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1. Introduction

We welcome the opportunity to provide evidence to members of the Education & Skills Committee ahead of the oral evidence session on the Draft Scottish Government 2017/18 Budget in November. At the request of the Committee, in this submission we have provided evidence on the following:

- How we measure our impact on National Outcomes and key indicators
- How our strategies and financial plan priorities work to ensure it has the greatest effect on delivering National Outcomes
- How we quality assure the delivery of our programmes
- How we are taking forward work on the basis of the four Christie Principles of reform
- How we undertake long term financial and strategic planning, including how we manage change effectively
- How we are contributing to the Scottish Government’s targets on climate change.

As a non-departmental body of the Scottish Government, we are the national skills body committed to driving forward sustainable and inclusive economic growth by supporting people and businesses to develop and apply their skills.

Since our creation in 2008, we have sought to better align employment and skills, simplify access to services for individuals, stimulate employer demand and create a simplified institutional landscape. From the outset, 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 (Figure 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. It describes our purpose and the work we do jointly with partners to improve the response of the skills and learning system to the demands of the economy and industry. It informs our Corporate Plan, which addresses demand and supply.

Aligning strongly with the Scottish Government’s drive to build inclusive economic growth and a society supportive of Fair Work principles, a key strand of our ambition is to ensure all of our services are delivered with equality of opportunity for all. Commitment to this runs throughout SDS, with equality champions appointed at SDS Board and senior management level, as well as within our operations in every Local Authority area. We aspire to be an exemplar of fair work and lead by example in the area of equalities, as well as proactively seeking to embed equality and diversity throughout our service design and delivery.

Figure 1: Skills Planning Model
**Aims and Objectives – Our 2020 Vision**

In July last year we launched our Corporate Plan for 2015-2020 which sets out our ambition and goals for that period, demonstrating how we are responding to Scottish Government policies and how we contribute to the National Outcomes. Each year, our Operating Plan confirms our delivery commitments for the year ahead within the framework of our Corporate Plan. Our Team work plans identify service objectives, set out activities undertaken by teams and include related measures of progress.

Our annual plans are further informed by the annual Letter of Guidance (more on the 2015-16 letter below) as well as any changes in the economic, policy and wider external contexts. Policies include the Scottish Economic Strategy, the 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) and more recently, the Scottish Government’s Labour Market Strategy.

The Letter of Guidance 2015-16 outlines a range of very specific targets and actions such as providing 25,500 new Modern Apprenticeship starts for the year. It required us to “maximise our contribution to the Scottish Government’s Economic Strategy and high level targets for Growth, Productivity, Participation, Solidarity and Cohesion”. It required alignment of our operating activities with National Outcomes and prioritised areas of operation where links to key indicators would be demonstrated across our engagement with individuals, employers and partners.

The following are our strategic goals for 2015-2020. We work with partners at national, regional and local levels to create a Scotland where:

1. employers are able to recruit the right people with the right skills at the right time
2. employers have high performing, highly productive, fair and equal workplaces
3. people have the right skills and confidence to secure good work and progress in their careers
4. there is greater equality of opportunity for all
5. we are an employer of choice, an exemplar of fair work and internationally recognised for excellence, innovation and customer focus

Our plans are supported by a comprehensive Corporate Planning & Performance Framework that ensures we can monitor progress towards the achievement of our goals. Key to this framework are nine outcomes which map to our goals. **Figure 2** outlines the framework. As described further in section 2.1, our Framework is aligned to National Outcomes.

**Figure 2: SDS Corporate Performance Framework - Goals and outcomes**
Our Budget

As outlined in the Letter of Guidance, our core Grant-in-Aid income budget was £183.1M. Of this our direct programme delivery investment was £177.1M. Overall, we employed 1288.2 full time equivalent staff at 31 March 2016, with associated expenditure of £60.7M, including statutory valuation costs for pensions.

In 2015-16 our service delivery focused on six key areas, which spanned the commitments in our Operating Plan 2015-16:

- **Driving Skills Demand** now and for the future with employers and industry through the formulation and refresh of sectoral Skills Investment Plans and Regional Skills Assessments, using careers intelligence;
- **Making the skills system work for business** by providing direct local support to businesses of all sizes via our Employer Engagement team and our web service Our Skills for;
- **Developing Talent in the Workplace** by supporting over 25,000 modern Apprenticeship starts;
- **Developing our Work Based Learning offer** via the expansion of Foundation and Graduate Level Apprenticeships;
- **Influencing career choices in schools** by providing Career, Information Advice and Guidance to every state secondary school in Scotland and the roll out of early careers intervention to 35 demonstrator schools across the country;
- **Delivering an all-age career and employability service, post school** from 47 full time customer facing sites. This included the facilitation and delivery of the Employability Fund and provision of PACE redundancy advice.

Evidence in Our Submission

- Answers to the specific questions raised by the Committee
- A set of infographics (Appendices A-F) which provide disaggregated spend for each specific service area during 2015-16 and outcomes. The list of outcomes is not exhaustive.
- Supporting case study on digital services (Appendix G)

2. Specific Questions from the Committee

2.1. How we measure our impact on National Outcomes and key indicators

As a public body, our performance is aligned to the National Performance Framework, with our Corporate Planning and Performance Management Framework evidencing our progress and contribution to it (more on the planning process in section 2.2). The Framework aims to ensure we are delivering the right services to our customers, as well as providing our Board and senior managers with the means to manage performance and drive continuous improvement.

