



20 June 2025

Mr Douglas Ross, MSP
Convener
Education, Children and Young People Committee

Dear Mr Ross,

We appreciate the Committee providing us with the opportunity to provide additional clarifications in relation to its scrutiny at Stage One of the Tertiary Education and Training Bill. I hope the information below is useful as the Committee progresses this important work.

Transition Costs

During our evidence session, we noted the interest of Committee members in further understanding the projected transition costs associated with reform.

SDS notes the findings from the call for views by the Finance and Public Administration Committee as well as the work undertaken by your own committee to fully understand the transition costs associated with reform.

Subsequent to our evidence we understand the Minister has committed to providing all the Committee with detailed costs prior to the Stage 1 Debate.

In support of this, SDS is engaged with the Scottish Government and the Scottish Funding Council with providing comprehensive detail of the staffing, systems and processes which support apprenticeship delivery.

This will support more fully scoping the costs associated with the Bill including both one off expenditures and the additional recurring costs which will be incurred.

Modern Apprenticeship Achievements

We note that there was substantial discussion around Modern Apprenticeship Achievement rates at the Committee's evidence session on 28 May.

The Committee heard evidence that the achievement rate of Modern Apprentices is 76%. During this session, the Committee heard evidence that SDS was not ambitious to improve achievement.

I am pleased to clarify that the latest Modern Apprenticeship data, published on 13 May, shows achievement of 79.8% for the year 2024/25.

This increase in achievement, which is an all-time high, demonstrates SDS commitment to continuous improvement of its programmes.

Whilst there is no doubt that staff are proud that achievement rates in Scotland significantly outperform the rest of the UK, I can assure the Committee that as long as SDS has responsibilities for apprenticeship delivery, we will work intensively to improve this achievement rate.

This is in line with our long-term approach to continuous improvement which is evidenced in our status as one of very few public sector organisations in Scotland to have been awarded EFQM 7-star rating for quality management.

SDS' proactive contract management approach ensures that both apprentices and employers are at the heart of the apprenticeship offer and that is a key reason for the high, and improving, attainment rates.

This approach included interviews with over 1,500 apprentices and 1,400 apprentice employers during 2024/25 to maximise attainment and ensure a high-quality experience for apprentices.

Our work with apprentices showed that 97% expressed either satisfaction or very high levels of satisfaction with their experience whilst the corresponding figure for employers was 95%.

Partnership working

During our evidence session on 7 May, we noted interest from the Committee in relation to SDS partnership working. I wish to provide some clarifications in relation to this aspect of our function.

Partnership working is core to every aspect of our delivery. As an organisation, SDS has direct interfaces with over 360 schools and colleges, over 300 learning providers, all 32 local authorities, thousands of businesses and a wide range of national and local stakeholders.

Whilst we would always seek to improve the effectiveness of this partnership working, I believe SDS has a strong track record in working with other organisations. Examples of this include:

- Shared partnership agreements with every secondary school in Scotland and which provide local flexibility to national priorities aligned to delivery of the Career Education Standard
- Ongoing work in strong partnership with Education Scotland to develop a national digital profile
- Coordination of the national PACE partnership, providing critical, joined up support to this facing redundancy, including active support for those affected by the closure of the Grangemouth oil refinery
- Coordination of the Career Services Collaborative, which seeks to better coordinate a joined-up approach to the development and delivery of career services
- Development work as part of the Highlands and Islands Regional Economic Partnership to develop 'Workforce North' – a shared mission to ensure that the Highlands and Islands has access to the workers needed to secure a lasting legacy of generational investment in the region over the next decade.

- Multiple employer-focused industry leadership groups, advisory councils and other interfaces with industry and in support of economic development, including Community Planning and Local Employability Partnerships.
- Business and trade organisations.

Apprenticeship development

We recognise the Committee has heard evidence from a range of stakeholders in relation to the need to reform the delivery of apprenticeships to ensure they remain agile and responsive to the needs of industry.

SDS strongly shares this ambition. Under the leadership of the Scottish Apprenticeship Advisory Board, SDS has introduced a programme of apprenticeship development which is seeing all apprenticeship frameworks reviewed and updated over a 5-year period through an employer led approach.

The key aim of this programme is to simplify apprenticeships, making them easier and more accessible for individuals and employers. This new apprenticeship development approach is significantly enhancing previous end-to-end development timelines.

Recent examples include the development of two new Graduate Apprenticeships completed within 10 months, and a new Modern Apprenticeship in Dental Nursing which is tracking for completion in 9 months. Both of these examples represent a significant reduction in apprenticeship development timelines as a result of work led by SDS staff in partnership with employers.

In this context we would highlight our experience that a function of the significant uncertainty in the operating environment since the announcement of the Independent Review of the Skills Delivery Landscape – now almost three years ago – has slowed broader progress of work to reform apprenticeship delivery.

This has included various Government-led working groups around Foundation, Modern and Graduate Apprenticeships being delayed, stood down, stood up and/or repurposed. The net effect of this uncertainty has, we believe, led to a degree of inertia on progress which could have otherwise been made to build on the significant strengths of apprenticeship delivery in Scotland.

That notwithstanding, as passionate advocates for apprenticeships and of work-based learning, SDS remains committed to ensuring that apprenticeship development is as agile and responsive to the needs of employers and apprentices as it possibly can be.

We stand ready to work with Scottish Government, Scottish Funding Council, Scottish Apprenticeship Advisory Board and others to deliver that goal.

Funding complexity

We note that during the evidence session on 28 May, reference was made to a diagram which is designed to demonstrate the complexity of various funding streams referenced in the Strategic Outline Case¹.

We would highlight that the effect of the reforms outlined in the Tertiary Education and Training will not materially alter the complexity of this system, only change the organisation which delivers the funding mechanism.

The broader skills context

Finally, I would reiterate our previous evidence to the Committee that the SDS Board continues to advocate the need for a focus on addressing existing and future skills shortages with urgency as a key to unlocking economic growth.

This need is brought into sharp focus with multiple key sectors continuing to report critical skills shortages today. With record levels of inward investment over the next decade, without urgent action these shortages will become more acute in the medium term.

At the same time other key sectors, particularly but not exclusively the oil and gas sector, continue to experience significant disruption that is impacting the long-term future of highly skilled workers. Again, this requires an immediate focus that the SDS Board has stated is under represented within current plans for reform.

I hope these clarifications are helpful. We will be delighted to support the Committee's further deliberations on these matters as the Bill progresses through parliament.

Yours sincerely

Frank Mitchell

Chair, Skills Development Scotland

¹ <https://www.gov.scot/binaries/content/documents/govscot/publications/advice-and-guidance/2025/01/simplification-post-school-funding-body-landscape-outline-business-case/documents/simplification-post-school-funding-body-landscape-outline-business-case/simplification-post-school-funding-body-landscape-outline-business-case/govscot%3Adocument/simplification-post-school-funding-body-landscape-outline-business-case.pdf>