Submission to Education & Culture Committee

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1. Introduction

We welcome the opportunity to provide evidence to this important inquiry. As per the remit of the inquiry, we have provided evidence on the following in our submission:

1. Evidence of success in meeting the outcomes set out in our Operating Plan.
2. Performance against our Strategic Plan 2012-15 and the intended focus of our next Strategic Plan.
3. Measures being taken to use resources more effectively (in line with Christie Commission recommendations).
4. The effectiveness of SDS in partnership working to ensure a coordinated approach to learning, training and accessing employment for young people.
5. The impact of targeted measures to engage with those young people not currently achieving positive destinations on leaving school (e.g. disabled and looked after young people).

2. Our aims and objectives 2014-15

The final year of our three year Corporate Strategy 2012-15 focused on consolidating and embedding the progress we had made from 2012 to 2014. Our achievements in 2014-15 highlighted our role in leading skills planning and development, supporting employers to secure and develop the skills they need and enabling individuals to find fulfilling employment and progress in today’s competitive world of work. Our approach was reinforced by the Commission for Developing Scotland’s Young Workforce, published in June 2014.

Central to our 2012-15 Corporate Strategy and 2014-15 Operating Plan was our ambition to support the Scottish Government’s economic and skills strategies, working with key partners to achieve our objectives. Our four strategic goals were:

- Making Skills Work for Employers
- Enabling People to meet their potential
- Working Together to Improve the Skills and Learning System
- Achieving Organisational Excellence

Our overall budget in 2014-15 was £214m. We employed 1,208 full-time equivalents (FTE), with staff costs totalling £58,441,000.1 Our spend on estates totalled £6.8m. Our spend on delivery of our programmes was £149m.

We are committed to making efficiency savings while improving our services to customers. By way of example, in 2014-15 we made approximately £1m of recurring savings on our Glasgow estates while expanding our customer facing presence.

We have been the contract lead for over five years for an ICT shared service contract which supports, SDS, Scottish Enterprise, Highlands & Islands Enterprise and the Scottish Criminal Cases Review Commission. This successful arrangement has generated savings via both aggregated procurement and the sharing of core systems.

Our work spanned six key areas:

1. Responding to skills demand now and for the future with employers through the formulation of Skills Investment Plans and Regional Skills Assessments, using careers intelligence;
2. Making the skills system work for business by providing direct local support to businesses of all sizes via our network of Employer Engagement Advisers across Scotland and our web service for employers, Our Skillsforce;
3. Developing talent in the workplace by supporting 25,000 Modern Apprenticeship starts for the year. We are required to meet key performance measures, agreed with Scottish Government, to demonstrate that this has been achieved successfully;
4. Bringing together enterprise and education through the development of Foundation Apprenticeship pathfinders;
5. Influencing career choices in schools by providing Career Information Advice and Guidance to every state secondary school in Scotland;

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1 Please note that staff costs include travel, temporary staff costs, benefits and training
6. Delivering an all-age career and employability service, post school, from 47 full-time customer-facing sites across Scotland. This service included the facilitation and delivery of the Employability Fund. Our target was 17,150 starts, including 2,650 ring-fenced college places;

3. Our 2020 vision

In July this year we published our third Corporate Plan which runs from 2015-2020. To achieve our 2020 vision, we are working with individuals, employers, training providers and partners throughout Scotland, aiming to ensure:

- Employers are better able to recruit the right people with the right skills at the right time;
- Employers have high performing, highly productive, fair and equal workplaces;
- People have the right skills and confidence to secure good work and progress in their careers and achieve their full potential;
- Increased opportunity for all;
- We are a good employer, focused on delivering excellent services.

These ambitions will be delivered by relying on the strength of our people and through collaboration with our partners. We will continue to put our customers at the centre of what we do and continually improve our service offer.

4. Evidence included in our submission

This submission comprises a series of infographics for each of our key service areas, as outlined in section 2. Each infographic provides disaggregated spend for a specific area and outlines the outcomes resulting from our investment. The infographics are intended to provide a snapshot of investment in key service areas with the aim of demonstrating our performance against our 2014-15 objectives. The list of outcomes and activity resulting from our investment is not exhaustive and we are looking forward to providing further details at the Committee session.