The Letter of Guidance outlines that our Corporate Plan should set out how we will contribute to the National Outcomes and map across to our annual operating plan, allowing a clear link between Scottish Government expectations and priorities and our delivery. **Figure 3** sets out how our Corporate Plan 2015-2020 aligns to the National Outcomes and indicators. **Our activity contributes to eight of the sixteen National Outcomes**, with our contribution greatest in relation to three of these which are highlighted in bold below:

- We live in a Scotland that is the most attractive place for doing business in Europe

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1 note that our reported accounts figure will always be higher due to in-year Scottish Government budgetary adjustments
• We realise our full economic potential with more and better employment opportunities
• We are better educated, more skilled and more successful, renowned for our research and innovation
• Our young people are successful learners, confident individuals, effective contributors and responsible citizens
  • We have tackled the significant inequalities in Scottish Society
  • We have improved the life chances for children, young people and families at risk
  • Our public services are high quality and continually improving
  • We reduce the local and global impact of our consumption

Appendices A-F demonstrate in detail the outcomes achieved from our investment.

2.2. How our strategies and financial plan priorities work to ensure it has the greatest effect on delivering National Outcomes

Our planning process is aligned to the budget process and therefore resource allocation (both staff and finances) is considered during the development of plans. Budgets are aligned to strategic priorities and activity that map to the National Outcomes and indicators.

We take a cyclical approach to planning:

• **Plan** to ensure our objectives are clearly defined and aligned to the Scottish Government’s direction
• **Measure** our performance and progress
• **Report** internally and externally against our performance and progress
• **Reflect** on our results to drive continuous improvement

![Figure 3: Our contribution to the National Performance Framework](image)
Planning

The annual planning process involves top-down (activity guided by the Corporate Plan and ongoing direction from the Scottish Government, SDS Board and Executive Leadership Group) and bottom-up (staff providing insight based on experience) input. The process involves assessing recent achievements, identifying internal and external change drivers, identifying priority areas for development, setting clear short-term objectives and identifying how they will be achieved. Performance measures and targets are set to ensure that progress and performance can be monitored throughout the year and reported regularly.

Measure

Measuring the extent to which we are performing against our strategic goals and service objectives is essential to ensure we know that we:

- provide the Scottish Government with accurate information on our progress against our annual targets (as set out in our Letter of Guidance) and evidence our contributions to achieving its National Outcomes.
• meet customer and stakeholder needs and expectations.
• allocate resources in a way that supports effective delivery.

**Report**

Progress is reviewed throughout the year and reported and communicated regularly both internally to management and staff as well as externally to customers, stakeholders and partners. Continuing a cyclical process, assessments of our performance then feeds into the development process for the following year. We aim to provide a balanced account of performance and many reports draw on a range of information, including data from our customer recording systems as well as evaluation and customer feedback results.

**Reflect**

Reflecting on our results is central to our Performance Management Framework and a major part of how we drive continuous improvement.

Measuring our performance allows us to identify the extent to which our results meet our planned objectives, pinpoint what’s going well and address which areas need improvement. Our Business Excellence Quality Assurance (BEA) framework provides a formal structure against which we assess organisational practice (what we do) and organisational performance (what we achieve). More about the BEA Framework is outlined below in section 2.3, below.

2.3. How we quality assure the delivery of our programmes

We monitor delivery across all of our activities and services to ensure these are clearly directed at achieving our corporate goals and outcomes. In terms of quality assurance specifically, we undertake both internal and external activity.

![Figure 5: SDS Business Excellence Quality Assurance Framework](image)

**Internal**

• regular quantitative performance monitoring which is informed by data extracted from our customer management systems and internal management information systems;
• periodic qualitative evaluation of our service offers, including customer and partner surveys:
  • Our Evaluation Strategy 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 Customer Research Strategy 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 review of services through our Business Excellence self evaluation process and helps shape our input to the Scottish Government’s policy making process. Our Business Excellence Quality Assurance Framework (Figure 5) is a key element of our Planning and Performance Management Framework. We have been carrying out self assessments against the framework since April 2013. The self assessment process has led to the identification and implementation of improvement actions across our business. Our Business Excellence Team supports a network of Quality Improvement Leads and Business Excellence Facilitators who lead the self assessment process locally.

Our National Training Programmes (NTP) Quality Assurance Team and Skills Investment Advisers ensure providers of NTPs comply with NTP Quality Standards and contract agreements. As a QA measure, they interview employers and individuals involved in NTPs to gain feedback on Provider delivery throughout the year.

External

Education Scotland was commissioned by the Scottish Government to conduct external reviews of CIAG services at a local authority level. These arrangements have been in place since April 2013, with 11 Local Authority reviews by Education Scotland completed to date, achieving 97% good or above grades and 68% very good or excellent.

A follow up visit is carried out 18 months after the initial review to determine if satisfactory progress has been made against the report recommendations. The results of the reviews feed into the National Improvement Framework which was published in January 2016. Education Scotland also conduct CIAG Aspect Tasks, with the My World of Work Aspect Review being carried out in 2015.

