

Submission from Skills Development Scotland (SDS) - Education & Skills Committee

We welcome the opportunity to provide evidence to members of the Education & Skills Committee ahead of the evidence session on 7th September. As per the Committee's request, we have set out our immediate, medium and long-term priorities and challenges to help inform the Committee's programme of work.

As the national skills body for Scotland, we have a pivotal role in shaping the skills and education system. We place inclusive growth at the heart of service delivery, ensuring our work with employers, individuals and partners continues to contribute to achieving Scotland's long-term economic goals and to the delivery of the Scottish Government's economic and skills strategies. Our services are shaped by the [Scottish Government's Career Information Advice and Guidance \(CIAG\) Strategy](#), the [Youth Employment Strategy](#), which aligns with the recommendations of the [Commission for Developing Scotland's Young Workforce](#) (DSYW) and more recently, the [Scottish Government's Labour Market Strategy](#). In July 2015 we launched our [Corporate Plan for 2015-2020](#) which sets out our ambitions for the next five years. Our achievements and positive collaboration with partners at national, regional and local level provide a strong platform for achieving our ambitions:

- employers are 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
- there is greater equality of opportunity for all

From the outset in 2008, we believed that a new approach to skills planning was needed to ensure investment in the right skills at the right time and in the right place. We developed the Skills Planning Model^[1] a systems based approach in which comprehensive intelligence on the skills demands of industry and the needs of our economy is the fundamental driver of skills supply. Our progressive approach, using [Skills Investment Plans](#) (SIPs) and [Regional Skills Assessments](#) (RSAs), has significantly enhanced the intelligence evidence base in Scotland at all levels, to create a clear approach for signalling industry needs or aligning these with economic strategy or supply. We collaborate with industry, SE, HIE and SFC on planning for future skills demand. The evidence from SIPs and RSAs helps to inform [annual outcomes agreements](#) between the SFC and Scotland's Further Education, Higher Education Institutions (HEIs) and our investment in [Modern Apprenticeships](#) (MAs). It provides the basis for better alignment between the Scottish Government's ca. £1.7bn investment in skills and the needs of the Scottish economy. We have also embedded a fresh approach to [Career Management Skills](#) (CMS) for individuals which builds confidence, raises aspiration and reduces barriers to economic activity. We remain committed to continuous improvement, focused on customer needs and the creation of a demand-led skills system that fulfils the needs of employers and individuals. Employability and [PACE](#) (Partnership Action for Continuing Employment) support have remained key elements of our service delivery over the last eight years. We are also responsive to the changing skills landscape in Scotland and policy developments which will influence the delivery of our key products and services, such as the UK Apprenticeship Levy and the Devolution of Employability Services.

To compliment each of our priorities listed below, please find attached as Appendix One, an infographic outlining the totality of our products and services.

Immediate

Embedding [Foundation Apprenticeships \(FAs\)](#) into the curriculum

We have invested heavily in international research, engaging with parents, young people, employers, educational institutions and agencies to develop and introduce FAs to the school environment. FAs enable pupils in S4-S6 to achieve an industry recognised qualification and elements of a MA while they are still at school, thereby combining the best of academic and work based learning (WBL) to make the senior phase more productive. FAs provide a triple return on productivity and innovation via the following:

- efficiencies through accelerated progression post-school to MAs, Further/Higher Education and a job
- pupils gain industry relevant skills and work experience in key industry sectors in school
- improving attainment and achievement levels and work readiness of pupils, delivering a reduction in negative destinations

^[1] <https://www.skillsdevelopmentscotland.co.uk/media/40263/sds-corporate-plan-2015-20-non-interactive-10-1.pdf>

Following a successful pilot in 2014, we now offer FA frameworks across eight industry sectors in a number of Local Authority areas in Scotland. Around 300 pupils are currently enrolled on the programme, with the prospect of an additional 1,000 new starts in the coming academic year. Our ambition is for FAs to be part of every school's offer by 2020.

Expansion of school careers service to include P7-S1

Our CIAG service has changed markedly since 2008, drawing on international best practice, customer insight and service design principles. The [CMS Framework](#) and [Career Education Standard \(CES\)](#) have specifically influenced the expansion of our service in schools to P7-S1. This service will be available to all schools from the 2016-17 academic year. Prior to implementation of the expanded offer we worked with 35 demonstrator schools across Scotland during 2015-16 to evaluate the service offer and develop it further.

Our research assessed the effectiveness of delivery and partnership working, usefulness of services with key audiences, outcomes, benefits and challenges of the expanded offer. The process enabled us to evaluate the service offer in practice across all 35 participating schools, and develop it further in advance of its introduction. Young people, teachers, parents and carers and SDS staff were an integral part of the process of developing the offer. Feedback and research has shown that expanded careers services have been well received and are already providing benefits. Throughout this academic year, we will continue to work with these key groups to help us understand how we can improve the service even further.