The infographics follow the cycle of the Skills Planning Model. This model aims to improve the response of education and training needs of industry and ensure people have the best possible chance of succeeding in the world of work. We have provided background information to support the data outlined on each infographic, below. You can navigate between each section of text and the corresponding infographic by clicking on the title of the section and the infographic itself.

Responding to Skills Demand

We play a lead role in improving the way the skills and learning environment responds to the needs of employers and the economy. During 2014-15 we continued to focus on building intelligence and demand for skills at a regional, local and sector level.

There are ten sectoral Skills Investment Plans (SIPs), five of which were formulated during 2014-15. They are developed in consultation with an extensive range of input from industry, Sector Skills Councils, 17 Industry Leadership Boards, trade unions, colleges and universities. SIPs drive the skills system to adapt to the evolving needs of the Scottish economy.

The core SIP themes for action are: attracting future talent to the industry; improving the skills of the existing workforce; modernising training programmes; and providing the skills needed for future growth. This involves helping employers ensure they have access to a supply of skills and help foster the development of new skills. SIPs are an important intelligence tool for key growth and enabling sectors, helping them to provide the right people with the right skills and expertise to enable them to continue to grow and attract investment. SIPs are also increasingly looking to define the challenges faced by under-represented groups in entering the job market and particular sectors - such as women in STEM industries - and illustrate how we can best address any issues.

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2 We have seen a 90% reduction in back office sites, representing a 28% reduction in sqft and cost per head since 2011.
We have also developed 11 Regional Skills Assessments (RSAs) and a Skills Investment Plan for the Highlands & Islands, all of which provide a foundation to better understand, articulate and respond to skills needs in specific localities to align skills supply and demand.

SIPs and RSAs provide the principal evidence that determines supply and demand of skills as set out in annual outcome agreements with regional colleges and universities. They ensure that skills insight informs partner investment and the development of regional strategies to create sustainable economic growth for Scotland.

This intelligence provides ongoing information to our Employer Engagement and Career Information Advice & Guidance colleagues. Through our work we also aim to stimulate informed debate around current and future skills issues.

Looking ahead, the main challenges in this area will be continuing to tackle skills gaps and shortages in key sectors and aligning the skills system more closely with employer need, ensuring better uptake of opportunities by under represented groups.

**Making the skills system work for business**

Through direct engagement with employers we aim to support and inspire businesses to develop and grow their investment in skills. During 2014-15 we expanded our employer services capacity by adding to our Employer Engagement team and enhancing our web service for employers, Our Skillsforce. The team provides specialist knowledge and works with employers and employer organisations to promote a range of funding and support services available from ourselves and our partners:

- Flexible Training Opportunities (FTOs)
- Energy Skills Challenge Fund Low Carbon Skills Fund
- Partnership Action for Continuing Employment (PACE)
- Adopt an Apprentice
- Employer Recruitment Incentives
- Certificate of Work Readiness

Our careers and operational staff, who have extensive experience of dealing with redundancy situations, visit companies to meet with the employer and its staff to offer free and impartial advice on coping with the impact of redundancy.

Our Employer Engagement team encourage employers to attend events which will benefit their business, such as *Making Skills Work for Employers* seminars which are held locally across Scotland and promote local, regional and national support available. *Scottish Apprenticeship Week* and *Learning Through Work Week* were also important campaigns which promoted the specific benefits of Modern Apprenticeships to employers.

We are committed to supporting employers to recognise the benefits of a diverse workforce and encouraging them to sign up to the Business Pledge. This will be a key focus of our work going forward.
Modern Apprenticeships - Developing talent in the workplace

Modern Apprenticeships are governed by the Modern Apprenticeship Group (MAG), of which we are a member. It includes key stakeholders involved in the management and delivery of MAIs in Scotland, such as the introduction of new frameworks.

