Stewart Maxwell MSP  
Convener of Education & Culture Committee  
Scottish Parliament  
Edinburgh  
EH99 1SP

26 November 2015

Dear Mr Maxwell,

Thank you for inviting us to provide evidence to the Committee on 3rd November on our spending decisions and achievements in 2014-15 to inform your inquiry into Public Bodies Spending Decisions & Outcomes 2014-15. My fellow panel members and I hope members of the Committee found the session informative.

Your letter of 11th November outlined a number of areas where members had requested further clarification. We are happy to provide this additional information and have provided our response to each question below.

Please note that service delivery and enhancements to our existing services are based on current funding levels.

1. In answer to John Pentland’s question about SDS’s influence, it was indicated that SDS has made a strong case to the Scottish Government to do a lot more work in early years’ education. Can you elaborate on how successful your representations have been and outline what action SDS is now intending to take to implement this work? Column 3.

As mentioned at the Committee, we worked very closely with the Commission for Developing Scotland’s Young Workforce (DYW) on proposals to better prepare children and young people for the world of work, and to expand our Career Information, Advice and Guidance (CIAG) services to engage with younger pupils, their parents and carers.

Recommendation two of the Commission advises that “SDS working with schools and local authorities should aim to provide some early careers advice and world of work knowledge in S1 and S3 prior to subject choice towards the end of S3.”

This endorsed our thinking and, as part of Scottish Government’s response to DYW, we have been involved with Education Scotland and Scottish Government in developing a new Career Education Standard (CES) and scoping out a new service offer for P7–S3. More information on both of these is outlined below.
Earlier CIAG intervention in school

Earlier careers intervention from P7 will provide a more comprehensive careers service and act as a catalyst at a crucial juncture in pupils’ lives. Pupils will be provided with early information resources on a combination of pathways, both worked based and academic, with the aim of enhancing career opportunities available to them post school. Our work focuses on creating a more complete pathway, by designing better, wider choices to support young people into sustained employment post school.

On 26th August this year, Roseanna Cunningham, Cabinet Secretary for Fair Work, Skills & Training, announced that we would receive an additional £1.5m to enable us to extend our current CIAG offer in schools. As a result, SDS Careers Advisers in schools will now:

- Offer direct support to schools at P7/S1 transition to assist in ensuring young people begin their career management skills journey at the same time as their secondary school one;
- Hold group sessions with pupils in line with schools’ arrangements for option choices (usually in S2/S3);
- Be available for one-to-one sessions with pupils, their parents/carers and, if available, a teacher, during option choices time.

This is in addition to our current offer which sees our Careers Advisers:

- Hold group sessions during the senior phase with interactive activities to continue work on career management skills and introduce further discussion of careers intelligence;
- Offer ‘drop in’ clinics for all young people as well as one-to-one sessions and on-going support for young people at risk of not finding a positive destination or finding decision-making particularly difficult across their school career;
- Participating in parents’ nights.

We have begun working with 35 “early adopter” schools in 14 local authorities who have expressed an interest in being involved from an early stage. Close partnership working with schools is an essential part of our service offer expansion, with decisions made annually through School Partnership Agreements on how SDS resources can combine to deliver the Careers Education Standard (CES) to meet both individual learning outcomes for young people and a better prepared and informed future workforce for Scotland. We aim to offer this support in all schools by academic year 2016-2017.

In addition to work in the 35 “early adopter” schools, we are also extending our universal offer to include group sessions for all S1 to S6 pupils, irrespective of the level of support they require, during the school year. This was agreed as part of School Partnership Agreement discussions. Enhancements to our senior phase offer will be informed by the Careers Education Standard (more detailed information on this below) as it becomes more fully established and career education more progressively delivered through each stage of Broad General Education.

Our career web service offer for individuals, My World of Work, will support the expansion of our service offer.

