OFFICIAL REPORT
AITHISG OIFIGEIL

Economy and Fair Work Committee

Wednesday 2 April 2025

Session 6

The Scottish Parliament
Pàrlamaid na h-Alba

Wednesday 2 April 2025

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ECONOMY AND FAIR WORK COMMITTEE
11th Meeting 2025, Session 6

CONVENER

*Colin Smyth (South Scotland) (Lab)

DEPUTY CONVENER

*Michelle Thomson (Falkirk East) (SNP)

COMMITTEE MEMBERS

*Willie Coffey (Kilmarnock and Irvine Valley) (SNP)
*Murdo Fraser (Mid Scotland and Fife) (Con)
*Jamie Halcro Johnston (Highlands and Islands) (Con)
*Daniel Johnson (Edinburgh Southern) (Lab)
*Gordon MacDonald (Edinburgh Pentlands) (SNP)
*Lorna Slater (Lothian) (Green)
*Kevin Stewart (Aberdeen Central) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Ian Hughes (Construction Industry Training Board)
Andrew Lamond (Energy Training Academy)
Susan Love (Association of Chartered Certified Accountants)
Kellie Zdanowicz (Scottish Training Federation)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 2 April 2025

[The Convener opened the meeting at 09:00]

Decision on Taking Business in Private

The Convener (Colin Smyth): Good morning, everyone, and welcome to the 11th meeting in 2025 of the Economy and Fair Work Committee. Our first item of business is a decision on taking item 5 in private. Does the committee agree to take that item in private?

Members *indicated agreement.*

Skills Delivery

09:00

The Convener: Our next item of business is the second of a series of evidence sessions on the skills delivery landscape. The purpose of the sessions is to consider how the current skills system is working and to identify the actions that are needed to support businesses and improve the skills supply chain, including for green skills.

I am pleased to welcome our panel of witnesses. Ian Hughes, who is engagement director for Scotland at the Construction Industry Training Board, joins us online. In person, we have Andrew Lamond, who is director of the Energy Training Academy; Susan Love, who is strategic engagement lead at the Association of Chartered Certified Accountants in Scotland; and Kellie Zdanowicz, who is a vice chair of the Scottish Training Federation. Thank you all for giving up your time this morning to give the committee evidence.

As always, members and witnesses should keep their questions and answers as concise as possible. I will use my position as convener to kick off the questions to our witnesses.

In recent weeks at the committee, we have discussed issues around apprenticeships quite a lot. I am keen to get your views or perception of how the apprenticeship system in Scotland currently operates. Would you like to see any changes to that system? I am sure that that is a straightforward and easy question to kick off with.

Andrew Lamond (Energy Training Academy): We set up the Energy Training Academy to offer an alternative to apprenticeships. We have nothing against them, but we feel that there should be other options, especially for older learners who might be looking to change career. We like to give alternatives. We and other colleagues in the industry feel that, with the current apprenticeship, it can take too long for people to get qualified, which is why we set up an alternative.

The Convener: Does the model work whereby an apprentice works side by side with you and learns what you are doing, or is there a need to change the current apprenticeship system?

Andrew Lamond: It should definitely be looked at. It is not as efficient as it could be, and, after a four-year apprenticeship, apprentices are not ready to step straight into the industry. They could still benefit from further support and guidance at that point. If somebody starts an apprenticeship now, that does not necessarily mean that they are ready for employment as soon as they finish that apprenticeship. Given the skills demand that is

coming, we need to look at ways to get people trained and into employment sooner.

Susan Love (Association of Chartered Certified Accountants): People might not be familiar with our organisation. The Association of Chartered Certified Accountants is one of six chartered accountancy bodies in the United Kingdom that train and regulate accountants. As part of our royal charter, we want to make sure that a career in accountancy and finance is open to everyone everywhere. Thinking about the diversity of pathways into our profession, including through apprenticeships, is at the core of what we try to do. We are giving only one profession's perspective, of course. There are other bodies here today that will give a range of views.

Traditionally, work-based learning has formed the core for how to qualify into our profession. A traditional traineeship, to use that language, is still the main route by which people become qualified professional accountants. That is similar to an apprenticeship, but it is not formally part of the apprenticeship family. We consider the apprenticeship family in Scotland as part of a range of different routes and pathways into the profession. We see all those different pathways as part of the skills system in the round. Perhaps we will come on to that later.

Specifically on the Scottish apprenticeship family, it is fair to say that there has been quite a lot of progress in Scotland over the past 20 years in the development of new ways of work-based learning. There is disagreement over whether, for example, a foundation apprenticeship or a graduate apprenticeship should be called an apprenticeship—people quibble about whether, technically, those are apprenticeships. Nevertheless, we have made progress on the importance of work-based learning, although there is way more progress to achieve in Scotland.

There are areas that we need to look at in how the apprenticeship system works in Scotland, including, for example, how apprenticeships fit into other pathways, whether that be from school into an apprenticeship and where that might go next in further career development or, if you are later in life, whether apprenticeships are an option for you in upskilling or reskilling. A lot of people have views on how effectively the apprenticeship levy is working in Scotland to support broader skills development and training. Again, that might come up later.

The Convener: The good news is that that will certainly come up later in our discussion.

Kellie Zdanowicz (Scottish Training Federation): The points that have been made are all valid. I am here with a dual hat on: I am representing the Scottish Training Federation as vice chair for political engagement, and I run a large modern apprenticeship contract down in sunny Ayrshire, with close to 1,000 apprenticeships a year.

I make no apologies: I am here to stick up for independent training providers in Scotland because I feel that we do not have a voice at the moment. We are concerned about our learners, because 70 per cent of learners in Scotland who are on a modern apprenticeship do it through an independent training provider and have no interaction with a college. I want to make sure that we are heard.

The Convener: Will you elaborate on not having a voice? I am interested to hear why that is the case.

Kellie Zdanowicz: When we watch committee sessions such as this, our members and I feel that they seem to be all about colleges and college delivery. That is fine. There should be a mixed economy, different pathways and different options, because every learner is different and learners are different throughout their life and career journey. However, we want to ensure that the profile of independent training providers is raised a bit more.

The Convener: That is interesting. Next week, in my constituency, I am meeting an independent provider of agricultural training. That developed because they saw a gap that was not being provided for through the colleges. Is the main reason for the development of the independent sector because certain training was not being provided elsewhere, or are there other reasons? It is quite a substantial part of the sector now.

Kellie Zdanowicz: Yes, absolutely. One reason why there is so much provision by independent training providers is that we do not stick to college or school dates. Training can start throughout the year when it suits the learner and the employer. Another reason is that night-shift workers' on-site assessment should be done on site at the person's workplace to ensure that they are meeting all the performance and knowledge criteria and the scope, and they should do it in a real-life working environment.

It is important to cherish what we have in Scotland. Our modern apprenticeships are great; they are a good model. There is room for improvement, though—100 per cent. There are probably lots of ways in which we could increase efficiency.

I would suggest that the talent in our industry is sometimes a wee bit invisible. Coming up here from Ayrshire, I was up very early, and I was on the phone to one of my assessors who was out assessing a guy on the roads at 5 o'clock in the morning. There is a lot of value in the provision from independent training providers that is hidden

or that is not as visible as the provision from other sources.

The Convener: Five o'clock—if I was assessed at that time in the morning, I would fail miserably. Thank you so much for that, Kellie. I bring in Ian Hughes.

Ian Hughes (Construction Industry Training Board): Good morning. Modern apprenticeships are interesting. Of the 25,000 modern apprenticeships that are recruited to every year, between 25 per cent and 30 per cent of them are in the construction and built environment sector or the wider engineering sector. At present, a modern apprenticeship is one of the main, if not the main, routes into the construction trades.

In our research on the demand and supply of workforce across Scotland, it was interesting to find that the job opportunities are greater in number outwith apprenticeships, yet we are not seeing more flexible and quicker routes into construction outwith the apprenticeship model. Apprenticeships are the only competency-based qualification in Scotland. Anything else that happens in terms of an entry point has to go through a different qualification or a different route at present, which is pretty weak.

Our employers value apprenticeships, but more and more of them are looking for other employment routes or entry points because, although some employers can plan two, three or four years ahead, many cannot. Their pipeline is pretty short and, when they win a contract or have a contract to deliver, they look to employ staff fairly quickly, which the apprenticeship route does not necessarily allow for.

For the construction and built environment sector, modern apprenticeships are the chosen route at present. I am sure that we will talk about that later. However, in my opinion—certainly in the CITB's opinion—the framework around how apprenticeships are funded and delivered is pretty weak. It is confusing and busy and, in many cases, it is close to breaking point. I am sure that we will get into that in a bit more detail. Although it is a funded route, it has many pinch points.