Education Scotland also provides quality assurance of college delivery via College Inspection arrangements and the NTP Quality Assurance Team carry out a similar role for independent training providers. Education Scotland has been commissioned by the Scottish Government to undertake external reviews of the off-the-job training element of MA programmes within each of the industry sectors. Awarding bodies also ensure quality standards are met by training providers. In addition, a review of Modern Apprenticeships was published by Audit Scotland in 2014, which led to a number of recommendations. We take forward the recommendations of all external reviews and inspections in order to improve our services to our customers and partners. The recommendations from these reviews and inspections feed into our continuous improvement programme.

2.4. How we are taking forward work on the basis of the four Christie Principles of reform

Central to our Corporate Plan has been our response to the fiscal context and the drive for public service reform encapsulated in the four Christie principles of prevention, performance, people and partnership. These principles have been at the heart of our strategy from the outset. Our approach to public service delivery reflects a series of core themes:

- a focus on creating more personalised and customer centric services, with a move away from ‘push’ to ‘pull’ delivery models, delivering services as and how customers want them. Our Career, Information Advice & Guidance (CIAG) service in schools is an illustration of this; in partnership with schools, we
provide intensive and targeted, face-to-face coaching to those who need the most support. These pupils will receive career guidance coaching a number of times throughout their school journey beginning in S3. Careers Advisers and Work Coaches support pupils to develop their Career Management Skills, and closely monitor their progress and improvement. Our service delivery recognises that some individuals, including young people with additional support needs and care leavers, may need additional intensive support to aid their transition to the labour market. The service offer to all secondary schools includes:

- One-to-one engagements with pupils when making their subject choices in S2 or S3;
- group engagements for all pupils in the senior phase during their final year;
- drop in sessions for all pupils where every school pupil can access a face to face appointment regardless of their; circumstances or academic ability, should they wish to do so;
- a broad range of tools on our My World of Work web service. My World of Work offers up-to-date information, advice, tools and resources, supporting the work of our network of Careers Advisers in schools and centres throughout the country. The site received a positive Aspect Review from Education Scotland in 2015;
- a Contact Centre seven-days-a-week with the Exam Results Helpline in August to support individuals with CIAG following their results;
- group sessions at primary 7 transition or early in S1 to support individuals during this key transition phase.

We underpin this commitment with early investment in a service design methodology to develop the capacity of the ‘customer’ to play an active role in service fulfilment within future delivery models, drawing actively on customer experience and insight on the services they consume. For example, our

Career, Information, Advice & Guidance support for primary schools, teachers and parents

A set of digital tools and resources is available on My World of Work to support career education in primary schools. Aimed at primary 5 - 7 pupils and their teachers, these are part of our wider work to support the Career Education Standard. We developed and tested the tools with pupils and teachers. As well as being a useful resource for teachers, the tools aim to provide a richer and more personalised experience, preparing pupils for the conversations they will start having with SDS Careers Advisers when they get to secondary school.

For teachers we have a range of resources on My World of Work, which has a specific partner area with resources developed with teachers, for education professionals to use with young people to develop their career management skills. We have also developed Career Long Professional Learning modules for teachers in partnership with Education Scotland. The first, an introduction and overview of the Career Education Standard, is already online. Three more will be added soon on Career Management Skills, labour market information and My World of Work.

To help parents/carers understand more about how to help their child with career education we have worked with the National Parent Forum of Scotland to produce a leaflet entitled “Introduction to Career Education”. My World of Work also hosts a dedicated area for parents/carers, we offer parents/carers the opportunity to attend one-to-one interviews with pupils at subject choices time (or another suitable time) and our Careers Advisers attend parents nights and school events.
The expanded CIAG offer to P7/S1 was demonstrated in 35 schools across the 2015/16 academic year; young people, teachers and SDS staff played an integral part in developing the offer. Our work with them helps us understand how we can improve the service further.

- **prioritising activity that focuses on prevention** – for example early targeting of careers advice in schools to maximise the chances of successful transitions and reducing inequalities through our Modern Apprenticeships Equality Action Plan, to improve life chances, social return and productivity. The creation of the 16+ Data Hub (text box provides more detail) has also strengthened intelligence on young people’s destinations and career aspirations, with the aim of ensuring that no young person “slips through the net”.

- **a systems thinking approach** that requires a strategic perspective across the skills and learning system (our Skills Investment Plans and Regional Skills Assessments are a key part of this), reflecting the interactions between different parts of the system and how it could be made to work better and achieve sustainable change and improvement, through more effective partnership working or by reducing friction or duplication in the system (e.g. do qualifications once).

- **a drive for aggregation and the development of economies of scale** in the provision of back-office functions, e.g. through ICT shared services.

- **a sharp focus on improving performance through the use of digital technology.** Our websites have been transformed through agile, user-centred design and partnership working to provide digital services that underpin all our work. Embracing digital technology has allowed us to extend our reach and improve access to services. See a case study in Appendix G for more information.