Career Education Standard (CES)

Crucial to successful earlier intervention in school is informing and engaging parents and teachers in a young person’s career decisions. Launched in September at the Scottish Learning Festival, the Career Education Standard was developed by SDS, Education Scotland and the Scottish Government, and aligns with our ambition for earlier careers intervention.

At the centre of the CES is a set of expectations outlining what children and young people will learn about careers and what we, along with parents, teachers and employers will do to support their
learning. As part of this we are developing tools for teaching staff to help them gain their own career coaching skills.

We are also actively working with parent bodies such as National Parent Forum Scotland (NPFS) and the Scottish Parent Teacher Council. With NPFS we have supported the development of “nutshell” guides which focus on the CES and role of parents. These guides have been distributed to 700,000 households in Scotland that have children who will be of school age by early 2016. It has been very well received.

2. More generally in the whole area of measuring success, the Committee is interested in the achievements of SDS. Considerable information was provided on SDS activity and input, as was alignment with the NPF. Could you set out the measures relating to SDS activity that are in place to identify your successes - both where SDS works directly with clients and in partnership activity?

We monitor delivery across all of our activities and services to ensure these are clearly directed at achieving our corporate goals and outcomes. Our 2012-15 review draws on the core performance measures we had in place over this period. As our services have evolved and changed, we have introduced new measures of performance and also expanded our customer research and evaluation programme. We are now refreshing our performance framework to align to our 2015-20 Corporate Plan.

We undertake both internal and external monitoring activity to assess how we are performing.

Internally

Within SDS we undertake:

- Regular quantitative performance monitoring which is informed by data extracted from our customer management systems;
- Periodic qualitative evaluation of our service offers, including customer and partner surveys.
  - Our Evaluation Strategy 2012-2015 supports our commitment to developing a culture of learning and continuous improvement through recognition of the need for high quality evaluation evidence to inform and support the work we do.
  - Customer research is a key component of our evaluation activity. Our Evaluation & Customer Research Strategy 2013-2016 was developed in consultation with our staff and commits us to producing a three year rolling evaluation plan covering each of our main service areas.

This combination of performance and perception measures enables us to track what we are delivering (outputs) and the difference our services are making (outcomes).

This evidence also feeds into our own internal evaluation of services through our Business Excellence Approach (BEA) and helps shape our input to the Scottish Government’s policy making process. Our BEA Quality Assurance Framework is a key element of our Planning and Management Performance Framework. We have been self assessing our CIAG services against the framework since April 2013 with all other parts of SDS due to undertake self assessments over the next two years. This self assessment process has led to identification and implementation of improvement actions across our business. We have a network of Quality Improvement Leads and Business Excellence Facilitators who lead the self assessment process locally. They also support CIAG regional operations colleagues plan and prepare for external review of their services by Education Scotland. It is worth noting that these measures also apply to our 2015-2020 Corporate Plan.

Externally

Over the last few years, a number of our services have been the focus of comprehensive reviews by external auditors:

- Review of Modern Apprenticeships by Audit Scotland;
- Reviews of CIAG local service delivery by Education Scotland (seven completed to date since April 2014);
- Aspect review of My World of Work also undertaken by Education Scotland in 2015.

We take forward the recommendations of all external evaluations in order to improve our service offer for our customers and partners. The recommendations of these evaluations feed into our continuous improvement programme.

3. In response to a question from Mary Scanlon, you advised you guarantee to fund places of any provider who satisfies your criteria related to various completion measures. The measures relate to past performance.
   (a) Is this information considered on the overall performance of the provider or is it to broken down to the subject level?

Following further clarification from the Committee clerk, we understand that “subject level” here means occupational grouping.

We outlined in our response to this question at the Committee that this guarantee relates to Level 3 starts in STEM-related frameworks. The award of such starts would be considered in the light of the provider’s performance in relation to the following:

- Achievement rates for occupational groupings of related Modern Apprenticeship (MA) frameworks;
- Whether the bidder had been able to achieve the level of contracted starts previously;
- Whether the bidder had passed all of our minimum standards tests – which are mandatory and are scored on a pass or fail basis;
- Clear evidence provided of employer demand.