The CITB manages about 6,000 apprentices in Scotland. We receive a contribution of around £9 million from the Government via a Skills Development Scotland contract, which is welcome. We top that up with another £25 million and, on top of that, there are the credits that the colleges receive. There is a conversation to be had around the maintenance of that funding model and its affordability for the future.

The Convener: I am sure that we will come back to the important point about how the funding works at the moment. I bring in Murdo Fraser, who has several questions that witnesses have already anticipated.

Murdo Fraser (Mid Scotland and Fife) (Con): Good morning to the panel. There are a couple of things that I want to pick up on. I will start off with Susan Love, because she mentioned in passing the apprenticeship levy. When we meet employers, the issue is raised with us continually that they pay into the apprenticeship levy but there is very little transparency as to what happens to that money, unlike the situation south of the border. I am interested in getting any perspectives that you have on the transparency of the apprenticeship levy funding and whether you think that there are lessons we could learn in Scotland from what happens elsewhere in the UK.

Susan Love: Transparency is cited as an issue in terms of how much is paid into the system and how much comes out. I have read some scepticism, as well, about the transparency in England in terms of what goes into the Treasury and how much subsequently goes from the Treasury to the Department for Education. I think that there is a general issue around how much money is going into the system from employers and how much is coming out.

There is a challenge around the apprenticeship levy in deciding what the purpose of the levy is and what we want the outcome of the funding to be. Is it specifically about funding apprenticeships or is it about using the money from the levy to fund a broader range of training and learning across employers? We know that apprenticeships do not work for all employers and that they can be especially difficult for a range of smaller employers—that might come up later. So, if we use apprenticeship levy funding only for apprenticeships, that money cannot be used more broadly in the economy by employers. There is a decision to be made about whether you want the money to stick to funding apprenticeships—and there are issues around whether it should be targeted more at certain levels of apprenticeship—or whether you want that money to be used more broadly across the economy. We do not have a specific view on what is best.

If we step back and look at issues around Scotland's economy and at productivity, we see that employers are not spending enough money on training. Many are committed and are making an excellent contribution, but many are not. We know that spending on training by employers across the UK has declined over the past 15 years, so not enough money is being spent on training. We also know that allowing funding to be used only for certain schemes, even the flexible workforce development fund, meant that what small businesses could use it for was quite limited. If we narrow what the money is being used for, is

that the best use of funding when we want more funding to come into the system for employers—especially smaller employers—to use?

I do not think that it can be a fund for all things and all people. There is a decision to be made about whether it should be targeting high-quality apprenticeships, which some of the evidence might suggest it has been used effectively for in Scotland, or whether you want it to be spread more generally. I recognise that there is no easy solution, but, fundamentally, it comes down to what it is for.

I meet a lot of UK-wide organisations that are not using their money in Scotland, and I think that there is UK-wide evidence that employers are not drawing down their full entitlement of the money that they are paying in, so that money is not being used effectively to get into the system. If I were the Scottish Government, I would look closely at what reform comes out south of the border and what ultimately happens regarding a proposed replacement for the apprenticeship levy, and I would try to align the process here as far as possible—as much as suits the outcomes that we want in Scotland—to make it easier for UK-wide employers to access that money.

09:15

Murdo Fraser: Does anyone else want to come in on this? Ian Hughes, do you have a comment to make on the apprenticeship levy?

Ian Hughes: Yes. We are still in conversation with Skills England and the Westminster Government about our thoughts on where the apprenticeship levy should be invested.

We have around 100 construction companies in Scotland that pay two levies—a levy to the CITB and the apprenticeship levy—and they understandably find that unfair, because it is not clear where the levy is being invested. The red flag for us, in our conversations, has been the recent Government announcements about the house-building targets and the £600 million that is to be invested in skills in England. If that generates a large increase in the number of apprentices who are within the scope of the CITB, we will not have the resources to pay our apprenticeship funds or apprenticeship grants to those employers, because of that spike. So, the conversation that we are having is, "If you're reinvesting the levy in apprenticeships, how sustainable is the funding model at the present time?"

I agree with Susan Love about the prioritisation of where the levy is invested. Our position is that sectors with the greatest economic output should be prioritised by the apprenticeship levy. Those sectors vary across the regions of Britain, but, certainly in Scotland, they include construction, the built environment, health and care, and renewables in particular.

Kellie Zdanowicz: Fundamentally, we think that it is wrong that the apprenticeship levy is not spent completely on apprenticeships. That is what employers are paying for, and it is what they are trying to invest in. There would be plenty of money in the system if that was the case, and, if all the levy money was invested in Scotland, we training providers could invest further. However, the contribution rates have not been lifted in over a decade, so training providers get exactly the same amount of money for their framework as they did over a decade ago. The Scottish Qualifications Authority, City & Guilds and all those organisations have seen their costs for registration and certification go up, but the funding has not gone up in over a decade. I do not know whether there is another industry in Scotland that can say that.

Andrew Lamond: I would be interested in seeing how much of the levy is spent on managing agents. Down in Wales, the money that goes to the managing agent is capped at 10 per cent, whereas in Scotland the figure seems to be much greater. I would also like to know why private training facilities do not get that funding. Although our courses are not classed as an official apprenticeship, we provide the same service. We get people into jobs and we train them, so I do not see why we cannot access that funding as well.

Murdo Fraser: I have a slightly different question, and I will again start with Susan Love, because Susan and I have discussed this issue before.

Graduate apprenticeships seem to tick lots of boxes. They are very popular with employers and with students, who graduate without large sums of debt. They have been earning for four years and are far more work ready than if they had gone down a purely academic route. Why are we not making more progress in providing graduate apprenticeship places? Last week, James Withers told us that the city of Manchester has more graduate apprenticeships available than the whole of Scotland. It seems such an obvious opportunity. Why are we not doing more with it?

Susan Love: I agree 100 per cent. Is the committee familiar with the set-up of graduate apprenticeships? I will talk a little bit about the framework for graduate apprenticeships in accountancy. The graduate apprenticeship was introduced around five or six years ago, so it is still relatively new, I would say, as a qualification. I think that there are about 12 or 13 GA frameworks in Scotland at the moment. The difference between ours and some of the others is that ours specifically incorporates the professional qualification and the degree course. It is a tripartite

arrangement between employers, ourselves as the professional body and the university as the learning provider.

Traditionally, to go into accountancy, you did a degree for, say, four years and then you would embark on employment to do your traineeship, which would be for another three or four years—or however long it took—so you would be looking at seven to eight years, plus all the debt and so on. The graduate apprenticeship for accountancy takes five years in total, which is in paid employment and builds in the degree and the professional qualification. The benefits of that to learners are huge in terms of their being years ahead of their peers, their earning ability, their experience and their attractiveness to employers. Employers value highly our ability to embed and teach the work-ready skills that are crucial to employers, which I am sure you hear about all the time and which are difficult to teach in the classroom. For us, it is a complete no-brainer.

The scheme was developed with industry and delivers what the labour market needs. It maintains the higher level of educational attainment that we want. So, why is it that, based on the last statistics available that I can see—which, incidentally, are more than two years old—graduate apprenticeships make up only 1 per cent of all the higher education starts? If we think that it is a good scheme for the economy—and we certainly think that it is—and it is highly rated by learners and employers, it needs to be radically upscaled. If it is to be much more of a norm in delivering higher education, it should not make up such a tiny proportion of starts.

Why is that the case? I will try to pick that apart. There are several reasons, which vary across different frameworks, and they are about employer demand and awareness. We think that there is still a lot of work to do around awareness of GAs and their being seen not as an exceptional thing to do if you are leaving school or if you are upskilling, but as not an unusual thing to do. It would be the norm to do a working degree or a traditional undergraduate degree. There is still a lot of work to do to make the graduate apprenticeship normal, by raising awareness and so on.

However, what it most often comes back to is funding issues and the drivers for universities in particular. I cannot claim to be an expert on that, but one of the factors at play here, I am told, is that it is more expensive for a university to deliver a graduate apprenticeship place than it is for it to deliver a traditional undergraduate place, because it is a model that involves the employer, so there needs to be employer engagement and communication. It is a different way of delivering higher education from a traditional degree, and I am told that it is more expensive. I am told that, because of the funding sustainability issues that universities face, even if they have the flexibility to decide how they use their spaces for accountancy, they will be inclined to maintain traditional degree places, which are more profitable, especially if they are for foreign students.