### 16+ Data Hub

- Reflects requirement for data sharing in the Post-16 Education (Scotland) Act 2013.
- Data from all 14 regional colleges, all 32 Local Authorities (361 schools), Scottish Funding Council, the Student Awards Agency Scotland & Department for Work and Pensions imported through a secure gateway and held in a shared data set so reports based on combined intelligence can be compiled.
- Combined data set allows tracking of school leaver destinations through a process combining regular data input from partners, with direct input by our staff following contact with young people.
- Previously known as the School Leaver Destination Return or SLDR, this follow-up process is now undertaken regularly throughout the year, ensuring up to date intelligence on the destinations of our school leavers.
- Shared data set also used to produce the annual Participation Measure, introduced by SDS in 2015, to report on the learning, training or work status of all 16-19 year olds in Scotland - provides a wider picture of young people’s activity than the traditional school-leaver destinations.
- Second Participation Measure (August 2016) saw the introduction of a new methodology which takes account of all statuses for individuals over the whole 2015-16 year (1st April – 31st March) in contrast to the School Leaver Destination Report which reported on an individual’s status on a single day. The Participation Measure is to become a key policy outcome measure in Scotland Performs in 2016.
• greater investment in the people who deliver services through enhanced workforce development and effective leadership. A strong and motivated workforce are critical to improving the productivity of public service provision; we have therefore introduced the concept of Everyday Leadership – a values-driven culture aimed at fostering greater personal responsibility and a culture of innovation and continuous improvement. By working this way we aim to maximise productivity, raise job satisfaction and promote improved well-being across our workforce.

• driving efficiencies - since our establishment we have worked hard to ensure we have the space that we need to deliver services in line with our new service models, and that that we adopt modern, efficient working practices. We have reduced our total leased space by 14%, reduced our estates costs by a third, while introducing new technology which has also allowed better space utilisation and reduced travel, contributing to a 41% reduction in our carbon footprint and allowing more customer facing time for those based in schools, whilst contributing over £75M of contribution to budget challenges since SDS inception.

• greater integration of public services at a local level, driven by better partnership collaboration and effective local delivery. Partnership and collaboration are fundamental to what we do, key to making the Skills Planning Model a reality and making public services work better for customers more generally. As a national organisation with a firm presence in communities across Scotland, our delivery platform flexes according to partnership purpose (see Figure 6). Whilst we work with the Scottish Government and other public bodies to shape and implement strategies at a national and strategic level, we manage our services and delivery partnerships regionally and locally.

The ability to shape and deliver services locally ensures we have the flexibility to engage appropriately with partners and customers in response to changing demands. This can be illustrated in annual discussions between SDS and individual secondary schools on SDS School Partnership Agreements. Partnership working was highlighted as a key strength in the recent Education Scotland Local Authority CIAG reviews. The agreements enable us to collaborate on how we align and integrate SDS services to complement the curriculum activities already in place to develop pupils’ knowledge of the world of work and career pathways. They ensure we can shape how SDS resources are best used to match each school’s strengths, needs and local circumstances.

Figure 6: Our delivery platforms
Our work with partners in Glasgow demonstrates how local partnership working operates. Here we help shape skills investment through strategic participation in Glasgow Economic Leadership and the Glasgow City Region City Deal Skills & Employment Group, and we support partners through effective working with a variety of other key strategic groups.

We work closely with the Glasgow Colleges Regional Board and the three Glasgow colleges and support the work of DYW Glasgow, which is hosted by Glasgow Chamber of Commerce and established to develop industry links with education. We are a member of:

- Glasgow City Region City Deal Skills and Employment Group (as part of which, we are developing the Glasgow City Region Skills Investment Plan)
- Glasgow Economic Leadership
- Sustainable Glasgow
- Digital Glasgow

We have also developed effective partnerships through membership of the local Community Planning Partnership Board and Executive Group. At an operational delivery level we have wider partnership working arrangements in place through the Local Employability Partnership co-decision making group, School Partnership Agreements and Youth Employability and Youth Employment Groups.

Through developing relationships with local authorities and Community Planning Partnerships we will continue to ensure our services and investments contribute to the wider social and economic development agenda locally and that services join up as much as possible. Our ability to do this is illustrated by the Employability Fund, a key national programme, developed to deliver a local response in conjunction with employability partners, to ensure funding is targeted appropriately at local skills needs as determined by the employability pipeline. Local collaboration can also be seen in our work chairing local PACE partnerships to ensure that redundancy support fits with specific local requirements.

2.5. How we undertake long-term financial and strategic planning, including how we manage change effectively

Financial planning (see Figure 7) is undertaken using a rolling five-year budget model which is iterated as new initiatives, information or guidance from Scottish Government becomes available. The model is founded on historical and empirical information, and is aligned to both our Corporate Plan and our annual Operating Plan. The effects of possible changes to policy or available budget are considered through a range of scenario models for key aspects. For example in 2015/16, we undertook a detailed modelling process around future Modern Apprenticeship growth and associated costs. This informed our future budgets and was provided to Scottish Government for consideration. Other cost movements, such as staffing, are addressed on an annual and multi-annual basis.

Figure 7: Financial Planning
Our Governance Framework

In June 2016, Internal Audit confirmed that our governance framework is effective and fit for purpose. Our Board (see Figure 8) oversees the implementation of government policy and is responsible for the overall strategic direction of SDS within the policy, planning and resources framework determined by Scottish Ministers; for ensuring that the highest standards of governance are complied with; and that a prudent and effective framework of controls is in place to enable risks to be assessed and managed.

Our Board meets every 6-8 weeks and meeting minutes are published on our corporate website. The Board is supported by five committees, each of which has written terms of reference setting out their purpose and remit. Each Committee reviews both its own effectiveness and its terms of reference annually. Committee Chairs meet as a group with the SDS Chair every six months to review business and forward plans, collectively to identify and address any gaps in scrutiny activity, overlaps or duplication, and to agree action to address. Relevant Committees and Boards are outlined below.