(b) What is required of potential new entrants who do not have track records of delivering training funded by you?

New bidders are required to complete all elements of the Invitation to Tender including details of their experience – as a business – in delivering similar types of work-based learning and/or assessment services. We also ask for contract examples – of which one must have been delivered through to completion – as well as details of their performance against relevant completion measures.

4. Colleges Scotland’s submission to the Committee highlighted the high cost of making applications for funding and suggested a degree of exemption for colleges with a proven track record. What consideration is being given to easing the administrative burden on applicants?

We undertake a competitive bidding process and Colleges are therefore required to provide the same information as other bidders.

As part of our drive for continuous improvement, we have worked to improve and simplify both the MA commissioning process and the administrative process for bidders. We have sought and welcomed feedback from stakeholders and partners, including Colleges Scotland. We have been

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informed by an annual survey which was designed to gain feedback on bidders’ experiences of the process and paperwork requirements. The review activity has led to a number of changes. For example:

- We pre-populate the paperwork with drop-down menus as much as possible to make it easier to complete;
- We have grouped MA frameworks together to provide greater flexibility to meet demand;
- We have substantially reduced the information required for existing bidders.

The new process has been received positively, with bidders stating that the process is simple, easy to follow, takes less time to complete and is transparent.

5. There was discussion about the commissioning of work that intends to track and evaluate the longer term benefits to participants in apprenticeships and other work-based learning. Could you confirm when information from this work will be available? Columns 8-9

We are working with OECD to develop a strategic framework for measuring long term outcomes of Modern Apprenticeships on the individual, the employer, industry sectors and the wider economy, with the work expected to be complete in late 2016. This work will also incorporate input from UK and international experts and form part of a wider OECD project with other member countries.

The Department of Business Innovation & Skills (BIS) October 2011\(^5\) research shows that the most cost-effective and accurate means of measuring long-term outcomes is principally through data linkage. We are in discussion with Scottish Government about progress and timeframes relating to the linkage of MA, HMRC and DWP datasets.

We have commissioned an MA outcome survey of 2,000 MAs. This will examine the intermediate outcomes and benefits for individuals who have taken part in an MA (completers and non-completers) six months after leaving. Our aim is for the results to be published in summer 2016.

6. Liam McArthur noted the absence of any reference to activity to work with schools and colleges in the SDS goals and operational objectives. Could you indicate the reasons for this change? Column 17

Partnership remains central to our role and purpose. While our plans do not always explicitly detail which specific partners we work with in every area of our business, our five year plan does refer to our work with a range of partners, including schools and colleges. Our new Corporate Plan 2015-2020 continues to outline the Skills Planning Model, illustrating how we work with partners to drive improvement in the way the education and training system responds to the needs of industry. Partnership working runs through everything we do and is key to delivery of our goals (see p54 of the plan). It helps ensure our work is aligned with local and national priorities, draws on the strengths and expertise of our valued partners and stakeholders and maximises resource.

Schools

For clarification, our ambition for activity with schools is directly referenced within our Corporate Plan 2015-2020. Goal three, People have the right skills and confidence to secure good work, progress in their careers and achieve their full potential, outlines in detail how we intend to work towards achieving our goal.\(^6\) For example, we will:

- Extend our CIAG service to younger pupils and collaborate with Education Scotland on the Careers Education Standard (CES). In supporting young people’s development of career management skills we can help enable them to progress in the world of work, and we will share

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\(^6\) p34-35
our expertise in this area through provision of guidance and support for teachers to build career management skills and work-related learning into their lessons;

- Work with partners to extend work-based learning pathways in schools, and for individuals who have left school, to ensure that all young people are better equipped for the world of work and the opportunities that exist in a range of technical and professional roles. The roll out of Foundation Apprenticeships in the senior phase at school will be fundamental to this, and colleges are key partners in this process. The first cohort of Foundation Apprentices in 2014/15 attended Fife College and West Lothian College;

- Ensure My World of Work continues to be a significant resource for pupils, teachers and parents in providing relevant career information.