I do not know what other outcomes are handed down to universities by the Scottish Funding Council, in terms of how they split places. Some people have told me that they do not have the flexibility to give up places for graduate apprenticeships; some have told me that they can use spaces for graduate apprenticeships if they want to.

There are a range of issues at play, but it is a great scheme and we should be upscaling it. We need to tackle the funding issues, to ensure that it is incentivised and not disincentivised.

Murdo Fraser: That is very helpful, Susan. Thank you. Do any other witnesses have experience of graduate apprenticeships and want to add anything? Do not feel that you have to.

Kellie Zdanowicz: We deliver the Scottish credit and qualifications framework level 11, which is on a similar tag, but I think that Susan Love covered the graduate apprenticeship well.

Murdo Fraser: Okay. Thank you very much.

Lorna Slater (Lothian) (Green): I would like to dig into what both Andrew Lamond and Ian Hughes said about the faster, quicker learning, particularly for a mature student, in a bit more detail. One of the things that I am concerned about is the varying quality of provision, which may be because we have varying needs. I have heard a concern from trade unions and other trade bodies that apprenticeships are too quick, that we are rushing people through and that they are not gaining the right qualifications. Your view seems to be the other way around. Do you want to elaborate on that? I ask Andrew Lamond to start.

Andrew Lamond: With that approach, if somebody has transferable skills, you can get them into employment much quicker. We are not talking about putting a 16-year-old through a six-month intensive course, because they would not have the life skills to go into employment. I will use myself as an example. I came out of the military at 24 and I went through a Scottish Gas course. I was trained up to become a gas engineer within 10 months, but that was not the end of the journey—it was five years before I became fully qualified with Scottish Gas. In that way, I was earning money for myself and of benefit to the employer, Scottish Gas, within the first year, and I was learning on the job.

There are more efficient ways to get people trained up sooner, but that is not reducing quality

by any means, because there is on-going support. There is still the training and the support, but you are bringing it in later, so it is getting people qualified and into meaningful work earlier.

I did not do a four-year college apprenticeship, but I have spoken to a lot of people who have done one. I do not know how well the time is spent during the first two years—how much of that time is brushing up, doing wee errands and going to the merchant or to the shop. Is that a good use of their time? Is it a good use of apprenticeship levy funding? I think that there are other ways to do it. You can get people trained up with an experienced mentor, but they need to be a wee bit older before they start that intensive, quick training. I do not think that it is for 16-year-olds coming out of school; it is for career changers.

Lorna Slater: Thank you, Andrew. Ian, do you have any thoughts on that?

Ian Hughes: I think that it is about the definition of an apprenticeship—[*Interruption*.]

Lorna Slater: We have lost your sound, Ian.

Ian Hughes: Have you got me back now?

Lorna Slater: Yes, you are back.

Ian Hughes: Sorry about that.

There are various pathways and routes for an individual's career path. An apprenticeship, in its traditional sense, is based on competency over two or four years. What is lacking, and what has been touched on by the panel, is more flexible and varied career paths in various sectors. At the present time, there is really only the modern apprenticeship route, and we need to explore on behalf of employers, in particular, alternative or new routes into a competent workforce. It is about competency, because it should not be a race to the bottom. Construction, in particular, is potentially a very dangerous occupation if you are incompetent. We are clear that, whatever training takes place or whatever route an individual takes, it must be measured in terms of both that individual's competency and skills and their ability to work in a safe environment.

Going back to the graduate apprenticeship question, I can speak about that from experience. My son was desperate to start a graduate apprenticeship two years ago, and one of the organisations to which he applied received more than 5,000 applications for one position. There is a keen interest among young people who are aware of graduate apprenticeships, but the supply of opportunities simply is not there at the present time. That is my viewpoint from experience. My son is now in full-time education, but he really wanted to learn and work at the same time.

Lorna Slater: My next question is for Kellie Zdanowicz. During our evidence gathering, we have heard from employers about their frustrations with college provision—some of which you have outlined—including the timing of that provision and colleges not being able to keep up with the technology. Lothian Buses is using hydrogen buses and electric buses, and the colleges just cannot keep up with the technology. On the flipside of that, I have heard from apprentices who are going through independent training providers. Do you also represent employers who do their own training?

Kellie Zdanowicz: Yes.

09:30

Lorna Slater: One of the complaints that I have had from apprentices who are on that route is that they miss out on the peer support, activities and study space that college apprentices get. They do not have the peer networks, mental health support or social opportunities that college apprentices have and they feel the lack of those. Do you have any thoughts on that?

Kellie Zdanowicz: That is a valid point.

I will go back to your question about colleges keeping up with technology. You are completely correct and I would go even further. It is manpower. It is continuing professional development. It is regular training. Whether you are young, old like me, or whatever, it is not about going into a classroom and someone teaching you knowledge that is not particularly relevant. Where we value what we do, is that it is continuing professional development. Our assessors and trainers are out on site all the time. They do site inductions and toolbox talks. They are out there, living and breathing construction sites, which change. I am quite sure that Ian Hughes will back me up. Developments in technology, ways of working and health and safety change all the time. In the colleges' defence, how are they meant to keep up with that if they are not out there, living and breathing the industry that they are delivering on?

You mentioned situations where there is an employer deliverer with maybe only one or two apprentices. I am quite sure that there are employer delivery agents that are really good and that might start a dozen apprentices, but then maybe some drop out and some take other options. I take the point about missing support, but I think that on-site assessment is the right way forward for an apprenticeship. Some kids and some adults do not want to sit in a classroom. That did not work for them at school, so why put them back in the classroom? Why do that? Everyone has a different learning style.

What we do not want to lose in any reform is the individual attention that each modern apprentice gets. The modern apprenticeship is not the only way forward—definitely not. It is possible that some frameworks for short, sharp courses for adult learners' core skills and so on are out of date. There are things that could be improved, 100 per cent, but we must be careful that we do not lose the on-site presence of delivering a training package to that person. It is about that learner. That is who we are getting paid to deliver to. It is all about them.

I was a trainer and assessor many years ago, and it is probably one of the most rewarding careers that you can have. I look back at the number of people I have helped to get to the first stage, or the second stage. I meet them years later and think, "This is great!" We need to be careful that we do not lose that and that we are not just putting bums on seats and pushing people through qualifications.

Let us look at achievement. The number of non-college achievers last year was about 17,000. The number of achievers from colleges in the modern apprenticeship circle was just over 2,000.

Lorna Slater: Do you have any thoughts on how those soft provisions could be provided for apprentices? I hear what you are saying about not putting everyone through college, but if there is only one young person in a business, how might peer-to-peer learning, having someone to study with and having a space to study in be provided where a college is not part of the apprenticeship? Are there other routes?

Kellie Zdanowicz: There are definitely other routes. I think that is up to training providers to take that forward. We have an online portfolio and we have used that to set up forums. Young people today love a forum. You have to be careful and make sure that it is policed, but it is to provide resources and wee bit of camaraderie. Usually, the group tends to be people within the same organisation, but there are definitely ways to look at these things and develop the social aspect.

That is a good point. It is something that training providers, employer providers, councils and local authorities could put our heads together and look at. That is very interesting feedback.

Lorna Slater: I have two questions, if the convener will allow them, but I will go for the bigger one first. My background is in electromechanical engineering, and certainly when I was an engineering student, we had the same problem then that we have now, in that the field is heavily male dominated. In various evidence sessions, we have heard that we have not made progress because of the parents, that we do not get the kids young enough, or that it is the employers. There is a lot of, "They are not doing enough in this space." It seems that we, collectively, do not have a handle on why this is a problem, particularly in the UK. Other countries do better in engineering. I know that construction is probably a problem everywhere. Do you guys have any thoughts on why we have a persistent gender imbalance, particularly in construction, engineering and what we are calling green skills, such as those that the Energy Training Academy offers?

Andrew Lamond: We would certainly like to do more to get more young females into construction, green skills and gas engineering. Some of the feedback that we have heard is that there is a reluctance for girls at school to put their hand up and say, "Yes, I want to be an electrician" or, "Yes, I want to be a gas engineer or a heat pump installer." We have been asked about doing female-only events, bringing them together and then presenting to them the opportunities on their own, to see what interest there is. To go back to the schools, quite often apprenticeships are offered only as a last resort. If you have not performed very well in exams, they are seen as a back-up. We know that females seem to do better in exams at school, so perhaps more young males are being told, "Why do you not become an apprentice?" rather than more young females being told that, perhaps because they have done better in their school exams.

Lorna Slater: Ian, did you have any thoughts on that?

