ECONOMY, JOBS AND FAIR WORK COMMITTEE

BUSINESS SUPPORT INQUIRY

SUBMISSION FROM Skills Development Scotland

RESPONSE

Skills Development Scotland (SDS) welcomes the opportunity to respond to this inquiry into the range of support services available to small and medium sized businesses (SME) across Scotland. As a delivery partner of Business Gateway in many environments it is probably not appropriate to respond to the specific questions, but rather leave that to customers of the service. Overall, we have a positive relationship with Business Gateway, across the country, and take referrals from colleagues where companies require advice and information on skills and learning support. SDS will also signpost companies to Business Gateway where appropriate. SDS leads on a range of initiatives which support SMEs and help them to develop their skills needs. Skills Development Scotland works closely with Business Gateway customers and they can and do access the products and services detailed below. We would like to provide the Committee with the details of this support to assist with the wider inquiry.

SDS is the national skills agency in Scotland. Our aim is to make skills work for Scotland by improving the response of education, training and careers services to the needs of our economy and employers, thereby providing Scotland’s people with the best possible chance of succeeding in the world of work.

Working in partnership with a diverse range of stakeholders, we seek to understand and articulate the needs of industry and employers within the Scottish economy, and build a robust labour market and careers intelligence base. We support the development of a highperforming and inclusive labour market by encouraging and supporting employers to adopt fair work practices, with a focus on workforce development and inclusive recruitment. Alongside this, we equip individuals with the skills they need, through our all-age career services, work-based learning options and employability support. These include career management skills; empowering individuals to make informed decisions and achieve their potential, throughout their learning and career journeys.

In addition to our partnerships with local and sectoral representative bodies, such as Industry Leadership Groups, we also work with employers on an individual basis. Across Scotland, the SDS employer services team supports employers to:

- Understand, engage with and create work-based learning (WBL) opportunities
- Understand the skills they require to achieve their ambitions
- Consider how they can meet those needs through WBL, and other workforce developments, as well as recruitment
- Build and maintain fair and equal workplaces that attract and retain talent.

We are proud to report high levels of satisfaction among employers with the support they receive from SDS. Our recently-published Annual Review 2017-18\(^1\) reported 88% overall satisfaction.

\(^1\) https://www.skillsdevelopmentscotland.co.uk/media/44767/annual-review-2017-18.pdf
satisfaction with the SDS employer services team while 95.4% of respondents to our surveys confirm they would consider seeking support from the team in future. Delivering SDS services to SMEs via established employer networks

We work in partnership with a range of national and local employer networks to promote and refine a variety of employer initiatives and services available to the SME community.

Understanding and articulating the needs of SMEs:

- We engage regularly with employer networks who represent the interests of SMEs in Scotland, engaging with their policy teams at all levels to ensure the SME voice is represented where appropriate and has opportunity to influence. This happens both formally via employer network representation on groups such as SDS’s Board, the Scottish Apprenticeship Advisory Board’s Employer Engagement Group and via participation in groups and meetings with individual services and products delivered by SDS.

Supporting SME take up of SDS products and services via employer networks:

- We make full use of national and local employer networks’ communication channels available to access an extensive network of SMEs located across Scotland to promote products and services that support SME skills requirements. We also work with individual networks to deliver events for employers to highlight the support available to them. Locally based employer engagement advisers also have well established relationships with employer networks and regularly take skills support referrals.

Work-based learning

Building a strong work-based learning (WBL) system in Scotland is one of the driving purposes of SDS, not just for the benefit of individuals but also for the benefit of employers. At the core of this ambition is the Apprenticeship Family, which consists of Foundation Apprenticeships (FA), Modern Apprenticeships (MA) and Graduate Apprenticeships (GA). An important element of this is the consideration of the learner journey and how the learner experience might be enhanced.

We have been working hard to make our Apprenticeship Family offer as coherent as possible to ensure that clear routes, and pathways for progression, exist and that the quality of our work-based learning options leads to positive outcomes for learners and for employers.

In 2017/18, we delivered 27,145 MA starts and 278 GA starts in line with the Scottish Government’s Youth Employment Strategy ambition to reach 30,000 annually by 2020. We will continue to seek an increase in the number of starts on STEM frameworks and at Level 3 or above, again in line with Scottish Government policy, as well as an increase in starts from under-represented groups. Meanwhile, between August 2016 and January 2018, there have been 1,591 FA starts as we seek to expand the reach and scope of this pioneering initiative in Scotland.

This expansion in WBL represents a huge pipeline of talent for SMEs in Scotland. We know from our regular evaluation work that SMEs are responding to the opportunities available to
them to grow their talent through these programmes. Of those who responded to our most recent survey of employers, 87% had fewer than 99 employees, with 59% having fewer than 250 employees. This does not necessarily reflect the distribution of MAs employed as larger employers will employ more MAs, but is indicative of the make up of employers by size offering MAs.

SMEs can also benefit from Apprenticeships.scot\(^2\), which is the SDS web service supporting young people who would like to become apprentices and connecting them with the employers who want to take them on. Companies can also advertise apprenticeship vacancies through the site.