Colleges

Our approach to working with colleges is similar. Throughout the plan we explain the importance of working in partnership with colleges. For example we will:

- Work with colleges and universities to deliver targeted programmes to help employers bridge the supply in skills where their needs are not met in the short term;

- Beyond the school setting, continue to work with colleges – and other partners – to offer career and work coaching, and facilitate access to employability skills development programmes where necessary. Colleges are key training providers for the delivery of the training programmes we fund, such as Modern Apprenticeships, the Employability Fund and the Certificate of Work Readiness;

- Continue to collaborate with colleges on local provision of employability training on Community Planning Partnerships (CPPs) and Local Employability Partnerships;

- Work to ensure that skills intelligence informs further and higher education provision, through the outcome agreement process, and other local skills provision.

7. You helpfully provided considerable background information relating to the Fair Work agenda. Could you provide the further detail of the work being undertaken by SDS as sought by the Convener? Columns 33-36

We are undertaking a number of activities in alignment with the aims of the Fair Work Convention, particularly in relation to the promotion of progressive workplace policies which foster innovation and improve skills and productivity.

We are working to encourage businesses benefitting from public sector support to commit to a range of business practices such as paying the Living Wage, workforce and community engagement programmes and progressing gender balance and workplace diversity:

- Daily employer engagement – we directly engaged with 2,000 businesses across Scotland in 2014-15 (1,700 SMEs). We vigorously promote the benefits of progressive workplace practices and encourage employers to participate in our work-based learning and employability programmes – forging links between the business community, schools and individuals, particularly young people and under-represented groups in society. This can help provide more "good" jobs, as well as skilled jobs which are of better quality.

- Scottish Business Pledge – launched at the end of May this year, this is a vehicle we use to encourage employers to commit to fair and inclusive business practices. We are one of the key points of contact for businesses in a number of the pledge criteria, particularly Invest in Youth. Our local employer engagement teams encourage eligible businesses to sign up. We are a key point of guidance, support and expertise to help them meet the core requirement of paying the Living Wage.

- National and Regional Developing Scotland’s Young Workforce Groups – through these we encourage employers to take the lead in investing in young people and the education system.
• **Training Providers** – we promote fair employment policy and best practise to employers through our network of contracted Modern Apprenticeship and Employability Fund training providers.

• **Individuals** –
  - We promote Fair Work to individuals through our CIAG service offer. We aim to empower people – pupils, those out of school and particularly those from under-represented groups – to move into high-quality work. We do this by encouraging them to broaden their horizons and identify their strengths through the development of career management skills. This includes encouraging individuals to up-skill, such as being able to use new technology and to adapt to change following redundancy.
  - In terms of the National Minimum Wage (NMW), compliance is enforced by HMRC and responsibility for ensuring that employees (including MAs) are paid appropriately rests with the employer, who has a duty to meet their statutory obligations. We strongly encourage any employee receiving less than the appropriate rate to contact the confidential HMRC national pay and works rights helpline for confidential advice, and our website contains details of this.\(^7\)

8. There was considerable discussion around the proposal for foundation MA’s at S5 and S6. I look forward to the further information offered, including details of the timescale and on-going discussion of tariffs for these apprenticeships. Various but see column 47

During the course of the evidence session Foundation Apprenticeships were referred to at various points by Committee and panel members. We would be happy to provide further detail directly to members through a briefing session. Please let us know if this would be of interest.

**Certification**

We have been working with the Scottish Qualifications Authority (SQA) and Scottish Government to develop Foundation Apprenticeships as an award that can complement more traditional awards offered to pupils in the senior phase of secondary school.

We have ensured that Foundation Apprenticeships are SCQF rated to ensure compatibility with other awards. Currently, we have a preliminary agreement with SQA to certificate Foundation Apprenticeships and we are now developing a system for certification which we anticipate will be in place early 2016.