Ian Hughes: In our opinion, there are a couple of main factors in particular that affect diversity. The first is the male-dominated culture of employing other males, first and foremost. In the recruitment process for modern apprenticeships, a high percentage of apprentices are recruited via what we call a tap on the shoulder. There is no formal recruitment process, there is no diversity, there is no pre-vocational recruitment. It is basically a son—and in fewer cases a daughter—or someone you know who you think would make a decent apprentice. That makes increasing diversity by bringing in non-male, non-white individuals very difficult because unless you tie the recruitment process to the funding you will always get small and medium-sized enterprises and microbusinesses in particular employing a young male individual who they probably know. I think that the culture and the recruitment processes are two areas that we need to look at very closely.

The final point is that whenever we run any technical competition within construction and the built environment, or when we run anything within a school environment that is almost a vocational competition, the majority of winners are young women. The skills are there, but the pipeline is not

and that is why you have so few women entering construction in particular.

Lorna Slater: This is my last question, if the convener will indulge me. Ian, in your opening remarks you mentioned the system being at breaking point. Is now a good moment to elaborate on those thoughts?

Ian Hughes: I will give you an example around funding—I know that we are looking at that as part of the reform agenda. At present, to fund a modern apprentice in construction, you have a managing agency contract via the Scottish Government, which is via Skills Development Scotland, and then you have top-up funds from the CITB via our staff, who offer significant welfare and pastoral support to our young learners, who are our priority. Then you have grants from the CITB and other organisations that assist employers on a regional basis, and then you have the credits that the colleges receive from the Scottish Funding Council. We keep all that funding mess, if you like, away from our employers because they would not really understand the technical difficulties of that.

What that means is there is an incredible amount of duplication and inefficiency. There are basically five or six funding routes to take a young learner through their training and education and those funding interventions are not measured in terms of their efficiency or effectiveness.

At present, there is a college network that is the main training provider network. There are some commercial providers, but it is mainly the further education sector that takes apprentices for around 26 weeks. Of their four years of learning, 26 weeks will be within a college environment and that is funded from various sources. The message that we get from the colleges is that construction is the most expensive sector to fund. If you have ever been in a college construction environment, you will know that it is not a classroom. They are work-based environments that are tens of thousands of square feet of construction site, whether it is bricklaying or joinery. A huge amount of space is required, as well as a huge amount of materials and there are costs associated with that. Then there are technical assessors and lecturers who will be paid similar salaries to other colleagues but more of them will be required if you have a big college teaching all the trades.

There are four colleges in Glasgow alone, all providing training in construction and the built environment. We will talk later on about that pipeline from the colleges into employment, but our research and that of Skills Development Scotland shows that there is a shortfall of between 5,000 and 8,000 construction and engineering workers in Scotland per annum. At the present time there are 47,000 engineering and construction students in the FE sector in Scotland—47,000 students every year are taught the disciplines that show the largest shortfalls.

Matching what is happening in the college environment and the huge costs associated with that with the supply of labour that is showing the biggest shortfall is not happening. There are some big areas in there that we need to look at to make the skills landscape, with the FE sector at its core, much more effective and efficient because, at present, it is not.

Daniel Johnson (Edinburgh Southern) (Lab): I would like to pick up on the lines of questioning from Murdo Fraser and Lorna Slater, particularly in relation to graduate apprenticeships and the flexibility of the system.

Susan Love, you set out quite well some of the potential issues relating to graduate apprenticeships. The number of such apprenticeships has stalled. It has certainly not increased—once a number has been hit, there has been no expansion. What are the solutions in order to increase that number and make universities more willing to be involved?

It has been suggested to me that the fact that graduate apprenticeships are bespoke, in that they are arranged between an institution and an individual employer, might be a limiting factor. Might one solution involve taking a sectoral or profession-based approach instead of using individual employers? Are there other solutions? You were recently on the record as saying that graduate apprenticeships are a “game changer” for the accountancy profession. What do we need to do to ensure that that game-changing effect is more widely felt?

Susan Love: As I said, it is key that there is mainstreaming so that graduate apprenticeships are viewed as a traditional route into the profession. On the routes into accountancy, quite a lot of people do a traditional undergraduate degree and then start a traineeship, whereas quite a small number do a graduate apprenticeship. What would success look like? A far larger chunk of people would come into the profession having gone through the GA route.

In my discussions with people about how to fix GAs, I have found that it is quite hard to separate the issue from some of the other moving parts of the skills system, particularly higher education funding. There has been some debate about that.

Employers need to be aware that the model exists. As I said, it is quite new, and it takes a long time to build up people’s awareness and acceptance of, and trust in, new qualifications, given the commitment that would be involved for an employer. More employers need to be made aware of GAs.

09:45

Ian Hughes mentioned the demand from learners for GAs. We still have a bit of a way to go in explaining the opportunities to young people. There is also the outstanding issue about whether the model should be expanded for existing employees. At the moment, existing employees as well as new employees are funded. Do we continue with that? Would keeping that system increase the numbers, or should we focus on something else? I come back to the point about how we get the incentives right, because, ultimately, the model depends on universities having the capacity to provide the places and on employers being willing to commit to providing a job.

From our perspective, I do not know how we could move away from an individual having a contract with an individual employer, but there are some other approaches—I am just blue skying. The way in which the foundation apprenticeship model works is that, as well as the main employer, other employers host the apprentice or offer an element of work-based experience. However, graduate apprenticeships involve a full-time post with an individual employer, and those posts need to be available, which comes back to the point about the provision by universities.

Daniel Johnson: That is true, but it is also about the content of what providers are providing, with that happening on an employer-by-employer basis. Employers could guarantee the places, but they could buy into a more, in essence, on-the-shelf system, rather than there being bespoke learning. Would that simplify the system?

I will let you answer that, and then I will ask a follow-up question.

Susan Love: In accountancy, it is quite well understood that there is a clearly marked out qualification pathway, so that is less of a problem for us. Employers are quite happy with the products that are on offer, which are very highly rated.

I can offer the perspective only from our profession, but one piece of feedback that I have heard, in relation to how we get more graduate apprenticeships, is that there are not enough different frameworks and that it takes too long to develop frameworks. People often praise the apprenticeship system in Scotland for being quite heavily regulated to ensure high quality, but I have heard feedback not from our sector but from other sectors that they want to move more quickly and that large employers want a more bespoke framework to be developed for them. The system does not necessarily enable the quick development of a new GA framework. Why are there no GA frameworks for some professions? What is holding things up? I do not think that the issue is demand. Is it capacity? Is it funding? One way to upscale massively is to increase the number of frameworks that exist.

Daniel Johnson: I will collapse two questions into one before I move on to the point about flexibility. You have set out a number of demand-led factors for employers and learners relating to awareness and access, but do we have the right supply-side initiatives? You have set out quite clear reasons why you might want to increase the number of graduate apprenticeships. Have you been approached by the Scottish Funding Council about how you can expand that number? Are discussions with the Government and others to explore that issue taking place, or are you being left to your own devices?

I will ask a supplementary question. The emphasis has been on professions. Is there a broader point about ensuring that the system—not just graduate apprenticeships but apprenticeships and the skills system more generally—is a bit more focused on technical and professional skill-based areas as well as on the more practical, vocational and technical areas with which we might be more familiar?

Susan Love: On that last point, as I said, some people debate whether we should call it an apprenticeship. We do not have a particular view on what we should call it. However, the combination of the SCQF level of learning—a higher level of technical learning—the practical application of that learning in the workplace and the building of work-ready skills seems to be a better model for delivering qualifications that require an element of higher education. I presume that that would apply to other professions—it certainly does to ours. That is a good model, but we are open to discussing whether we call it an apprenticeship and how we incorporate more work-based learning in how we deliver degrees.

On the point about discussions about the expansion of GAs, I am a member of the Scottish apprenticeship advisory board's employer engagement sub-group, although I know that the board is about to be wound up. The group has highlighted repeatedly its interest in GAs and has discussed any opportunities for their expansion. We tend to focus on discussions with individual universities on the development of new courses. We have a new course coming on stream this autumn with Edinburgh Napier University, but that involves a bilateral arrangement between us and the university in relation to talking about the opportunities and engaging employers.

On policy discussions with the Government and the SFC, you will be aware of the group that is reviewing graduate apprenticeships. I do not know whether the group's remit is specifically about

expansion. I think that it is about enhancement, but I do not know the group's exact terms of reference, so I do not know what that means. I have looked online to try to find out more about the group. I was able to contribute to the review of GAs for the first time only a couple of weeks ago at a stakeholder event. That is the only opportunity that we have had to contribute to the review, which I believe was launched last spring. I do not know what other discussions are going on behind the scenes, but our profession would love to be more involved in them. At the moment, discussions about launching programmes take place largely with individual universities.