Modern Apprenticeships (MAs) provide individuals with the opportunity to secure industry recognised qualifications while in employment, earning a wage. In 2014-15 we continued to deliver and improve Modern Apprenticeships. Investment in this area represents the largest proportion of our 2014-15 spend. This significant investment helps Scotland’s workforce adapt to a changing economy and labour market. Our priorities in 2014-15 for Modern Apprenticeships, as set out in our Letter of Guidance were:

- providing 25,000 new starts;
- the majority of places to be allocated to young people aged 16-24 across all sectors with a particular focus on 16-19 year olds;
- for those aged 25+, MA opportunities in key and supporting sectors with the commitment to ring fence 500 places for energy;
- priority given to higher level frameworks (Level 3 / SCQF 6 and above)
- focus placed on promoting greater uptake of MAs in STEM areas and taking forward work to support equalities;
- to work closely with partners to implement Scottish government plans to expand the number of MA opportunities to 30,000 by 2020.

Now and in the future, a key focus will be continuing to promote the benefits of a diverse workforce to our contracted training providers and employers. Increased participation by those from under-represented groups will require close collaboration with partners over time.

Our Equalities Advisory Group, (comprising representatives from partner organisations) provides us with expert advice and support on the needs of, and barriers facing protected groups and ensures that this is given appropriate consideration as part of continuous improvement in Modern Apprenticeships. The group also shares best practice on how to engage and involve representative groups.

Widespread promotion of MAs to individuals and employers is crucial to the success of the programme. We aim to include more employers, in more sectors, year on year, Scottish Apprenticeship Week, Scotland’s MA Awards and direct promotion of MAs to employers by our Employer Engagement team are all essential tools we use to achieve this important objective. Through the Modern Apprenticeship Ambassador Programme we also aim to encourage young people and employers to promote the benefits of MAs to their peers.

Another key challenge will include moving towards a targeted increase from 25,000 to 30,000 new starts by 2020, alongside ensuring quality; measuring outcomes. Implementing changes to contribution rates will also be a focus in alignment with recommendations from the Audit Scotland review of Modern Apprenticeships.

Foundation Apprenticeships - Bringing together education and enterprise

Work on Foundation Apprenticeships began in 2014-15, however the infographic provides information on spend for both the last operating year and ongoing work in 2015-16. Foundation Apprenticeships provide work-based learning opportunities for secondary school pupils in S4-S6, helping them to successfully move from school to the world of work. Based on existing MA frameworks, they support the Curriculum for Excellence and the Scottish Government’s Youth Employment Strategy. They aim to create better links between young people, education and employers, are designed to meet real training needs and fit with economic demand. In addition, they present an opportunity to tackle existing under representation in certain sectors of the economy by increasing participation from young women, young people from BME backgrounds and young people with a disability.

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3 Stonewall Scotland, Close the Gap, Glasgow Disability Alliance, Engender, Capability Scotland, Scottish Transgender Alliance, Scottish Thoroughcare & Aftercare Forum, Glasgow Centre for Inclusive Living, BEMIS, The Scottish Refugee Council and Scottish Trades Union Congress
Engineering pathfinders were rolled out in Fife and West Lothian in 2014-15 working with West Lothian College, Fife College, local employers and local authorities.

In 2015-16 we will continue to work with partners to expand the pathfinders into other sectors and across additional local authority areas. A key task for us in this area will be to continue to engage key stakeholders, including the Scottish Qualifications Authority, Education Scotland and the Scottish Government in developing accreditation and certification of Foundation Apprenticeship frameworks. Our longer-term ambition is for Foundation Apprenticeships to be part of every school’s offer by 2020-21.

**Influencing career choices in schools**

Our work in schools is led by annual school partnership agreements which we have with every state secondary school in Scotland. These agreements ensure that our services are fully tailored to the local needs of the school, with agreed approaches and targets for those pupils who need the most support.

We aim to provide a service that meets the needs of all pupils, from the highest academic achievers to those furthest from the labour market. Our Careers Advisers and Work Coaches are central to the successful delivery of this service, with staff costs representing the majority of our spend in this area. They work in every state secondary school throughout Scotland, helping pupils to understand their strengths, feel confident about their career choices and grasp opportunities available. Careers Adviser time spent in the school each week will vary, and depend on the size of the school and the level of support required. The Adviser also represents SDS at partnership meetings hosted by the school.