We are also working with SQA to deliver a process, within existing SQA certification systems, for managing the certification Foundation Apprenticeships that may include components issued by another awarding body. We anticipate this will be in place for August 2016.

SQA will also ensure the certificate will be issued with candidates’ other school certificates.

The overall award will be jointly certificated by SQA and SDS with approval of the appropriate Sector Skills Council (SSC). Relevant agreements with SSCs are being finalised and should be in place by March 2016.

To ensure compatibility with other awards, Foundation Apprenticeships will be levelled\(^8\) and as a minimum the candidates will achieve 45 credits at SCQF level 6 and a probable maximum 65 credits at SCQF level 6. This is comparable to a Higher, which attracts 24 credits at SCQF level 6. Candidates will be certificated for all components of the award and each certification will outline the credit and level.

\(^7\) 0800 917 2368

\(^8\) provided with a level of SCQF qualification
Recognition of the Foundation Apprenticeship by schools (Tariff Value)

In order to ensure adequate uptake of Foundation Apprenticeships and to encourage the development of work-based learning in schools we have gained agreement from the Scottish Government to include Foundation Apprenticeships within the Insight system and are agreeing the processes required for Foundation Apprentices to be included on the tool from August 2016.

This process brings with it a tariff rating for schools that are providing Foundation Apprenticeship as an option, and should assist in bringing clarity to parents and pupils of the value of Foundation Apprenticeships.

Recognition of Foundation Apprenticeships by Higher Education

We have also been working with SQA (Accreditation) on optimising ways of developing a process with UCAS that will result in tariff rating for work-based qualifications more generally. This is a longer term ambition and we will progress this work over the coming months.

In parallel we have been working directly with Higher Education Institutions such as Strathclyde University & Robert Gordon University to recognise Foundation Apprenticeships within their admissions procedures. This will in effect ‘hard wire’ the progression pathways from foundation level through to graduate.

9. You state in the Corporate Plan you are “committed to ensuring we can measure and track progress in delivering our ambitious five year plan”. Can you indicate and provide detail on how this is to be achieved during the currency of the plan?

We have an existing range of performance indicators in place to measure what we deliver and the difference it makes. These indicators are being reviewed and expanded to create a comprehensive performance framework for the 2015-2020 period. This builds on the outline framework included in our Corporate Plan published in July 2015. The framework will continue to be developed, as needed, to reflect new or expanded services, such as earlier intervention in schools.

Our Key Performance Indicators (KPIs) will include a range of customer indicators, relating to the reach of our services, satisfaction with services and success of customers after engagement with us (for example progressing to sustained positive destinations). They will also include a range of organisational indicators in areas such as employee motivation and satisfaction, carbon management and organisational reputation. KPIs will be baselined and used to track progress against our corporate plan. We will publish our refreshed KPIs in due course.

We will also continue to make the best use of technology to support service delivery, performance monitoring and evaluation. For example, we will continue to work with partners to maximise the effectiveness of data sharing and assure the quality of our shared dataset to support delivery under Opportunities for All.

Progress will be reported externally in a number of ways:

- Quarterly National Training Programmes statistics will continue to be published on the publications and statistics pages of our corporate website;
- A wider set of performance statistics will continue to be published on the local pages of our corporate website for every Local Authority (LA) in Scotland;
- Bi-annual stakeholder briefings will continue to be published and issued to key stakeholders, such as the CEOs of LAs and every MSP;
- Our annual Operating Plans and financial statements in each of the next five years will contain a review of performance for the previous year;
- In 2020 we will produce a review of performance over the 2015-20 period.
I hope the answers above provide clarification and assist members with their understanding of our spending decisions and outcomes. If you or other Committee members require additional information, please do not hesitate to contact me at corporate.affairs@sds.co.uk.

Yours sincerely

John F McClelland CBE
Chair
Skills Development Scotland