Daniel Johnson: That is quite an interesting insight in and of itself. You represent a leading professional body with an expressed public view about graduate apprenticeships, so your lack of clarity is interesting and perhaps telling about the process.

Andrew Lamond and Ian Hughes made quite interesting comments about what are probably best summed up as pathways. In relation to skills, there is certainly the view out there that we need to think about more than just apprenticeships. In 2022, the Organisation for Economic Co-operation and Development produced a report on the Scottish skills system, "Strengthening Apprenticeship in Scotland, United Kingdom". On page 15, in the executive summary, the report sets out that we need to do more to make apprenticeships work for all people and to reduce barriers. In particular, it says:

> "Adults may have different needs and preferences to young learners."

That is what we have heard from you both.

Are we too caught up on the idea of an apprenticeship being no less than four years and being only for people who are entering the workforce for the first time? Do we need to break apart that idea and think about apprenticeships being much more about acquiring skills at any point in someone's career? What might that look like?

I will bring in Andrew Lamond first, because he said some interesting things about that.

Andrew Lamond: I agree that we should look at that issue. If we stick with a four-year period, the first two years could be used to develop soft skills in order to get people ready for the workplace. That does not necessarily have to happen in a college. We are working on a programme in which we bring in people in fourth year in school for one day a week to give them an introduction to a variety of trades, employment skills and interview techniques. That allows them to get familiar with a workplace, and those skills are then gradually introduced, with the final two years involving full-time technical learning in our training academy.

I think that four years is too long, so we should look at that issue, because there are more efficient ways of working. I also think that a 16-year-old who has just left school is potentially too young to go straight into full-time learning in a trade subject. They could stay in school longer to develop other skills, rather than sitting in a van and not being that productive, as I mentioned earlier.

Daniel Johnson: If we were to focus more on adult learners, what would that look like? Do we need appraisals for adult learners that consider what bits of an apprenticeship they can bypass? Should there be cross-recognition of previous qualifications? Are those the sorts of things that you are suggesting?

Andrew Lamond: We could train people for specific job roles rather than for a generic sector. In relation to plumbing and heating, I have never done any plumbing training, so I could not fix a toilet or change a tap, but I am pretty good at servicing a gas boiler. That was what I was trained to do. Over time, I picked up how to install boilers, but I was never trained to do that. Scottish Gas trained me for a specific role, which is why it was able to do that in a shorter time.

Given the future skills demands, we should certainly look at that model, because, if we stick with the four-year model, we will run out of time and run out of people to do those jobs. We expect the peak skills requirement to be in, I think, 2037, so if we stick with the four-year model, given the current capacity of colleges, the numbers do not add up. We do not have the capacity, the trainers, the bodies or the time to do what is needed if we stick with the four-year model.

Daniel Johnson: I will ask Ian Hughes the same question. We can all appreciate that, if someone has been trained in one trade on a construction site, they are not starting from square 1. Do you take the view that, if you want to train people who already have some work experience, there are bypasses and you can accredit previous experience? What do the different routes that you outlined look like? How can we make the system more efficient?

Ian Hughes: Modern apprenticeships in construction are designed by industry through the national occupations. Industry and employers determine the content, experience and duration of the qualification. We are led by industry and by employers in the construction sector, many of which are looking for quicker and more flexible routes into employment.

A good example is the recently launched civil engineering academy, which is working with six colleges. Its members have designed a full-time

qualification that is done over, I think, 14 weeks. It is not an apprenticeship, but that qualification has been designed to be fit for purpose for that sector's needs in providing an entry point. If the individual gains the qualification, they are guaranteed a job interview and, ideally, they will get immediate employment in the engineering sector. That sector has done that primarily because of the investment in infrastructure that will be made in the Highlands and Islands over the next five to 10 years and because of the real shortages of labour. The sector would have simply struggled to procure much of the work based on the Government's policy and future plans, so it provided an entry point outwith the apprenticeship model.

That system was not easy to design, and it is not easy to fund—we fund it substantially, as does the Scottish Government, through the Scottish Funding Council—but it is a good example of a bespoke qualification and competence-based training for a particular sector. It is not an occupation-based system, but it will lead individuals on to a career path in civil engineering.

If sectors in the industry say that they are looking for a shorter apprenticeship route, we will react to that, but we do not hear that from SMEs and microbusinesses. They are looking for new and alternative entry points over and above the apprenticeship model. We do not necessarily have to cut back on the apprenticeship model; we need to look at other entry points.

Daniel Johnson: You are making the point that we need to top up the apprenticeship model, not take away from it.

Ian Hughes: In the recent CITB review, we have been asked to be part of designing what is being called a skills passport. I think that other sectors are looking at that, too. That will give employers the opportunity to look at an individual's accredited skills so that they do not necessarily have to be reassessed or to go through duplicate training. That passport offers the potential for mature adults, in particular, to enter various sectors because of their track record, with the information being held in a central database.

10:00

Daniel Johnson: I have one final question. I was at the Scottish painting and decorating show on Friday and I met one of the apprentices who won an award. He was in his 30s—he had previously been a chef and then he had retrained. I was fascinated to speak with him because you do not meet many apprentices who are in their 30s. I asked him if he thought that the apprenticeship system is well set up for adult learners, and he said no. I asked whether the problem was the structure, and the key thing that he said was that the problem was the culture. As someone in his 30s, he was brushing up against employers and people on the job who just wanted to treat him like one of the young 16-year-old lads, which he was not into. He already had a set of work-ready skills—attention to detail and so on—that you could imagine someone would develop in the kitchen. That was an interesting, strong insight that I had never heard before.

Do we also need to think about not only structures but the culture of encouraging adult learners to retrain and make career changes? That will require a culture change within apprenticeships and the approach to skills. Do you agree, Ian?

Ian Hughes: Yes, culture is a factor. Expectation is also a factor. When there was a downturn in oil and gas a few years ago, we offered to retrain oil and gas workers in scaffolding in the Aberdeenshire area, because they had the requisite skills. We could fast-track the training because they could prove that they had many skills associated with scaffolding. The problem was that the salary entry point for a scaffolder was £15,000. Those individuals were coming from jobs with salaries of £50,000 or £60,000. They were willing to retrain, but not for a £15,000 starting salary. The issue in construction in particular is that, in many cases, the entry-point salaries for adults do not meet their expectations, not just in terms of the salary but in terms of their circumstances, whether that is to do with their family, their mortgage or whatever goes with being a mature individual. Therefore, it is not just about retraining an adult; it is about what the adult's expectations are when they enter a new occupation, given that, certainly in construction, entry-point salaries tend to be fairly low, particularly for apprenticeships. The trajectory is rapid and the salaries are very high within a couple of years, but not initially.

Andrew Lamond: The culture with existing employers needs to change a bit in terms of their view of shorter, more intense courses. We find that employers who have been through a four-year apprenticeship themselves feel that everyone should go through that exact same model—they have done it, so everyone else has to do the same thing, and there should not be an alternative. Now, that is not true, as there are other ways to get in. We need employers to recognise and see the value in those other ways.

Unfortunately, there have been training providers that may not have been as productive as they could have been with a course; it has been almost like a conveyor belt of taking people's money, getting them trained, qualified and out. That has been detrimental to the reputation of

shorter courses. We need centres to standardise training and agree on outcomes, which I hope would improve the reputation of the shorter courses and would get employers and the industry to buy into them.

Kellie Zdanowicz: If I may, I will interject for 30 seconds. It is important to differentiate the type of apprenticeships that we are talking about here. We seem to be focusing on everyone doing a craft or trade apprenticeship, but not every apprenticeship lasts for four years. I do not deliver any trades or crafts. Ian Hughes and I have different opinions about college training because we deliver different frameworks. However, there is some flexibility in the system, in that if you have someone who is over 25 and you can show that they have experience, you can fast-track them to a certain degree. Usually, it is between a year to two years; apprenticeships do not all last four years.

The Convener: Thanks very much for that, Kellie. I say to all the witnesses that they should please catch my eye if they want to come in on any questions that have not been directed to them.

I will pick up on a point that you made about SAAB, Susan. We have heard from several people that it has been very effective in engaging with employers. Were you surprised with the proposal to wind it up, to use your term? Are you clear about the alternative that is likely to be put in place?

Susan Love: I will talk about SAAB in the context of employer engagement in the system. A lot of the debate since James Withers's review has been about people having to be either for or agin SAAB. Our perspective has been to recognise the benefits and progress that SAAB has delivered but to question whether that good practice or those ways of behaving can exist only through the prism of that one forum. I do not see the logic in why some of the good practice that has been developed—for example, around interacting with employers in the development of new frameworks—cannot carry on, irrespective of whether SAAB exists as a body or whether there is an apprenticeship committee. I genuinely do not understand why some of that good practice cannot carry on.