Our Career Information Advice & Guidance work aligns with the SIPs and RSAs, providing a holistic approach to responding to the skills needs of a changing economy. Our Careers Advisers and Work Coaches position key growth sectors as positive career destinations for our young talent and foster closer links with employers and the wider education system to ensure that people - especially young people and those from under-represented groups - are better prepared for the world of work, are aware of where jobs are and where they will be. This helps them to make informed career choices.

**Influencing career choice:**

- In consultation with the schools, we provide intensive and targeted, face-to-face coaching to those who need the most support. These pupils will receive coaching a number of times;
- Our Careers Advisers, informed by evidence from SIPs, RSAs and wider careers intelligence, work with pupils on developing their career management skills and closely monitor their progress;
- Our service delivery recognises that some individuals, including disabled young people and care leavers, may need additional intensive support to aid their transition to the labour market;
- We provide group sessions for all pupils (on career intelligence, My World of Work and career management skills);
- Drop in sessions are offered to all pupils;
- A broad range of tools are provided on our My World of Work web service;
- A Contact Centre (7 days a week) and the Exam Results Helpline (August only).

Every school pupil can access a face-to-face appointment regardless of their circumstances or academic ability, should they so wish.

Pupils identified as requiring help to progress to a positive destination are advised by an SDS Work Coach whilst still at school to ensure continuity of support.

We work closely with teachers and parents, recognising that they are the key influencers on a young person's career decisions. In addition to direct Careers Adviser and Work Coach involvement at parents evenings, we also offer a 24/7 service to parents and carers via My World of Work. This dedicated web service provides them with comprehensive information on how they can help support their child to make appropriate career decisions. Partner Zone, also available on My World of Work, provides teachers with high quality curriculum support resources.
Our work on increasing links between schools and employers has been progressed during 2014-15 in alignment with the recommendations of Developing Scotland’s Young Workforce and more recently, the Scottish Government’s Youth Employment Strategy. Learning Through Work Week which took place in November 2014 offered a renewed impetus to increasing employer engagement in education, aiming to ensure that the young people of today will meet the employer needs of the future.

Challenging attitudes towards gender stereotypes has been a key focus for our Career Information Advice & Guidance work throughout 2014-15. It is also at the heart of our Corporate Plan for the next five years. Going forward we will aim to help parents and teachers to recognise how unconscious bias can play a part in the paths that young people choose to take. We will also work closely with education partners to ensure a smooth change to our expanded Career Information Advice & Guidance offer which we will begin offering direct support to schools at P7/S1 to assist with transition planning for young people during this academic year.

**An all-age career and employability service- post school**

Career Information Advice & Guidance employability services are provided from our 47 full-time customer-facing centres located throughout Scotland. A high street presence in all local authority areas allows us to reach key customer groups, helping them to build on their skills to manage their career. Support is delivered via a blended service which includes:

- Face-to-face appointments;
- Employability group workshops;
- **PACE redundancy support service** (Partnership Action for Continuing Employment)
- Our web service for individuals, My World of Work;
- Contact Centre helpline – which is delivered by our Careers Advisers and Work Coaches.

Our activity includes helping people to:

- choose a career and get ready for employment;
- progress in the workplace;
- up-skill, such as being able to use new technology;
- adapt to change, such as redundancy or transferring skills to something new.

We are also responsible for administering the funding for **Individual Learning Accounts** and marketing **The Big Plus** on behalf of the Scottish Government.

In tandem with the delivery of our careers services, we also deliver a range of funding and training support with partners for our customers through the key stages of the **Strategic Skills Pipeline**.

This focuses on employability programmes such as the **Employability Fund**, for unemployed people who want to gain the skills and experience needed to get a job, and the **Certificate of Work Readiness** qualification. Local partnership working is particularly pertinent for the delivery of these initiatives. In working in partnership, we allocate places to the Fund through a process of “co-commissioning” with Community Planning Partners (CPPs) and Local Employability Partnerships. This means that we are able to make the best use of national and local intelligence, and plan appropriately to meet local needs.