Figure 8: SDS Board & Committee Structure (October 2016)

- Audit & Risk: oversees the strategic process for risk management, internal control, corporate governance and statutory financial obligations. Chaired by an independent non-executive director and meets at least four times a year.
- Finance & Operational Performance: chaired by an independent non-executive director and meets at least four times a year.
- Service Development: oversees service redesign and implementation. It is chaired by an independent non-executive director and meets at least four times a year.
- Remuneration and Human Resources: meets twice a year and is comprised of at least two non-executive directors of Skills Development Scotland. Oversees workforce planning and our people strategy.
- SDS/SFC Joint Skills: statutory Committee that is chaired by a Scottish Funding Council member and meets quarterly; members are drawn from SFC’s main Council, our Board and a range of external stakeholder bodies with interests in skills policy and delivery. It aims to improve the understanding of skills needs in different areas of the economy and to work in partnership with stakeholders to ensure that Scotland has a skilled and adaptable workforce.
- Equalities Advisory Group (EAG): chaired by an SDS Board member with further Board representation. EAG members are drawn from a wide range of external stakeholder organisations with particular expertise and interest in equalities matters. EAG meets quarterly and reports to the SDS Board.
- Scottish Apprenticeship Advisory Board (SAAB): SAAB has operated since April 2016 and comprises a main SAAB group board and three constituent groups focused on priority themes. SAAB’s purpose is to provide employer leadership and contribution to the development of apprenticeships in Scotland, ensuring that apprenticeships are aligned with industry and economic need, fair work and job opportunities. SAAB groups address: employer engagement; employer equalities; frameworks and standards.
The establishment of EAG and SAAB illustrate how we are adapting our governance structures to manage change effectively, actively overseeing new service developments and understanding their impact.

2.6. How we are contributing to the Scottish Government’s targets on climate change.

We positively impact upon Scottish Government targets on climate change:

- **internally** – through efficiencies in travel, energy, waste, water, recycling and paper
- **externally** – by supporting the wider low carbon skills system by directly supporting businesses and relevant sectors.

*Internally*

Our five year Carbon Management Plan aligns with our Corporate Plan 2015-2020 and reaffirms our commitment to reducing carbon emissions to help achieve the Scottish Government’s target of a minimum 42% cut in emissions by 2020 and supporting growth in the low carbon sector. The aim of our plan is to provide a structured approach to our goal of reducing our impact on the environment which is measured through our carbon footprint reduction target. To achieve this we are committed to reducing emissions from energy, business travel, waste and water through the implementation of our plan.

*Externally*

The transition to a low carbon economy is core to the Scottish Government’s Economic Strategy. It provides an opportunity to stimulate economic growth and the need for new skills and training to support the sustainable development and growth of businesses.

**Low Carbon Education**

- In 2015, working with, and supported by SDS, the Edinburgh Centre for Carbon Innovation (ECCI) delivered a coordinated series of low carbon skills and executive education events designed for middle and senior managers of ‘high growth’ Scottish SMEs, to 143 people from 100 SMEs.
- These sessions were designed to illuminate and inform SME leaders regarding the opportunities and threats posed by Scotland’s progression to a low carbon economy.

We recognise that delivering economic benefit from a low carbon/circular economy is dependent on the availability of skilled people and a skills system that is responsive to future challenges. We work closely with a number of stakeholders with the aim of increasing their capacity and capability to ensure that the right skills are being delivered at the right time to meet industry’s demand.

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**Low Carbon Training in the Islands**

- In 2015/16, working in partnership with the Energy Savings Trust, Historic Scotland, the Energy Skills Partnership (ESP), West College Scotland and Orkney College, we supported a pilot project to deliver PAS2030 training for companies to become certified installers in the Islands.
- Two introductory courses were hosted by Orkney College UHI in August 2015 which saw training delivered to 20 people from 12 local companies.
Our work in this area has centred on assisting industry and public bodies to articulate and understand the type and quality of skills needed, in order to shape and align skills provision, prioritise efforts, and enable investment. We support the development of low carbon related training, qualifications and the upskilling of Scotland’s workforce in partnership with key sector Skills Groups, Industry Leadership Groups and economic development partners.

Low Carbon Skills

The Low Carbon Skills Fund (LCSF), launched in October 2010, gives Scottish businesses employing fewer than 100 employees the opportunity to apply for up to £5,000 (or 50% of training costs) towards employee training costs. Its aim is to enable employers to access sector specific training to help the adoption of processes around carbon reduction and energy efficiency. In 2012 a report by the Carbon Trust demonstrated that since the launch of the LCSF in 2010, the estimated annual CO2 savings as a result of the training, were 77,709 [tonne] and 141,061,000 kWh. Since its launch, the Fund has supported over 4,000 employees, and more recently, since April 2014, it has supported over 80 opportunities of training in relation to Non Domestic Energy Efficiency training across Scotland.

Over 60% of Modern Apprenticeship frameworks now include outcomes/units that reference low carbon/ sustainability/ energy efficiency. New MA frameworks have been developed in Sustainable Resource Management, Wind Turbine Technician, Installation & Commissioning (Wind sector) and Smart Metering.