On engagement with employers more generally, the Withers review set out proposals, and we have seen some response from the Scottish Government to some of those, including the proposal on winding up SAAB and replacing it with different committees. We still need an overview of how different employers engage with the system on different aspects of skills and careers to understand what is working and what needs to improve. We were pleased that the report highlighted that professional bodies that play a distinct role were not learning providers or employers but bodies that set out leadership for their profession or sector. They are not particularly well utilised in employer engagement systems at the moment. Such systems tend to work with the main business organisations and suchlike. Generally, therefore, the professional bodies are not well used.

When we speak to our members, we see good employer engagement, particularly at a local level. I was surprised at the level of engagement with Developing the Young Workforce, for example, from our members who interact through, say, local careers fairs or when they recruit into their business. That seemed to work quite strongly. However, they were not interacting with the skills system to give feedback, as employers with diverse training routes, on what they thought was working, where they were seeing difficulties and what they thought needed to improve. That insight and feedback from employers did not have anywhere to go.

Think about that from a national level and perhaps look at it from our perspective. We have multiple training routes that an employer—even a small employer—will be using at once. It might be a modern apprenticeship, a traditional apprenticeship or a graduate apprenticeship. There are lots of different types of training. However, at the moment, the main system—the SAAB system—is interested only in employers who are using one part of that model, which is just those who are working on apprenticeships. That does not make any sense to me. Why would the system not be interested in hearing from employer A, who is essentially doing exactly the same thing but not using a technical apprenticeship? That relates to Andrew Lamond's point about whether they are technical apprenticeships. Why are we interested in engaging on only one part of the overall skills system? That has been our fundamental question about SAAB. It has been an absolutely great model for how to improve interaction between skills delivery bodies, policy makers, employers and apprentices, but I do not see why that good practice cannot continue within different structures.

The Convener: To follow up on that point, the OECD report was quite positive about SAAB. It seemed to imply that the solution was to expand SAAB's remit, as well as having all the other interactions that you have talked about, as opposed to winding it up, although that seems to be the direction of travel. Would that have been a sensible option?

Susan Love: The question is, what is replacing SAAB? There are proposals to introduce different committees. I do not know if those are the right committees; all that I can talk about is what we highlighted. Similar to what was in the OECD

report, we said that this is great but it needs to encompass insight and feedback from employers on a range of skills and training pathways, not just on apprenticeships.

There is another thing that I would say is missing on employer engagement. As I said, engagement works quite well at the local level. Where we have specific discussion about apprenticeships, it, theoretically, works well—that is the case through SAAB and will be the case through whatever replaces it.

There is an area where we really struggle to make interactions work. The system is quite driven by individual products or programmes—that was a fair criticism in the Withers report. We are standing back, looking at our whole profession, its future, how it is changing and how skills need to change. We do not have enough people coming into the profession, and we need to get into schools and influence the people who make decisions.

The problem that we have is who do we speak to about that a national level? We do not have an industry leadership group. Professional and business services are highlighted as one of the eight key sectors in the UK Government's proposed industrial strategy. How do we make sure that, in Scotland, our sector feeds into that effectively? Crucially, even if I have those discussions nationally with someone about the skills that employers are looking for and the huge range of opportunities that exist for existing or new employees, or for people leaving school with an accountancy qualification, the bit that is not working is getting that national conversation into individual schools through DYW. We cannot figure out how to make that bit work. Something is missing from the employer engagement for professional bodies that can see the opportunities and know how to explain them but cannot figure out a way to have the capacity to deliver that with individual schools, or however we want get in front of young people.

The Convener: That is very interesting. Kevin Stewart wants to come in.

Kevin Stewart (Aberdeen Central) (SNP): Susan Love and Andrew Hughes have mentioned schools. What do we need to do in the school system to give folk opportunities to make the right decisions? I will give you an example from my own patch that I think works. The girls in energy course has opened the eyes of many to STEM opportunities, without necessarily going into the energy industry. However, according to the young people I have talked to, it all happens a bit too late for some. We hear about folk from construction and other professions, such as oil and gas in my neck of the woods, going into secondary schools, but sometimes that is a bit too late. Given that schools have been mentioned, what do we need to do to get the opportunities across to young folk, and at what age?

Susan Love: Let me give a couple of examples that are working well. One model that is working well in Aberdeenshire is the foundation apprenticeship, which bridges the transition between school learning and employment and/or further education or training, giving young people insight into a potential sector. They get modularised learning that they can carry on with, and they can get a route into a local employer. Alternatively, they can decide that the sector is not for them and do something else, but they have nevertheless built up useful experience. The foundation apprenticeship model further increases exposure to work earlier on in schools and seems to be a valuable route.

I know that progress has been made across Scotland in recent years on the interactions between schools and colleges. There has been progress, but we need more. I feel as if our profession is completely dependent on the perceptions of the individual school and its DYW co-ordinator as to whether any of our information about opportunities reaches anyone in the school. For example, we run webinars about careers—some are aimed at parents, some are aimed at young people and some are aimed at employers. We explain what the profession is like, and bring on young people to talk about their experience. We tried to use the DYW network to raise awareness about those webinars, but got very little pick-up from schools in Scotland. I do not know whether that is because a DYW co-ordinator sitting in a school has dozens and dozens of employers and trade bodies all sending them stuff and wanting them to put everything in front of young people. I do not know what the issue is, but I feel as if we are entirely dependent on them. That is a problem for us, because people have perceptions about who can be an accountant. We suspect that accountancy highers will be offered in very few schools in Scotland now. We think that people will have perceptions or make assumptions about who might want to do accountancy, which prevents us from reaching people to talk about the broader range of opportunities—

10:15

Kevin Stewart: Sorry to interrupt, but you said earlier that anyone could be an accountant, and I have been thinking about that ever since. I only know of one person from a poorer area who is an accountant. In terms of the inroads that you are trying to make, are you doing that in all schools, or only in certain schools?

Susan Love: We work in schools locally, at a Scottish level and globally to try to change perceptions. I cannot remember whether I

mentioned this earlier, but expanding access is at the core of what we do. It is why we have all these routes into the profession. You can see from looking at our entry routes the number of people who have a degree when they start training with us and the age range of entrants. We know that entry into accountancy is open to people from different backgrounds, but we also know that people are more likely to want to come into accountancy if they have a relative who is an accountant, for example. We will keep working on that; we know that there is more to do.

I will move on from perceptions and difficulties in engaging with schools and young people, because it is also about how you explain the roles and where opportunities are in the modern economy. People find those difficult to visualise or grasp. If you want to be a data analyst or a project manager, there are huge opportunities, from an accountancy point of view. However, it is quite hard to go into schools and explain to people what those roles might look like. That is a real challenge that we need to overcome.

Andrew Lamond: Last year, we built our net zero house, which was opened by Lorna Slater. We use that to educate young people on the types of green technology that are available now. We have created a virtual tour that we show to primary 5 students. They learn about green skills, and they see the opportunities. We tell them about the opportunities that are available in the industry, too, and I think that we need to reinforce that message all the way through school until they leave, to generate interest in the careers that are available in that sector. We should be doing more at primary school level, and we should reinforce that—and potentially increase the technical information and the depth of the detail that we go into—all the way through, until students reach the point of leaving school and making decisions about their future.

Kevin Stewart: I will pick up on something else that I think that everyone has hinted at, if not said, which is that there should be more flexibility in the system and in the routes that folk can take. Is rigidity holding us back? Short answers are probably welcome here. Kellie Zdanowicz, please.

The Convener: Kellie wanted to come in on the last question, too.

Kevin Stewart: Sorry, Kellie.

Kellie Zdanowicz: If that is okay.

The Convener: I think that the same applies to Ian Hughes. I will bring you both in. You can do a double act with both questions, if you want to.

Kevin Stewart: That would be wonderful.

Kellie Zdanowicz: Do not worry, I can multitask—it is all right.

In answer to your last question, I think that there should be more flexibility, and we should build on the learner focus that we already have.

I wanted to pick up on something that we have done at the training provider that I run. We have doubled the percentage of women that we work with in construction over the past two and a half years. Working very closely with Skills Development Scotland, we decided to look at diversifying into different frameworks. Obviously, we need to work in schools, but a good age group for us has been the 20 to 24 age group.

What we are finding is that, because we have opened up to different frameworks, such as contracting and estimating, we are attracting women who are already in construction at a junior level. They have left school and have maybe done something else, but they are in the construction environment, which then puts them into the next stage. They are doing an apprenticeship, but they may decide that they want to go into admin. It can get a bit more technical, so we are encouraging women to get on-site qualifications.

