staff of SDS, and our Trade Union partners who have shown remarkable resilience and have remained focused and worked tirelessly since the creation of SDS for the benefit of our customers.

“We will ensure they are fully involved in considering and shaping our collective approach to reform, in light of the Review findings.” - [Skills Development Scotland news release](#)

SFC welcomed the review, stating:

“It makes recommendations to address long-standing issues around a responsive and connected education and skills system, and provides a vital focus on the needs of learners and employers.” – [SFC news release, 7/06/23](#)

Colleges Scotland stated the review was “incredibly timely given the lack of sustainable funding for colleges”, adding that many of the review recommendations align with the [College Sector Statement of Ambition](#). Colleges Scotland also called for clear leadership from the Scottish Government:

“A new culture of leadership - alongside Ministers working to change the system for the benefit of learners - would be welcome. We have stressed that it will be impossible to deliver Ministers’ ambitions for a skilled workforce – as set out in the National Strategy for Economic Transformation (NSET) – without colleges.” – [Colleges Scotland news release, 7/06/23](#)

Universities Scotland’s submission to the Committee ahead of this evidence session said there is action that can be taken now to deliver for learners, without legislative change. The development of more agile models for funding work-based learning/ upskilling/reskilling, more flexibility in the approach to graduate apprenticeships and early work to improve the support available to part-time and postgraduate learners were highlighted as areas where change could be made.

Universities Scotland stressed the need to ensure the skills agenda connects to other areas of universities, including research, innovation and entrepreneurship. It called for joined-up policy-making from the Scottish Government in response to the Withers review, the Purpose and Principles, the [Hayward review](#), the [careers review](#), the Tuffey review of entrepreneurial education and the [Innovation Strategy](#).

Universities Scotland stated that universities want one funding body to deliver funding for teaching and research, as SFC does now. It stressed its view that any new funding body should have NDPB status to ensure there was no risk of Office for National Statistics (ONS) classification change for universities because if universities were to be classified as public bodies, this would “devastate their economic contribution and prevent universities from borrowing to invest”.

Sustainability of funding for universities was highlighted as a key requirement:

“The core problem faced by institutions isn’t the funding methodology, it’s the chronic under-funding of each Scottish-domiciled student and the over-reliance on cross-subsidy from international fees (as Audit Scotland has previously warned) which is now baked-in to the Scottish Government’s funding model for home students. The priority needs to be investment at sustainable and competitive levels. We cannot support simplicity in a single funding model at the expense of supporting excellent higher education provision in a way that reflects its cost.” - Universities Scotland submission, November 2023

[Prosper \(formerly the Scottish Council for Development and Industry\) said](#) their members had highlighted the need to “create a more coherent and accessible system for employers and people at a time of changes in the economy and workplaces and with universities and colleges facing acute budget challenges.”

Prosper welcomed the review’s inclusion of a ‘skills wallet’ enabling people to access funding for training throughout their lives.

The [Fraser of Allander Institute suggested](#) that the recommendations, if implemented, would be a huge shake-up of the skills system in Scotland with significant consequences for the national bodies who deliver policy currently. FAI noted that the review:

“...described the landscape as fragmented, with a lack of strategic direction, containing incoherent and fragmented pathways and particularly highlighted the lack

of coordination between skills supply and education provision.” – [Fraser of Allander Institute weekly update, 16/06/23](#)

Evidence at Economy and Fair Work Committee

On 27 September 2023, the [Economy and Fair Work Committee took evidence from James Withers on the independent review of the skills delivery landscape in Scotland](#). This was the committee’s first formal engagement with the review, and it covered the key themes in the final report, the author’s views of the main challenges, and the Scottish Government’s response so far. Key points raised included:

- James Withers stated that since the publication of the review, he has been encouraged by the response from the Scottish Government and other stakeholders so far but noted that the Scottish Government’s position was to consider this in detail given the potentially significant impact on the existing public bodies and publish a fuller response in due course. He noted that the early indications, for example, in the PfG, were positive.
- When asked about the single biggest barrier to realising the vision for a reformed skills landscape, James Withers suggested that this is the lack of a single agreed vision or a definition of success for the system, with different parts of the system having different aims and understandings of what ‘good’ looks like.
- On the need for prioritisation, James Withers said: “Scotland probably needs to set two, three or four national priorities for skills development...Beyond those top two or three priorities, the regions and local areas need to be released so that they can crack on, and they should be given greater autonomy and control over funding to determine the potential priorities for their areas beyond the bigger national priorities.”
- The discussion highlighted the importance of a single funding agency and a single agency responsible for qualifications to ensure parity of esteem across all education and training routes.
- James Withers said apprenticeships should be “absolutely embedded into the heart of qualifications development in the same way as secondary school qualifications and other forms of vocational training are”, and that funding should therefore sit in the same agency, with universities having the freedom to deliver degrees via apprenticeships or full-time study.
- The committee discussed the perception of different routes as not being equal. James Withers noted that a Foundation Apprenticeship was the same level of qualification as a level 6 Higher, but one was viewed as being a ‘better’ route than the other
- James Withers suggested that the reform would need to be long-term in nature, and would not yield short-term benefits, requiring strong leadership from the Scottish Government and possibly cross-party support.
- James Withers discussed how the Scottish Government taking responsibility for national skills planning could be combined with regional skills planning, perhaps taking place in the areas of the city and region growth deals. This would ensure a degree of consistency in terms of there being one framework for skills planning

across Scotland, while ensuring decision making was devolved to an appropriately local level.

- For regional skills planning, James Withers said colleges must be involved in their city region area.
- James Withers also noted that the cost of free tuition fees in Scotland is around £1 billion compared to a total funding commitment to the skills system of around £3.2 billion.
- The Developing Young Workforce (DYW) network has the potential to be expanded, and to become the employer voice in the wider skills system. This will be particularly important if the skills system is to be devolved down to city region areas. James Withers suggests this should evolve into a 'developing workforce' network to reflect the new economic realities – rather than a significant concern about the pandemic and its impact on youth unemployment, it should be focused on the medium-term challenges such as a declining working-age population.

Scottish Government Purpose and Principles document

In June this year, the Scottish Government published its [Purpose and Principles document](#).

Announcing publication of the document, the Scottish Government said it “accepts a number of the recommendations in the recent Withers review”, adding:

“A key part of this is ensuring all elements of the lifelong education and skills sector work together as one single system. The recent review of skills delivery by James Withers set out a clear case for change, starting with these key actions for Government, which I believe will help to deliver the improvement required.” [Minister for Higher and Further Education; and Minister for Veterans Graeme Dey, Scottish Government news release, 28/06/23](#).

It is the statement of intent for the further and higher education sector, aiming to give the sectors focus and ensure spending is in line with overarching priorities.

There are five principles:

- **Transparent, Resilient and Trusted:** The system is financially and environmentally resilient; trusted to deliver, and subject to effective governance.
- **High Quality:** High quality opportunities are available for people to enhance their knowledge and skills at the time and place that is right for them.
- **Supportive and Equitable:** People are supported throughout their learning journey, particularly those who need it most.
- **Globally Respected:** Research, teaching, innovation and knowledge exchange undertaken by Scotland must make a difference; enhance and contribute to global well-being, addressing 21st-century challenges such as the climate emergency and attracting inward investment and talent to study, live and work in Scotland.

- **Agile and Responsive:** Everybody in the system collaborates to deliver in the best interests of Scotland's well-being economy.

Progress will be measured using a series of system outcomes.

The Scottish Government's [Initial Priorities document](#) was published alongside the Purpose and Principles statement. This sets out the first steps toward achieving the Purpose and Principles aims. These steps include:

- The Scottish Government taking overall responsibility for skills planning, with more involvement from employers and a regional approach building on existing partnerships and a key role for colleges.
- The Scottish Government leading the development of "a new model of public funding for all forms of provision". As part of this, the possibility of delivering a single funding body for the sector - taking in student support and funding for institutions – will be investigated.
- Including responsibility for all publicly funded post-school qualifications (except degrees), occupational standards and skills frameworks in the remit of the new qualifications body.
- A review of student support for part-time learners, with an aim to improve parity of support on offer for returners, parents and carers.
- Developing a model of student support taking account of all pathways, including apprenticeships and community learning and development.
- The Scottish Government leading work to improve careers advice and education.
- Taking forward a pilot of the Scottish Education Exchange Programme (SEEP). This is the international mobility programme proposed to replace Erasmus+.
- Continuing to push for future association with Horizon Europe and other EU research programmes.

In response to the publication of Purpose and Principles, [Universities Scotland said](#) it could "add value as an overarching framework, ensuring that vital connections are made between different strands of work", adding that more engagement was needed to develop the detail.