- **partnering in projects to get more young people and adults interested in low carbon careers, skills and qualifications.**

We support low carbon awareness/learning within schools and colleges. In 2015 in partnership with KSB/Eco Schools and Learn Direct and Build and Education Scotland, we developed a low carbon related-learning resource for the education community.

The e-learning resource platform was transferred to KSB with the formal launch as part of 2015/16 Scottish Apprenticeship Week. It is now being considered by SQA as a learning resource in support of a new environmental/low carbon qualification aimed at construction students aged 14 upwards, including Foundation Apprenticeships and the Modern Apprenticeship cohort.

- **identifying skills needs and developing corresponding skills support, work readiness programmes, training and qualifications within key sectors considering emerging technologies and the circular economy**

We have been working to support curriculum development across low carbon sectors, focussed on ensuring skills provision and programmes support industry and better align with employers’ skills needs. In partnership with ESP and a number of key stakeholders including CITB (construction), Scottish Hydrogen & Fuel Cell Association, and Zero Waste Scotland, we have agreed a substantial work readiness programme for 2016/17, which will support 630 individuals, to undertake specific skills programmes, ensuring that new entrants to the low carbon industry are suitably trained and able to meet the demands and unique challenges of the sector.

- **embedding low carbon and Circular Economy within Skills Investment Plans**

To align with the Scottish Government’s recently launched Circular Economy Strategy, we are undertaking activity to ensure Scotland’s workforce has the right skills to take advantage of opportunities in this area, to ensure our businesses can innovate and prosper, now and in the future. In responding to these opportunities, we have supported, and will continue, to support the development of low carbon skills requirements. The Strategy has a strong skills focus, highlighting the need to identify and understand the skills that are needed to help realise business development opportunities. As part
of the priorities of that Strategy, we are in the process of reviewing all of our current sector Skills Investment Plans to identify circular economy skills needs in specific sectors. We are also, in partnership with Zero Waste Scotland, exploring the scope for a “Circular Economy/Resource Management “Skills Academy”. We are looking to understand the trends which impact upon the skills required by our workforce to help realise business development opportunities. New, specific skills may be needed to develop different approaches to design, inspection and cleaning in remanufacturing and repair, as well as reskilling to allow people to move from one industry to another as opportunities develop.

3. Conclusion

We hope that this has provided Members with a comprehensive outline of how we measure our impact on National Outcomes and how we plan for the future, in line with the principles of the Christie Commission. We would encourage members to read our recent input to the recent Enterprise & Skills review, which provides a more detailed account of our future vision for the skills and learning landscape. We look forward to discussing these issues in more detail at the oral evidence session on 9th November.
Appendix A - Driving skills demand

Policy Drivers
- Commission for Developing Scotland’s Young Workforce
- Scottish Government’s Economic & Skills Strategies
- Scottish Funding Council, Colleges & Universities
- 17 Industry Leadership Groups and their skills groups
- Local Authorities
- Scottish Enterprise
- Business Gateway
- Employer Bodies - CBI, FSB, IoD, Chambers, SCDI, SFIE
- Collaboration through CDT: Highlands & Islands Enterprise, University of the Highlands & Islands and local authorities on the implementation of the Highlands & Islands Skills Investment Plan

Outcomes
- £6.8m
- SFPs Scope - Economic importance of sectors to Scotland, Key skills challenges in each sector, Sector action plans
- RSAs Scope - Regional growth & productivity, Contributions to national output, HE & FE funding/curriculum planning through outcome agreements
- Skills Intelligence input to Scottish Funding Council Regional Outcome Agreements, to ensure that skills insight informs partner investment and the development of regional strategies.

Delivery
- Specific Investment in Industry - Code Clin, Skills Academies
- Part-funded PhD programme in partnership with Economic & Social Research Council
- Provision of careers intelligence for every local authority via Research Online - Scotland's LMI hub
- 46 Regional Skills Assessments refreshed: 13 based on college regional outcome agreement areas, 28 based on local authority areas, 5 based on City Deal areas
- 3 Skills Investment Plans refreshed in 2015/16: there are 11 Skills Investment Plans in total including one for Highlands & Islands

Partnerships
- City Deals
- SDS Skills Planning Model
- Working with Sector Skills Councils to monitor and evaluate Skills Investment Plan Implementation
- Industry endorsement of all Skills Investment Plans
- Oversight from SDS Board

Evaluation
- Sector strategies and action plans focused on:
  - Inspiring and preparing the future workforce
  - Creating and investing in pathways
  - Providing support to address immediate workforce development needs
  - Stimulating change in the skills system
- Skills Intelligence input to Scottish Funding Council Regional Outcome Agreements, to ensure that skills insight informs partner investment and the development of regional strategies.