Development of Graduate Level Apprenticeships (GLAs)

Over the past year, we have worked with industry, and Scottish universities and colleges to pioneer a new approach with employers to create a structured work based learning offer for higher education in Scotland through GLAs. GLAs are accredited work based learning programmes at SCQF levels 8 to 11. They lead to degrees or to degree level, professionally recognised, qualifications. They provide a mechanism for supporting non-traditional entry to university, particularly for those whose aspirations have not previously been to enter full-time degree programmes. Initial development in 2016-17 will focus on the engineering, civil engineering, IT and financial and business services sectors. We anticipate in the first year we will attract around 125 participants with a view to increasing that volume across the three SCQF levels by 2020. The benefits of GLAs include:

- greater work readiness in key sectors
- access to a national model of Work Based Learning designed to meet industry need
- delivering enhanced outcomes with improved skills
- improve youth employment rates
- creating efficiencies in the term of a degree - delivering significant savings
- widening access to graduate level opportunities

The overall impact of GLAs delivers reduced benefit dependency, higher employment rates and tax revenues, improved incomes and well-being which are a triple return on public investment.

Equality of opportunity for all

Aligning strongly with the Scottish Government's drive to build inclusive economic growth, a key strand of our corporate ambition is to ensure our services provide equality of opportunity for all, by embedding this principle throughout our service design and delivery. We recognise that many of the issues that create inequality are society-wide and one agency alone cannot address the challenges and barriers faced by under-represented groups in relation to the world of work. We are therefore at the forefront in working with partners and stakeholders on equality of opportunity.

Our [Equalities Action Plan for Modern Apprenticeships](#) in Scotland illustrates how we deliver our equality strategy for MAs. It outlines challenges faced and the actions we will undertake with partners to improve the participation of young people from four target groups:

- **Disability** - supporting them through transition periods in education and into employment
- **Gender** - reducing gender segregation in MA frameworks, stereotyping and segregation in career choices and occupational routes chosen by young people
- **Minority Ethnic Groups** - broadening the range of career pathways taken by young people from Scotland's Minority Ethnic communities

- **Care Experience** - supporting young people in care and leaving care through transition periods in their education and into employment

We also address inequality in delivering our CIAG services by:

- offering CIAG and widening horizons earlier in school, at crucial transition points in pupils' lives
- providing pupils with early information on different pathways and options post-school, aiming to broaden their horizons and challenge stereotypes
- targeting our service at those who need the most support. A higher intensity of service for those from areas of multiple deprivation, and those with special needs
- introducing FAs in the senior phase

Transitional Employment Service

From April 2017, the Scottish Government will have a responsibility to provide a service to those who are at risk of long-term unemployment. Interim services will run during 2017-18, including a Transitional Employment Service which we have given responsibility for contracting via the Employability Fund. We recognise that the implementation of this service provides an opportunity to capitalise on the devolution of powers to begin a process of wider change in the employability landscape in Scotland. Challenges will include measuring and determining impact across initiatives, such as timescales, IT systems, funding gaps, increasing demands arising from the labour market and relationships with other agencies, such as DWP.

Medium-term

Expanding the Apprenticeship Family

Building on the well-established MA model, which enables businesses to train new entrants and existing employees to industry-recognised standards, we are working to create a world-class infrastructure for work based learning, providing a coherent pathway of opportunity from school, post-school and into employment through the expansion of the 'apprenticeship family'. This aims to greatly enhance the quality of MAs while extending the reach of work based learning through FAs and GLAs. A specific priority for MAs is to reach 30,000 starts annually by 2020, with a target of 26,000 starts for 2016-17, in line with the Scottish Government's Youth Employment Strategy. We will continue to seek to increase the number of starts on STEM frameworks and at level 3 or above within this target, in alignment with Scottish Government policy.

Apprenticeship Levy

The [UK Apprenticeship Levy](#) will be implemented in April 2017 and apply to all UK employers in the private, public and third sectors with annual salary bills of more than £3million. The Scottish Government is consulting with employers on the most appropriate use of the Levy to support apprenticeships in Scotland. The introduction of the Levy brings about the opportunity to set out a bold vision for the use of levy revenue in Scotland; including benefits such as linking learning to work, addressing inequalities and widening access to apprenticeships, simplifying the learner journey and improving attainment and achievement levels. Further clarity is awaited regarding what Scotland's share of the Levy will be and how it will be implemented in practice. As and when information becomes available, we will further develop our services to support employers' understanding of apprenticeships.

Recently established and led by SDS, the Scottish Apprenticeship Advisory Board (SAAB) gives employers and industry the leading role in developing apprenticeships in Scotland now and in the future. It comes at a crucial time for apprenticeships and the introduction of the Levy in Scotland. SAAB members include leaders from industry and key stakeholders involved in apprenticeships. It provides employer leadership and contribution to the development of apprenticeships in Scotland ensuring they are aligned with industry, economic need, and job opportunities, further increasing relevance, perceived value and quality. In leading the SAAB, we will work with its members over the next year to set out key principles for apprenticeships, identify opportunities to strengthen the skills system in Scotland and establish working relationships with the Institute for Apprenticeships in England and the devolved administrations in Wales and Northern Ireland.