I genuinely think that 20 to 24 is a good age group for women in construction. You find them in the workplace and you encourage them, breaking down the barriers. I just think that that is another way of stepping up the numbers.

Kevin Stewart: As I have said previously, I have seen more women apprentices in construction in Ayrshire than probably anywhere else in the country. That may be partly down to you.

Ian Hughes: We would be delighted to work with partners to develop foundation apprenticeships within construction and the built environment. Foundation apprenticeships do exist in some sectors. People do not just do a foundation apprenticeship in fourth year, for example; there is a lead-in time as well, so the age at which people access it comes down as they make choices. That includes pre-foundation access.

We fund a number of tasters within schools, which attract young people in particular. The hook, if you like, is that hands-on experience of doing something, rather than theoretical experience.

A foundation apprenticeship will lead that young person on a journey to either employment or education. The two routes that we see them taking are education via university or FE, or employment, either directly with an employer or via the apprenticeship route.

That is probably what is missing at present with that age group in terms of the pipeline. At present, a number of employers and organisations go into schools, but it is pretty ad hoc and not really

consistent. There should be a national approach to generating that pipeline across a number of sectors, and I think that the foundation apprenticeship would be a route to explore, certainly in the short term.

Kevin Stewart: Do we need more flexibility?

Ian Hughes: Flexibility is essential for everything. I think that people learn better in a flexible environment. The foundation approach works, and it does not have to be an apprenticeship. Individuals get the flexibility from tasters in different occupations. They do not go in and do a year of being a joiner or a painter and decorator. They do lots and lots of different trades and occupations in a practical way, to ascertain which one suits them best. Flexibility in learning is essential, particularly when young people are deciding which route to take.

Susan Love: In all the feedback on skills from employers over the last 10 to 20 years, lack of flexibility undoubtedly comes up consistently as a problem. There is a lack of flexibility to meet the very specific needs of a small business in terms of support and funding for training. Similarly—and I think that this was reflected in some of the feedback that the committee received last week—there is a need to adapt quickly to support the training for which an investor might be looking for input. Clearly, there is an issue with the ability to respond more nimbly to take advantage of opportunities

The only dichotomy that I can see is that quite a lot the improvements that we want to see rely on much more specific direction from Governments—more policy choices to incentivise or direct certain outcomes—which might counteract that flexibility. I can see that there is a dichotomy there.

Andrew Lamond: One of the great benefits of being a private training centre is that we can pivot quickly. We can change our course offerings depending on industry needs. A good example of that is our low carbon diploma—we cannot call it an apprenticeship. It is not available in Scotland; unlike in England, colleges do not offer it. However, we have gone through NOCN and we recently got approval to deliver it. We are hoping to use Enhanced Learning Credits Administration Services to fund those leaving military service to go through the course. Colleges are not offering that just now but, as a private centre, we can go out there and put it in place.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning. I will briefly return to an issue that Kevin Stewart raised with Susan Love about attracting young people into certain careers. I make my usual plug to encourage young folk to take up my previous career of software development. Susan, you spoke about how difficult it is to enthuse young people about becoming something like a data analyst. You would probably say the same about asking people whether they want to be a JavaScript software engineer, for example. Although it is difficult, do you think that it is possible to demonstrate to younger people what those careers actually look like in practice, in order to attract them at an earlier stage—particularly young women and girls, who do not tend to choose software development as a career option?

Susan Love: I cannot speak about software development in particular, but I can give an accountancy perspective. The majority of our members and students are female, and the accountancy GA is the only one where the majority of apprentices are female. We have put a lot of work into trying to make sure that we create as many opportunities and entry routes as possible into the profession, to suit a range of people at different points in their lives.

The key point for us is getting in front of young people. What we try to do is present good, exciting role models that will be more relatable for young people. If you want to work in finance, you can work in any country and in any sector. It depends on the young person's interests, but we often use examples of people who are training to work in Formula 1, for example, or football clubs. We also work with influencers. We try a variety of ways to make sure that we explain and articulate the opportunities that exist for young people.

Willie Coffey: Culture has been mentioned by several people in the discussion. The issue of parity of esteem between universities and everything else featured heavily in James Withers's report. One of his comments was that people think that university is the only pathway to success and that everything else is second best. From listening to all of our witnesses this morning, however, I do not think that that is the case, nor is it my experience from the work that I have done with colleges and independent training providers, where a huge amount of fantastic work is going on. Does that perception still exist? Do you think that, by and large, parents still have that view that it has to be the university route and everything else is second best? Do you have the sense that that is still the case?

Kellie Zdanowicz: I have two kids—I say "kids", but they are 22 and 19 now. No one approached them at school about apprenticeships, so culture is an issue, and we need to look at the education side of things.

However, if there is to be change, should there be a rebranding exercise? I do not know. I saw that James Withers said that he did not like the term "foundation apprenticeship". I remember the inception of all of this, when we were all around

the table, speaking about foundation apprenticeships, and I agreed with that view. I did not like the term "foundation apprenticeship" because when I was at school, the qualification levels were credit, general and foundation. I think that it is a really good product, but the branding could be better.

Everyone has accepted and now stands by the good work that the Scottish credit and qualifications framework does. Therefore, maybe we should be looking to rebrand things and make sure that everyone knows those levels, so that it is not about whether someone goes to university or does an apprenticeship or a short course to get them into a good job or to move on to the next bit. Instead, it is about lifelong learning, and what people are after is a bit of paper that says that they are really good at their job and that they are qualified to do it.

Again, flexibility is key. I am speaking on behalf of all my colleagues here when I say that we are a wee bit worried that, with the changes, we throw the baby out with the bath water. A lot of good work is going on just now, and there are a lot of highly experienced and dedicated people in the industry who are helping learners. We need to make sure that there are no unintended consequences that will take that support away and do damage.

Willie Coffey: On the cultural issue, Andrew, do we still have a bit of work to do to break down that barrier that says that university is the only route to follow?

Andrew Lamond: Yes, I definitely think so. In my school experience, there was no mention of apprenticeships or any trade. I was told to get more highers and to go to university. That was the only option—not even graduate apprenticeships were discussed as an option. I think that the UK is especially bad for looking down, almost, on apprenticeships—they are seen as a last resort. I would love to see academic students and high performers being offered apprenticeships and trade-type jobs, because they can be highly successful. I know quite a few people who started off with a trade and who have done extremely well.

Susan Love: On a positive note, people were talking earlier about the high level of demand for apprenticeships. That suggests that we are making some headway in terms of people understanding the benefits of them. I think that there is some progress.

10:30

Ultimately, however, if I step back and look at the whole debate around skills reform in Scotland, I find it hard to get away from the central point of the Withers report, which is—whatever we all think—what do we judge schools on and where is the money going? We are still pretty well locked into a certain pathway being seen as the one that is better than others. That is still how the discourse around Scottish education works, but it is problematic if it is not delivering what the labour market needs.

I will give an example of why we need to fix that. A foundation apprenticeship is an SCQF level 6; so is higher accounting. However, I can guarantee which schools would offer one over the other, and which people would think about choosing one over the other. There is no reason for two qualifications on the same thing to exist to perpetuate that in-built bias. That makes no sense whatsoever. One clearly works better for the labour market and still delivers learning. Let us go with that. Let us not have two competing systems.

Willie Coffey: Ian, do you have any comments on about the culture that says that university is best and the others are second best?

Ian Hughes: I wholly agree with Susan Love's point. We are pushing for a modern apprenticeship to be seen as a degree and to have degree status. I think that, given the level, it has that status. It is not at the level of an honours degree, to be fair, but it is still a degree level qualification. That would begin to change perception.

My son is entering construction. His perception changed when he visited his sister in Australia, where construction and construction workers are perceived extremely highly. Parents' perception of the sector is so high that the split between those choosing to go to university or enter construction is roughly 50:50. When he asked why that is the case, he was told that it is because construction workers in that part of the world are seen as highly skilled and highly paid by their peers and by their parents. That is a cultural thing that we should be aiming for within that sector. It can be done; you just have to break down some of those barriers and perceptions.

A good example of perception comes from our recent research with siblings and parents about entering construction. Ninety per cent of parents said that construction is a good occupation to enter. Our follow-up question was, "Would you let your child enter construction?", and 90 per cent said no. The perception is, "It is a great occupation, but not for my kids". We need to work at that.

Willie Coffey: Thank you. There is obviously a job of work to be done to persuade parents of the value of alternative routes.