Colleges Scotland said the current landscape is not sustainable and Purpose and Principles sets out areas of change that might help bring stability. Colleges Scotland added:

"Colleges should play a leading and active role in their regions in terms of skills planning, as well as delivery, so that Scotland's economy and communities can thrive – this must be in close connection to what employers need and with industry being good partners in supporting their local colleges." – [Colleges Scotland news release, 28/06/23](#)

[Skills Development Scotland said](#) it had: "...long been an advocate for changes to the learning and skills system to deliver the best results for the people and businesses of Scotland."

SDS stressed that a focus on the needs of people and businesses would be “crucial throughout the process of change”.

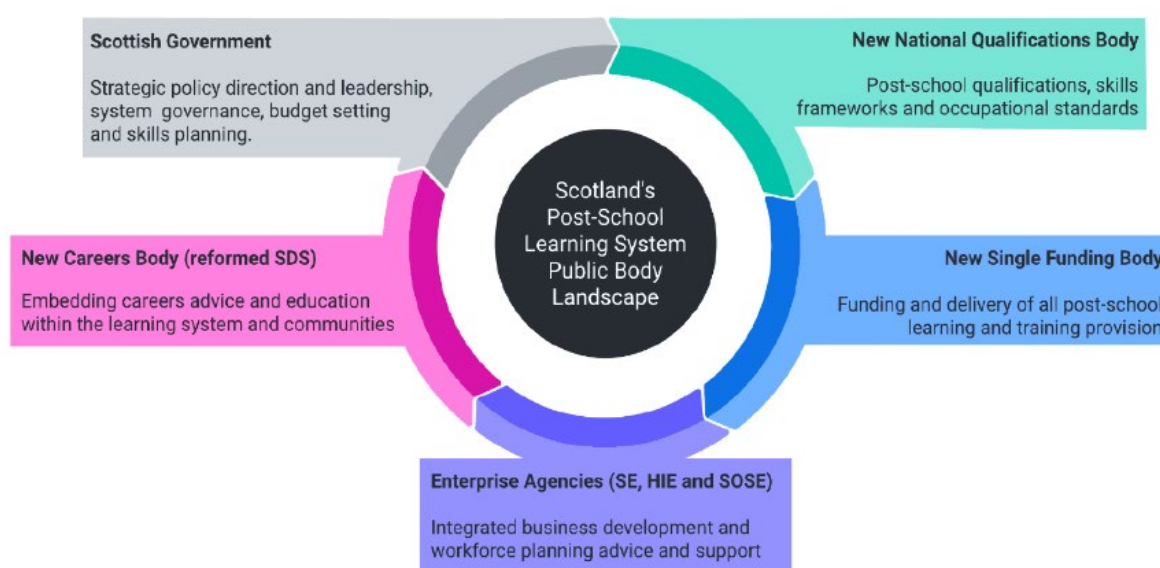
Lynne Currie, Senior Researcher (Further and Higher Education), and Andrew Feeny-Seale, Senior Researcher (Financial Scrutiny Unit), SPICe Research

9 November 2023

Appendix A: Potential Future Public Bodies Landscape

Figure 1 sets out how the potential future public bodies landscape might look if the review recommendations are implemented. This diagram appears in the Skills Review Report.

Figure 1: Potential Future Public Bodies Landscape



The text from Figure 1 is copied below for ease of accessibility:

In the centre: Scotland's Post-School Learning System Public Body Landscape. Moving clockwise, these processes flow together as follows:

- Scottish Government, Strategic policy direction and leadership, system governance, budget setting and skills planning;
- New National Qualifications Body, responsible for post-school qualification, skills frameworks and occupational standards;
- New single Funding Body, responsible for funding and overseeing delivery of all post-school learning and training provision;
- Enterprise Agencies (SE, HIE and SOSE), Integrated business development and workforce planning advice and support;
- New Careers body (a reformed Skills Development Scotland), Embedding careers advice and education within the learning system and communities.

Annexe B

Submission from Universities Scotland

Key messages:

1. Universities welcomed many of the bold ideas in the Withers report on skills and its learner-centred focus.
2. **Universities are core to skills delivery.** Universities work closely with employers and are central to delivering Scotland's high-level skills. 76% of senior business leaders in Scotland say that university gives graduates good foundational knowledge of their industry or sector. It was helpful that Withers challenged preconceptions about "vocational" and "academic" education.
3. **Take action now to deliver for learners.** There are new learner and employer-focused skills initiatives that the Scottish Government and universities can act on now to deliver on Withers' aspirations for learners, without the need for major structural reform of the agencies, which will take years.
4. **A single funding body? NDPB status is vital.** It is not obvious that organisational restructuring is the best to achieve Withers' aspirations for learners. Any new single funding body for universities must have NDPB status to avoid jeopardising ONS reclassification and university autonomy. Universities want to see funding for teaching and research stay together in the same funding body for coherence and to support the sustainability and competitiveness of university funding.
5. **Withers is one of five major reports published in June/July with major implications for universities; implementation must be joined up.**
6. **Sustainable funding is needed more than a single funding model.** The need for adequate funding applies to both to student finance and support that works for diverse learner needs, as well as the quantum of funding made available to institutions to deliver education and support our communities.
7. **Transparency and co-creation.** We urge the Scottish Government to ensure the closest possible co-creation of policy and legislation with the sector.

You can find a fuller elaboration of our position on the Withers report in Professor Steve Oliver's open letter from 19 July, available [here](#).

Withers is a bold report which universities have broadly welcomed. Aspects of the Withers Review of which we are strongly supportive include:

- The learner centred approach.
- The emphasis on parity of esteem and recognition of the false dichotomy between 'academic' and 'vocational' education.
- The recognition of the breadth of universities' role across the economy including skills development, business innovation, company creation and leverage of investment.
- The support for lifelong learning and part-time learners.
- The call for a more flexible graduate apprenticeship model.

Universities are core to skills delivery.

- We were pleased to see recognition of the important role of universities in regional economies.
- Long-term skills planning is very complex and challenging and Withers recognises the skills needs of the future economy are not predictable in any detail.
- Many highly-skilled learners are mobile across Scotland, the UK and the world to seek the right course; and that many graduates are also mobile to seek the right professional opportunity. Intra-Scottish and intra-regional skill planning are therefore only a part of a much wider and more complex picture.

Take action now to deliver for learners.

We would favour a more agile approach, without direct legislative change in the first instance, that could bring earlier benefit for learners and employers, such as the development of more agile models for funding work-based learning/ upskilling/ reskilling, more flexibility in the approach to graduate apprenticeships and early work to improve the support available to part-time and postgraduate learners.

A single funding body? NDPB status is vital

- Universities strongly value having a single public body, at arm's length from government, able to support the breadth of universities' contribution.
- There must be no risk of an ONS classification change for universities, which would be hugely problematic for universities and for government. If the ONS was to classify universities as public bodies it would devastate their economic contribution and prevent universities from borrowing to invest in facilities for students and research. Any new body must be an NDPB. Any changes that increase government influence / direction over university provision will tend to increase the risk of reclassification of universities to the public sector.
- Universities want one funding body to deliver funding for teaching and research, as the SFC does now. Research, teaching and innovation are deeply integrated activities at university, with many staff having commitments to all these areas of activity. Research-informed teaching offers for developing the broad 'meta-skills' needed for success in a fast-changing economy. It is also key for the overall coherence and sustainability of university funding. The Withers Review makes no mention of research and innovation, despite the important connections between skills and innovation, and between teaching and research.

Universities need skills and other reform agendas to be joined-up.

- We would like to see clear joined-up policy-making from the Scottish Government in response to the recommendations in the Withers review, to the purpose and principles work, the Hayward review, the careers review, the Tuffey review of entrepreneurial education and the hugely ambitious Innovation Strategy, which universities have welcomed.
- The interfaces, interdependencies, and connections need to be identified to avoid potential duplication and to avoid disconnecting aspects of university delivery, such as teaching and research, which are already performing at world-class levels.

Sustainable funding is needed more than a single funding model.

- The need for sustainable levels of funding applies to both to **student finance** and the quantum of funding made available to institutions.
- **For students** – the cost-of-living crisis means more needs to be done to ensure that the level of maintenance support prevents students being priced out of university due to living costs. Scotland also needs to offer better support for learners who study part-time. Universities must be adequately funded to deliver teaching and research, and support knowledge exchange activities.
- **For institutions** - The core problem faced by institutions isn't the funding methodology, it's the chronic under-funding of each Scottish-domiciled student and the over-reliance on cross-subsidy from international fees (as Audit Scotland has previously warned) which is now baked-in to the Scottish Government's funding model for home students. The priority needs to be investment at sustainable and competitive levels. We cannot support simplicity in a single funding model at the expense of supporting excellent higher education provision in a way that reflects its cost.
- We do see opportunities to evolve how university upskilling and reskilling courses are funded and how graduate apprenticeships and wider forms of work-based learning are funded to offer more flexibility and responsiveness.