Employer Bodies - CBI, FSB, IoD, Chambers, SCDI, SFIE
Appendix B - Making the skills system work for business

76% of PACE clients satisfied with their overall experience

74% of employers rated Skills for Growth experience as 'Good' or 'Very Good'

89% of employers would recommend PACE to other employers

80% of respondents were 'Extremely satisfied' with Our SkillsForce

72% of PACE clients found employment after using the service

70% of employers expected to see increased turnover, productivity and employment

47% of all clients who secured work following a redundancy said PACE helped them move into this employment

Over 17,600 Modern Apprenticeship employers

11,000+ monthly unique users of Our SkillsForce

£7.6m

2,000+ businesses engaged with (1,600 SMEs)

Launch of CodeClan (Oct 2015) - Scotland's first accredited digital software skills academy

Helping Public Sector to recruit young people

538 people supported via Energy Skills Challenge Fund & Low Carbon Skills Fund

200 businesses supported via Skills for Growth

1,036 companies supported through Scotland's Employer Recruitment Incentive

6,138 individuals supported through Flexible Training Opportunities

301 employers supported via PACE

Promoting Modern Apprenticeships - Scottish Apprenticeship Week, Modern Apprenticeship Awards

157 unique companies recruiting using an Apprentice Funding

Making Skills Work for Employers - 10 events in 2015/16

Promoting Diversity - Equality & Diversity toolkit for employers

Equity of Employment Equality Action Fund

18 events planned for 2016/17

1. PACE Client experience survey 2016
2. Evaluation of Skills for Growth project 2015
3. Survey of MA employers 2015
4. Employer Engagement Team Satisfaction Survey 2016
Appendix C - Modern Apprenticeships - Developing talent in the workplace

Drivers
- Developing Scotland's Young Workforce
- Employer demand
- Scottish Government, Economic and Skills Strategies
- Our Equalities Advisory Group engage with expert equalities organisations when developing and delivering our National Training Programmes

Outcomes
- 92% of MAs who completed were in work 6 months later. 67% of completers with the same employer
- 76% average completion/achievement rate
- 96% of employers report trainees better able to do their job as a result of their MA

Employers
- 75% improved productivity
- 72% improved staff morale
- 71% improved product or service quality

Individuals
- 98% found quality of training good or very good
- 97% would recommend MAs to others
- 98% found MA useful

200+ Scottish Apprenticeship Week events
250+ Training providers
250+ Employers promoted Modern Apprenticeships to 300+ schools during Learning Through Work Week
£76.3m
25,818 starts
244 individuals supported via Adopt an Apprentice

Diversity
- 41% female 2015/16 (40% 2014/15)
- 39% declared a disability 2015/16 (34% 2014/15)
- 1.6% from Minority Ethnic backgrounds 2015/16 (1.4% 2014/15)

Appendices 1
1. MA employers survey 2015
2. MA outcomes survey 2014
Appendix D - Growing the Apprenticeship Family - Delivering our Work Based Learning offer

- **Foundation Apprenticeships** offer 54-56 pupils the opportunity of a vocational qualification in their subject choices. Blends academic and vocational learning with work experience.
- **Graduate Level Apprenticeships** allow employers to grow their own workforce by working in partnership with Universities and Colleges to create work-based learning opportunities.

**Drivers**
- Linking industry and education
- Choice of progression routes
- SDG/FCC Joint Framework for Action
- Meeting employers' skills needs

**Outcomes**
- Helping young people get a foot on the career ladder
- Increased interest in work-based learning from colleges, universities and employers
- Greater recognition of Foundation Apprenticeships as part of senior phase education
- 66 graduates from 2015-17 cohort (Engineering Pathfinders and the 15/16 Financial Services Pathfinders)

**Drivers**
- **Scottish Apprenticeship Week**
- **Centre for Work Based Learning**
- **HE/FE partners**
- **Scottish Apprenticeship Advisory Board**
- **Schools & Local Authorities**
- **Partnerships**
- **Innovation**
- **Deliver**

**£4m**
- **200k Foundation Apprenticeships**
- **200k Graduate Level Apprenticeships**
- **£1.8m Foundation Apprenticeships**
- **Scottish Funding Council and Scottish Government to promote Foundation Apprenticeships**

**Graduate Level Apprenticeships**
- 1 GLA pilot in Inverness started in Feb 2016
- 18 starts in 2016 at SCQF Level 8 in civil engineering

**Foundation Apprenticeships (2016-18)**
- c.400 starts in 2016-18 cohort
- 26 Local Authorities and 18 colleges involved in delivery across 8 Foundation Apprenticeship frameworks

**Foundation Apprenticeships (2015-17 cohort)**
- 296 starts from 78 secondary schools
- 15 Colleges involved in delivery
- Covering 20 Local Authorities

**International Symposium (Nov 2015) on work based learning - exchange of best practice with experts on work-based learning at school.**

**Working with companies such as Mott McDonald, Morgan Sindall, and Morrison Construction on Graduate Level Apprenticeships in Civil Engineering.**
Appendix E - Influencing career choices in schools

Drivers
- Work Placement Standard
- Career Education Standard
- Developing Scotland's Young Workforce
- Aligned to Curriculum for Excellence
- Youth Employment Strategy
- Skills for Work
- Education Scotland
- Parents & Carers
- 23k Secondary Teachers
- 360 Public schools
- 300+ schools involved in Learning Through Work Week
- Higher Education Conventions in partnership with UCAS
- Annual tailored partnership agreements with every school
- National Parent Forum of Scotland
- Pupils, parents and teachers heavily involved in the design of CIAG intervention pilots in schools throughout 2016

Evaluation
- £37m

Outcomes
- 65% of pupils showed improved Career Management Skills
- 92.9% of school leavers going into a positive destination
- 81% of parents view SDS careers advisers as 'important' in their children's career choices
- 98% of Head Teachers rate SDS services in their school as very good or good
- 67% of school leavers satisfied with services
- 89% of schools found SDS events with Careers Coaches during Learning Through Work Week to be very useful or useful