Long-term

We welcome the Scottish Government's [consultation](#) to review the enterprise and skills agencies in Scotland. Our submission advocates the continued implementation of the following measures which will benefit the skills and employment landscape over the long-term:

- streamlining the learner & employee journey, ensuring that we deliver an enhanced return from our collective investment in skills
- enhancing the resilience of the learner & employee journey by enabling more individuals to access employment, to sustain employment, increase earnings and to transition back into work rapidly when faced with unemployment
- recognising that what happens in the workplace matters. High performing workplaces deliver greater productivity, higher job satisfaction and higher potential earnings. Fair Work and workplace innovation can make a disproportionate contribution to improving our performance around inclusive growth and well-being

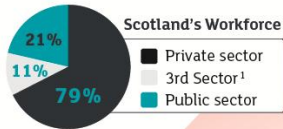
Conclusion

We hope this provides Committee members with a helpful insight into the priorities and challenges we face over the immediate, medium and long-term. We look forward to discussing these points further on 7th September.

**Skills Development Scotland
August 2016**

Skills Development Scotland

Policy Context



- Developing Scotland's Young Workforce
- Inclusive Growth & Fair Work
- Scottish Government Labour Market Strategy
- Scottish Government Economic Strategy

Looking ahead

- Ageing workforce
- Commitment to reduce youth unemployment by **40%** by **2021** - currently **15%**
- Increasingly multi-generational workplaces
- Women projected to take **2/3** of net job growth
- Increased multiculturalism in the workplace

Making the skills system work for business

Dedicated Employer Services Team

Working across & with all LAs in Scotland

Supporting businesses of all sizes

301 employers supported via PACE

11,290 average monthly users of Our Skillsforce

200 businesses supported via Skills for Growth

Larger Enterprises

SMEs

PACE Support by Sector

Construction

Other

Oil & Gas

50% of PACE activity is in & around employers in the North East

£12m Transition Training fund

244 MAs supported via Adopt an Apprentice

Developing the Young Workforce Groups creating stronger industry engagement with education to increase youth employment



Devolved:

- Skills training
- Education
- Newly devolved employability & skills programmes

Reserved:

- DWP/Jobcentre
- Minimum Wage
- Equality & employment legislation

Member of all 32 Community Planning Partnership Boards and Local Employability Partnerships

Graduate Level Apprenticeships

Work-based learning opportunities up to Master's degree level for employees. Created in partnership with industry and the FE & HE sector.

Scottish Apprenticeship Advisory Board (SAAB)

SDS facilitates employer leadership and contribution to apprenticeship development in Scotland via SAAB

- Recommended by DYW
- A Group Board, Employer Engagement Group, Frameworks & Standards Group and Employer Equalities Group

Regional Skills Assessments

Single, agreed evidence base to build future strategic investment in skills	Developed in partnership with SE, SFC and SLAED	Launched 2014	Updated and expanded 2016
Aligned to:			
Regional Outcome Agreement areas	Local Authorities	City Deal Regions	Scotland-wide

11 Skills Investment Plans

Led by industry	Aligning skills demand & supply	Developed to support Key Growth & other expanding sectors	Continuously refreshed to respond to industry need
Chemical Sciences	Engineering	Creative Industries	Construction
Financial Services	Highlands & Islands	ICT & Digital Technologies	Tourism
			Energy
			Food & Drink
			Life Sciences

Skills demand intelligence

Skills gaps 14%

Steep rise in vacancies

Skills shortages & recruitment difficulties

Influencing the school curriculum & FE/HE Regional Outcome agreements

Developing Career Management Skills

362 Schools

Partnership agreements with every school in Scotland

My World of Work web service

MyWoW Live!

Exam Results Helpline

Weekly drop-in sessions

Group Activities

Parents' evenings

Intensive 1-1 career coaching

137K Overall engagements (mix of group & face to face)

235 Career Coaches

40k Targeted pupils received one to one coaching

CIAG

Earlier Intervention from P7

Weekly drop-in sessions

Group Activities

Career Education Standard – Defines how SDS and partners will support learning & decision-making about work and careers & future pathways.

Work Placements Standard – Defines expectations work placements, recognising they should help a young person to make informed career choices.

Data Sharing

- Supports the Opportunities for All guarantee of an offer for all 16-19 year-olds
- Key partners share data to try and ensure young people do not slip through the net
- Data Hub covers young people up to the age of 24 and allows partners to upload and share information to help young people

Apprenticeship Family

Modern Apprenticeships

Targeted at young people... and Key Sectors

76% average completion rate

25K+ each year, rising to **30K** by 2020

Majority at L3

36K MAs in training

250+ Training Providers

89% of employers would recommend MAs to others

80+ Frameworks

more than **12K** employers

MAs earn while they learn

Foundation Apprenticeships - Bringing together education & enterprise

COLLEGE

2 year work based learning opportunities for S4-S6

300 starts in 2015

underpinned by National Occupational Standards

Accelerated progression into Modern Apprenticeships

1,000 contracted for 2016-18

In every school & 8-10 sectors by 2020

Reference: UKCES 2015 Employer Skills Survey | All figures cover 2015-16