SMEs also have a platform to help develop apprenticeships through their representation on the Scottish Apprenticeship Advisory Board (SAAB), which was established following recommendations from the Commission for Developing Scotland's Young Workforce. It is led by employers and representatives from industry bodies across a range of sectors and provides employer leadership and contribution to the development of apprenticeships in Scotland, ensuring they are aligned with: Industry and Economic Need, Fair Work and Job Opportunities.

The Federation of Small Businesses in Scotland is represented on the SAAB Employer Engagement Group, and two SMEs are represented on the SAAB Employer Equalities Group.

Skills for Growth

Skills for Growth, a free skills diagnostic service, provided jointly by SDS and Re:markable (previously Investors in People Scotland) to businesses with between five and 250 employees, is our most bespoke product, aimed at supporting SMEs.

The product is targeted at companies with growth ambitions and is available to employers across every region and economic sector in Scotland. By understanding the employer’s skills needs, Re:markable’s team of consultants develop a detailed people plan and guide the employer to the right support, including support offered by SDS. Once Re:markable’s consultants have completed the detailed people plan, SDS’s team of regionally based Employer Engagement Advisers team work to ensure that the employer is aware of, and takes advantage of, all relevant public sector support available.

The support can help employers:

- Increase performance by working to peoples’ strengths, resulting in a more motivated and engaged workforce
- Build confidence to invest in training and development that is focused to where it matters most
- Attract the right people by recruiting for the skills that they don’t already have in the business
- Manage change and introduce innovative workplace practices
- Support employers in understanding how they can contribute to business success

\(^2\) [https://www.apprenticeships.scot/](https://www.apprenticeships.scot/)
Skills for Growth has supported over 700 SME businesses since 2014 and is targeted with supporting 150 in 2018-19.

Most referrals to Skills for Growth come from SDS Employer Engagement Advisers but it is interesting to note in the context of the Committee’s inquiry that Business Gateway also plays a role as a significant source of referrals to the service. As part of our commitment to ongoing evaluation of our services, SDS has been carrying out internal research into the effectiveness of the service. Results from our evaluation confirm high levels of satisfaction among participating business:

- The goals of Skills for Growth were made very clear to businesses who took part in the initiative
- The businesses who took part all confirmed that the understanding of their overall skills needs and overall business objectives was very high
- Respondents to our evaluation reported that they had a much better understanding of both their overall skills needs and their overall business objectives following their participation in Skills for Growth
- The majority of respondents rated the Skills Audit very highly in relation to value for money; quality; relevance; and overall satisfaction

Fair Work

SDS has produced guides (aimed at all employers) on inclusive recruitment which are available online and are promoted to employers via events and social media. The guides contain advice on how to attract and recruit a more diverse range of applicants, including advice on writing job descriptions; advertising roles; shortlisting and interviewing; and induction. SDS equalities staff work with small businesses and social enterprises to provide information on apprenticeships, support with diversifying participation and to help them access funding.

SAAB’s Employer Equality Group is currently working with SDS to produce guides for employers on how to support and retain individuals from under-represented groups in their workforce.

Our Skillsforce and Marketplace

The emergence of Industry 4.0 highlights the opportunities presented by evolving digital technologies and recognises them as drivers of change. The Scottish Government’s Digital Strategy emphasises the drive to ensure digital services are easy to use and highlights as part of its vision the need user-centred digital public services.

Our Skillsforce\(^3\) and Marketplace\(^4\) are two digital services for businesses, including SMEs, which respectively support their need to find the right information to help them grow, and facilitate engagement between schools and employers across different DYW areas.

\(^3\) https://www.ourskillsforce.co.uk/
\(^4\) https://www.myworldofwork.co.uk/marketplace
Our Skillsforce helps employers to find and access national and local support. It includes free advice, skills planning, HR support and funding. There’s also information to help businesses engage with education. It helps companies build a skilled and motivated workforce, and prepare for the future with a succession plan. There is also information to help businesses engage with education. Building closer links with schools helps make sure young people are entering the workplace with the right skills.

Marketplace was also created as part of our work with Scotland’s regional DYW groups to improve engagement and connections between employers and education and help young people broaden their career aspirations. It is an online tool connecting schools and colleges with business.

Schools and colleges use Marketplace to bring industry insight into the classroom. Using the dedicated Marketplace area on My World of Work, teachers search for opportunities posted by employers or use Founders4Schools to find and invite local business leaders to an event. Employers can register and start passing on knowledge of their sector through workshops, talks, workplace visits or placements.

PACE

SMEs hoping to be supported through redundancy can receive help through Partnership Action for Continuing Employment (PACE), the Scottish Government’s initiative, which SDS delivers to help individuals and employers during such situations. Local PACE advisers visit businesses, talk to employees and understand their needs. They then bring in the right partners from across the public sector and provide free, impartial advice. They also assist staff in finding a new job by supporting them with CVs, applications, interviews and training opportunities. Advisers can also provide support with claiming state benefits, understanding their tax calculation and managing their money.