Delivery
- 53,604 pupils received 1:1 coaching support
- 102,236 pupils received support through group work interventions
- 1,635 calls received by our Exam Results Helpline (2015)
- 75% of the 48,598 pupils identified as needing medium or maximum support received 1:1 coaching

Outcomes
- 96% of Head Teachers reported SDS services had a major/moderate impact on school outcomes
- 84% of pupils reported 3+ benefits of Career Management Skills such as being better informed to make a subject choice or write a CV
- 92.9% of school leavers going into a positive destination

1 - Telephone Survey of Head teachers (November 2014)
3 - School Leavers Survey, 2015
4 - School Leavers Destinations - Oct. 2015 Snapshot
5 - Summary statistics for schools in Scotland no. 6: 2015 edition
6 - Parents & Carers survey of CIAG services 2013

Development of earlier CIAG intervention service offer - 35 'demonstrator' schools
Appendix F - Delivering an all-age Career & Employability service - post school

Drivers

- Digital Public Services Strategy
- Scottish Government Economic & Skills Strategies
- Opportunities for All

Skills for Work

- Skills for Work Programme & Work Choice April 2018 onwards

Employer Skills Demand

- Evaluation of DWP Work Programme & Work Choice April 2018 onwards

Developing Scotland’s Young Workforce

- Devolved of DWP Work Programme & Work Choice April 2018 onwards

External Review of Employability Fund

- 86% of World of Work users are satisfied with the service and 88% would recommend it to others

- 75% satisfied with PACE service

SDS Centre Services

- 94% believe amount of support is about right
- 97% strongly agreed was easy to get an appointment
- 97% rated employability workshops as very useful

Partnership Action for Continuing Employment

- Working with Scottish Government and other PACE Partners

- Expansion of multi-partner data sharing via management of the 16+ Data-Hub in partnership with SAAS, DEW, local authorities, Colleges and Scottish Funding Council

- Worked with Yssel and Youth Initiative to increase awareness and participation of the Employability Fund and Modern Apprenticeships by Minority Ethnic young people

Partnerships

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

- Working with BEMES, Stonewall, Who Cares? Scotland to deliver equality training

Outcomes

- £71.7m

Employability Fund

- 67% of leavers achieved a positive result from participation in the form of an outcome, an output or both (stage 2: 48%, stage 3: 45%, stage 4: 48%)

- 72% found employment after using PACE

- 80% of My World of Work users identified more than one thing the service had helped them to do, such as improve a CV and interview preparation

- 87.6% of 16-19 year olds participating in education, training or employment

- 1252 participants benefiting from Scotland’s Employer Recruitment Incentive

- 47 high street centres and 70-80 outreach centres delivering career & employability services

- 24k Individual Learning Account bookings made by learners

- 17.9k individuals supported via PACE

- 130k contact centre calls handled by Career & Work Coaches (2015)

- 3,269 individuals gained Certificate of Work Readiness

- As a result of using SDS Centre Services
  - 85% identified multiple benefits or outcomes
  - 95% identified employment opportunities
  - 98% knew how to find out about jobs & careers

- 65.9k engagements with 16-19 year olds in 2015-16

1. My World of Work users survey 2013
2. 2014/15 Centre users national report
3. PACE, client experience survey 2014
4. Participation Measure 2015
5. Employability Fund statistics 2015/16

* Please note that this figure includes a small number of 15 year olds
Appendix G - Digital First - Creating Interactive Customer Driven Web Services

2008 static/brochure sites
- learndirectscotland
- learndirectscotland4partners
- learndirectscotland4business
- Careers Scotland
- ILA Scotland
- Big Plus
- Scottish Enterprise (National Training Programmes information for the lowlands)
- Highlands & Islands Enterprise (National Training Programmes information for Highlands & Islands)

2016 dynamic, interactive web services which actively engage our customers
Digital services underpin and support our work

Overall approach

User centred design approach
- putting the customer at the heart of what we do for all digital and content development.
- Involving all colleagues in the development of our web services to ensure they remain responsive to customer needs

User experience work
- to understand how users interact with the sites, and the journeys they take. We develop personas, user stories and translate this into requirements that meet user needs

Work with partners in web developments
- including Local Authorities (via SLAED) on Our Skillsforce
- Education Scotland on My World of Work
- DYW groups on Our Skillsforce and My World of Work

Our approach to web development:

Analysis and feedback
- Analysing Google analytics to understand how users interact with the site, at what points they drop off and what journeys they take. We then make improvements based on this insight.
- Monitoring of online interaction from users
- Using online feedback tools to gather feedback from users across our sites and react to this feedback accordingly

User centred design
- Communicating with our users via focus groups, insight sessions, collaborative working groups, informal sessions, and research groups. This helps us understand what improvements/developments we need to make to improve our services.
- Creating and testing ideas (prototyping) with our users
- Ongoing continuous improvement process

Agile and iterative
- Frequent releases to improve the site
- Continuous improvements
- A roadmap of planned high level activity

Data is important to the sites
- Data feeds from partner organisations
- We pull data into our sites as well as pushing out – examples include job vacancies via UIM, university course information via UCAS, Modern Apprentice opportunities pushed out to DWP