It also means that our investment can be planned in conjunction with other resources available to CPPs so that our collective services are better aligned, minimising duplication and leading to a better service for individuals and employers.

Throughout 2014-15, we continued to work with all local authorities and colleges in Scotland, the Scottish Funding Council, and the Student Awards Agency for Scotland to embed and expand multi-partner data sharing based on the 16+ Data Hub to maximise the effectiveness of service provision for young people. The Scottish Government is working with Her Majesty’s Revenue and Customs (HMRC) on a longer term project to match customer datasets in Scotland.

Recognising the important role of Jobcentre Plus in supporting the young unemployed from the age of 18, we continue to work closely with them on an Integrated Employment and Skills service to improve access and
progression for those distanced from the labour market. This involves SDS and Jobcentre Plus staff co-located at a number of centres across the country, as well as joint staff training and cross-referral between services. Focused on the needs of the customer, and not organisational boundaries, this approach is particularly important in supporting those disengaged from work or learning.

As the national skills agency, we welcome the future devolution of employability services to Scotland and will continue to work closely with key partners, including Jobcentre Plus, to ensure that our services are complementary to any new services introduced, ensuring that people have access to the training and employability services they need to progress in the labour market.

5. Conclusion
We hope this submission has provided the Committee with a helpful outline of our spend, outcomes and performance against our objectives for 2014-15, as well as an indication of the breadth of our ambition going forward. We look forward to expanding on this further at our meeting with the Committee on 3 November.
2014/15 spend profile

Programmes & Delivery £149m
Staff £58m
Estates £6.8m
Total expenditure £214m

1. This includes spend on IT, skills intelligence, Commission for Developing Scotland's Young Workforce, digital services and business support services.
Responding to skills demand

Policy Drivers

1. £7.6m (incl. £2.1m staff costs)
2. Collaboration through CON - Highlands & Islands Partnership, University of the Highlands & Islands, and local authorities on the delivery of the Highlands & Islands Skills Investment Plan

Value for money

5 new sectoral Skills Investment Plans published

What we did

1. Provision of careers intelligence for every local authority via Research Online - Scotland’s LMI hub
2. Part-funded PhD Programme in partnership with Economic & Social Research Council

Outcomes

1. £1m public sector investment in Energy (will challenge fund attached to Energy Skills Investment Plan
2. £6.6m public sector investment in Energy (will challenge fund attached to Energy Skills Investment Plan

Outcomes

1. 11 Regional Skills Assessments published
2. Development & delivery of skills interventions and initiatives

Employer Bodies

- CBI
- FSB
- IoD
- Chambers
- SCORE
- SPFE

17 Industry Leadership Groups and their skills groups

Policy Drivers

- Commission for Developing Scotland’s Young Workforce
- Scottish Government’s Economic & Skills Strategies
- Sector Skills Councils

Outcomes

1. Sector strategies and action plans focused on:
   - Economic importance of sectors to Scotland
   - Key skills challenges in each sector
   - Sector action plans

Conclusion

- Skills intelligence input to Scottish Funding Council Regional Outcome Agreements, to ensure that skills insight informs partner investment and the development of regional strategies.
Making the skills system work for business

Policy Drivers

- Digital Public Services Strategy
- Scottish Government Economic and Skills Strategies
- SDS Corporate Plan 2015-2020 linked to Scottish Enterprise and Highlands & Islands Enterprise plans

Outcomes

- 779 people supported via Energy Skills Challenge Fund & Low Carbon Skills Fund
- 2,123 employer recruitment incentives start over five initiatives
- 252 employers supported via PACs
- 11,800 individuals supported through PIFs
- 116 businesses supported via Skills for Growth
- 305 individuals supported via the Energy Skills Challenge Fund
- 3,200 SMEs supported via flexible training opportunities

Evaluation

- 74% of employers rated Skills for Growth experience as ‘Good’ or ‘Very Good’
- 75% of PACS clients satisfied with their overall experience
- 99% would recommend PACS to other employers
- 89% of employers would recommend Skills for Growth to other employers

