

Education and Culture Committee
Scrutiny of the 2013-14 Draft Budget

Federation of Small Businesses

Introduction

The FSB is Scotland's largest direct-member business organisation, representing around 20,000 members. The FSB campaigns for an economic and social environment which allows small businesses to grow and prosper.

We welcome the opportunity to respond to the Committee's Call for Evidence. We have focused this submission on the Committee's objective to assess how well spending is contributing to the Government's overarching purpose of increasing sustainable economic growth – in particular focusing on further education. In terms of post-school education, our members are more likely to feel the impact of changes to further education policy and funding than they are for higher education, as a rule.

This is because small employers tend to voice more concerns relating to the skills and competencies of school and college/public FE programme leavers than in relation to leavers of higher education.

Further education from the small business perspective
Context

Over the last two years our responses to Scottish Government spending plans have focused on the importance of having a broad base of businesses to sustain and create jobs across the country. We believe that the further education sector has a key role in supporting and facilitating the development of this business base.

Core and soft skills

In terms of preparedness for work, feedback from members is generally consistent with successive Scottish Employer Skills Surveys¹, identifying the lack soft skills and basic core skills amongst those exiting a college course as greater cause for concern in terms of skills shortage vacancies than specific qualifications.

Planning and sourcing training

Attitudes to in-work training in small businesses generally tend to be driven by immediate skills needs relative to a specific task or set of tasks rather than broader competences. If small businesses require staff to have a broad set of competences they will generally look for these at recruitment stage and are less clear on their role in providing or supporting training in these. Training plans, if businesses have them, are relatively short-term in nature. For this reason, private training providers and in-house training are often favoured by smaller businesses over colleges and universities as they can tailor the training to the exact skills requirements and are more likely to be delivered in a format which suits the business, e.g. trainer delivers on-site at a convenient time. For example, around half our members invested in

¹ <http://www.scotland.gov.uk/Resource/Doc/344028/0114449.pdf>

training for their staff in 2010-11. Of these, 45% engaged a private training provider, 11% used college provision and 7% invested in a University level qualification for their staff².

FSB priorities for Post-16 vocational training

Our response³ to the Scottish Government's consultation on post 16 reform set out our priorities for the Post-16 training system. In summary, we believe that colleges need to:

- Reach out more to local businesses in order to better understand first hand their employment and training needs (only 10% of our members have been contacted by a college in the last 12 months, with 43% finding this interaction useful) rather than relying on labour market information based on broad sectoral norms.
- Deliver more flexible provision, which includes:
 - Offering courses relevant to local businesses in bite size modules;
 - Organising vocational courses along the lines of working patterns of the target industry (e.g. shift work, weekend work, evening work) promoting good timekeeping, attendance and reliability in students and enabling learners to access further education in work; and
 - Ensuring access in appropriate locations, making efficient use of local campuses and avoiding the need for small businesses to send their trainees hundreds of miles away to receive relevant training. (This phenomenon is driven by funding models – only certain centres are funded to deliver certain apprenticeship frameworks for example; and lack of responsiveness to local labour market demand)
- Continue to offer and promote enterprise and entrepreneurship training as a core part of their provision, notwithstanding the lack of dedicated funding to for this support in Scottish colleges.

We are aware of a number of instances of good practice across the country. However, we believe consideration should be given to how the funding model could incentivise more widespread adoption of good practice.

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² FSB Voice of Small Business Survey, March 2011

³ http://www.fsb.org.uk/policy/rpu/scotland/assets/cr_es_putting%20learners%20at%20the%20centre%20delivering%20our%20ambitions%20for%20post-16%20education.pdf