My final question is for Kellie Zdanowicz. In your earlier remarks, you shared information about the college success rate in modern apprenticeships, which lags behind that of non-college sources—

independent trainers and so on. The difference is considerable. I am looking at your website and the information that you have from Skills Development Scotland to back that claim up. Could you share some views with committee members about why that is? The picture has been consistent over the last five years in the data that you present in your report. Why is the modern apprenticeship success rate consistently higher in the non-college sector?

Kellie Zdanowicz: Again, it is about agility and the person-centred thing. As providers, we value what we do and we value the courses that we deliver. It is also about having a mentor, not only in the workplace, but one who can come into the workplace. Perhaps a business administration modern apprentice has a boss who is quite crabbit and it is about having that young person sit down and saying to them, "Look, I used to work; this is the way to handle it. You will be okay. You can do this." Perhaps they are out on a construction site and the mentor says, "I know that you are freezing, but here is a thing you could try; or you could try that". It is all those wee, unseen things, including the mental health support, especially with the Covid generation. There is a lot of that.

As you say, however, the different success rate has been consistent. To be short, sharp, and sweet—like myself—I suggest that our providers' success is about agility, as I keep saying, and about the one-to-one, person-centred thing.

Travelling is also a huge problem for young people. They get a job and, in some situations, they are probably not paid what they should be, so they are on a low wage. How are they meant to afford the train, for example, if there is quite a distance to a college that delivers the training? Again, I am not dissing colleges. There should be a mixed economy in training all the way, because sometimes a college is the only way, depending on the framework and on the individual. As training providers, our success is in our flexibility. We are available 24/7. Most of us now have e-portfolio systems. There is a vast range of them.

It is also about the assessors and the trainers. It is expensive, by the way—we have not had any raise in contribution rates—to get occupationally competent assessors to ensure that they know what they are doing. They are giving up-to-the-minute industry advice to that person, which is crucial in an apprenticeship. That is the whole point. You are getting access to someone who has been there and bought the T-shirt. That is the whole point. I suggest that our success is down to experience and agility.

Willie Coffey: You said that you are on site 24/7 and you mentioned that somebody was inspecting some road issue at 5 o'clock this morning. Would you not expect that intensity of engagement over that period of time in the college system?

Kellie Zdanowicz: It is obviously more difficult. Again, it comes down to the framework, because I am only speaking to the frameworks side and the frameworks that some of our members deliver. I cannot be an expert on them all, but those that we deliver are those that the colleges will not deliver, from what we have seen. Some local authorities come to us—our local authority comes to us—for the guys out on the roads, for example. You have to be there. You have to see it before you sign it off. As Ian Hughes said earlier, construction is a great example of a dangerous industry. No one should be getting signed off unless someone who is occupationally competent and knows what they are speaking about is there, witnessing the apprentice work.

The Convener: Thank you. The final questions are from the deputy convener. Here is a tip to the panel: if there are any final points that you want to throw in, I will not get upset if you slightly pivot off the question, but please do answer the deputy convener's questions.

Michelle Thomson (Falkirk East) (SNP): My couple of questions will help to bring that in. I have a quick question that I will invite Susan Love to answer first. How do you see the advent of artificial intelligence affecting skills provision in the future and what active thinking are you doing on that? We are talking about a very wide landscape and we do not know what we do not know but, as I have said previously, there is a juggernaut coming down the track and we need to try to factor it in in some way. Could you give me some reflections as to what you have thought about thus far? If you have not thought about it, that is also okay.

Susan Love: I will give a perspective from our profession, if that is okay. You have not been able to move for accountancy events about AI over the last 18 months. The professional bodies are doing endless thinking about feeding in to the regulatory environment, upskilling new entrants and existing entrants, and the business opportunities that AI presents. It is hugely under the spotlight for our profession, alongside other aspects of changing work in relation to sustainability and how uncertainty in the world affects us.

From our perspective, the increasing use of tech and the early use of AI has been a feature of the profession for many years now. People will be familiar with how some organisations present their data using tools like Power BI, for example, as opposed to just Excel spreadsheets. That has been a gradual shift that has been going on through the market. You will be aware that small businesses might use a range of software providers to deal with accounts. There is a range

of famous names that are always advertising and they work closely with us.

The shift has been gradual and, from our point of view, the increasing use of AI in the profession honestly takes away a lot of the mundane processing that some staff are doing. It enables more time to be spent on value add. It enables finance professionals to look at the skills that they have around how to use data to understand organisational risk and to make better decisions within a regulatory framework that requires ethical behaviour. That is in our wheelhouse. We have a range of roles to play across organisations in how we shepherd that in.

We have a huge amount of CPD and training that we have introduced to our courses where we think about how we embed those skills in new entrants as well as in our core qualifications. I am happy to follow that up, because our sector is doing loads of work.

Michelle Thomson: I appreciate that AI is a massive area. I am not at all surprised and I am entirely heartened to hear about the amount of work that is going on in your sector.

The reason why I am asking about this is to probe the Scottish Government's work mapping a pathway that ensures skills provisioning across the piece and its ability to take cognisance of AI across the piece. Are you getting the sense, as we talk about the skills landscape and, in effect, being fit for the future, that consideration of AI is very much on the table in the way that it is in what you have outlined about your sector?

Susan Love: Globally, we do a huge amount of work looking at the specific skills needs that will emerge from different aspects of AI. We incorporate that into what we are doing. At a Scotland level, I am less clear about how much thinking would be going on at our profession's level, which used to be in professional services in the sectoral skills assessments that are produced by SDS. Last year, SDS bulked up professional services with financial services, so the assessment is quite high level. I do not know whether work on AI is going on, but we are certainly not involved in feeding in some of that longer-term work. There are estimates that come, I think from Oxford Economics, to SDS about the medium term and the number of jobs in our sector. We have those estimates, but we have not had any discussions as yet on the specifics around AI and how it will affect development of future roles.

Michelle Thomson: Okay. I will bring in the other three panellists with my next question, and then give you a chance, Susan.

I have been listening very intently to this wide-ranging session and part of the committee's challenge is how to fashion recommendations. If I were to be cruel and ask what your top two asks are in terms of ensuring that our skills system works and is fit for the future of your sector, what would those top two asks be? You are smiling, Kellie. You have to come in.

Kellie Zdanowicz: Narrowing it down to two is quite difficult.

Michelle Thomson: Exactly.

Kellie Zdanowicz: I have probably got about 50. We are concerned about the changes, as a federation and as a business. I would say that engagement with learners and employers will be key. Also, and this is an ask for anyone: just pick up the phone and speak to the training providers. For all that we moan sometimes—I have to say the words "contribution rates" at least 20 times for the membership—we can help, because we are the guys who are sitting next to the learners. We are the guys who are putting them through the qualifications. We know what we are talking about and we can help. The first thing would be engagement, mainly with training providers, learners, and employers. The second would be the old saying: do not throw the baby out with the bath water.

Michelle Thomson: Thank you. Ian, do you want to come in? [*Interruption*.] You are on silent.

Ian Hughes: I do not have control of the mute button, which is most unusual.

Yes, that is a question, but from our viewpoint, the economic and social impact of our particular sector in Scotland is huge. If we had one wish, it would be to make the skills landscape in its widest sense much more effective and efficient for learners in particular. I am not saying that employers are not the most important—that is where our funding goes; it goes to learners indirectly—but if we can improve the skills landscape for those young people who are looking to enter the career pathways, we will get much better and stronger economic and social outputs.

Andrew Lamond: We would like to be considered alongside colleges when plans are made to help the roll out of skills. We do not want to be left behind as a small private training centre. I would also like to invite anybody on the committee to come out and see the academy in Dalkeith. If you want to come out to see what we are doing, we would be delighted to show you around.

Michelle Thomson: Thank you. Do you have any final words, Susan?

Susan Love: I will pick two different suggestions. First, we have made a lot of progress and we know what good looks like. Now we need to commit to upscaling good. We cannot be afraid of being bold enough to upscale what is working

and what we know works. In order to put our chips on what works, we might need to deal with some sacred cows. That is difficult for us, but we need to be bold in reform.

Secondly, in among all the detailed discussions of bits and pieces, we must not to lose sight of some of the central findings from the Withers review. People will quibble with some of the solutions. People will not agree with all of it, but some of the central findings are core and we must not lose sight of them. In particular, do not let our solutions be led by the people who are tasked with delivering the system. It is the people who use the system that we need to bear in mind.

The Convener: That is an excellent point on which to end our evidence session. Thank you so much to all the panel for your insights, which are incredibly helpful. I have no doubt that we will use what we heard today in our future work.

10:45

Meeting continued in private until 12:18.

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