£8.3m

Programme £8.3m
Our Skillshare £3.27m
Staffing £1.3m

Promoting Modern Apprenticeships
- 250 employers involved in Learning Through Work Week
- Scottish Apprenticeship Week
- Modern Apprenticeship Awards

Promoting Diversity
- ‘Get Connected’ training provider & employer events
- Direct employer engagement

Helping Public Sector to recruit young people

159 employers approved for Adopt an Apprentice funding

150k users of Our Skillshare accessing this service

c.15,000 Modern Apprenticeship employers

2,000+ businesses engaged with (£700,000)

1. Includes – Low Carbon Skills Fund, Remploy, Adopt an Apprentice, Targeted Young People & Commonwealth Games Employer Recruitment Incentives, Scotland’s Best, Flexible Training Opportunities and PACS spend applies to both employers & individuals
2. Adopt an Apprentice, Remploy, Targeted Young People, Commonwealth Games, Scotland’s Best
3. PACS Client experience survey (2014)
5. Flexible training opportunities survey (2014)
6. Evaluation of the Skills for Growth project
Foundation Apprenticeships - Bringing together education & enterprise

Policies Drivers

- Linking industry and education
- SDIO/SF Joint Framework for Action
- Meeting employees' skills needs
- Developing Scotland's Young Workforce
- Choice of progression routes
- Aligned investment for development and delivery

Activity:

- 2014/15: Interim evaluation
- Workshops to exchange best practice
- Testing and refining delivery models

Outcomes:

- Helping young people get a foot on the career ladder
- A tool to help tackle gender segregation
- Providing skills employers need

72 individuals enrolled in pathways

2016/17:

- Available in 19 local authorities
- 8 sectors
- Delivered with 16 College partners
- 400 new pupils being recruited
- 26 new pathfinders

2016/15:

- Available in 2 local authorities
- 1 sector - engineering
- Delivered with 2 College partners

Promotion through Scottish Apprenticeship Week

- Using Regional Skills Assessments to map employer skills demand in local authorities
- International Symposium on work based learning - exchange of best practice with experts on work-based learning at school
- Development of work-based learning pathways

Development funding £294k

1 - Activity for 2014/15 and 2015/16 but spend for only 2014/15
2 - Engineering, construction, energy, social services & healthcare, financial services, children & young people
Influencing career choices in schools

- **Youth Employment Strategy**
- **Aligned to Curriculum for Excellence**
- **Skills for Work**
- **Developing Scotland's Young Workforce**
- **362** Public schools
- **23,439** Teachers
- **85k** 16-19 year olds registered on My World of Work
- **81%** of parents view SDS Careers Advisers as ‘important’ in their children’s career choices
- **89%** of schools found SDS events with Careers Advisers during Learning Through Work highly useful
- **92.3%** of school leavers going into a positive destination
- **96%** of Head Teachers reported SDS services had an impact on school outcomes
- **97%** of pupils who attended Higher Education Conventions found them useful
- **98%** of head teachers felt SDS services in their school as very good or good
- **6.3%** of school leavers not in work, education or training
- **630k** targeted pupils received one to one coaching.
- **£37m** investment
- **1,974** trainees with a disability received one to one coaching (2.3 engagements per individual on average)
- **137k** overall engagements (mix of group and face to face)
- **1,635** calls received by our Exam Results Helpline
- **40k** trainees with a disability
- **300+** schools involved in Learning Through Work Week
- Development of earlier SDS Intervention service offer

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1. £37m applies to both our SDS work in schools and our all age careers service
3. SDS National SLDR report 2013/14 (Initial Results) (December 2014)
4. Telephone survey of Head teachers (November 2014)
5. This is calculated according to the SDS definition of disability
7. From April 2011 to March 2013
8. This includes separate workshops on Buzz Strengths, Career Essentials, Career Management Skills, My World of Work, CV/SA, My World of Work, Employability, Labour Market Information, Skills to Succeed Academy Workshops