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Session 6

Economy and Fair Work Committee

Wednesday 7 May 2025

The Scottish Parliament
Pàrlamaid na h-Alba

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ECONOMY AND FAIR WORK COMMITTEE
14th 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:

Victoria Erasmus (Turas Hotels Group)
Peter Proud (Forrit)
Ian Rogers (Scottish Decorators Federation)

CLERK TO THE COMMITTEE

Anne Peat

LOCATION

The James Clerk Maxwell Room (CR4)

Scottish Parliament

Economy and Fair Work Committee

Wednesday 7 May 2025

[The Convener opened the meeting at 09:34]

Skills Delivery

The Convener (Colin Smyth): Good morning, everyone, and welcome to the 14th meeting in 2025 of the Economy and Fair Work Committee.

The first item of business is an evidence session on the skills delivery landscape. The purpose of these sessions is to consider how the current skills system is working, identify the actions that are needed to support businesses, and improve the skills supply chain, including for green skills.

I am delighted to welcome our witnesses this morning: Victoria Erasmus, sustainability director of Turas Hotels group; Peter Proud, chief executive officer and founder of Forrit; and Ian Rogers, chairman of the Scottish Decorators Federation. As always, I appeal to members and witnesses to keep questions and answers as concise as possible.

To kick off the evidence session, the deputy convener will ask the first questions.

Michelle Thomson (Falkirk East) (SNP): Good morning. I thank the panel members for joining us. I have a couple of framing questions and then the rest of the committee members will come in.

How well aligned is the current skills system—and the provisioning of it—with the needs of your business or sector? Where are we at present?

I have a rule that the first person who looks me right in the eye goes first, so, Victoria Erasmus, it is too late. Perhaps you would like to come in first.

Victoria Erasmus (Turas Hotels Group): In tourism and hospitality, our biggest problem is in getting skilled labour into the sector. When we have got people in and we want to upskill or train them for roles, there is a lack of good opportunities for courses that will deliver that training, particularly around the cheffing and managerial skill sets that are required within the sector. It is harder in a more rural economy, which is where our businesses are based. Getting those courses and opportunities locally is incredibly difficult, so we have to look across Scotland. Rather than having to go outwith the Highland region, it would be helpful to have more locally based skills opportunities.

Michelle Thomson: Peter Proud, I will bring you in next. You are obviously in an entirely different sector and location.

Peter Proud (Forrit): I was an apprentice myself—I did a software apprenticeship back in 1985. Of the seven people who went through that apprenticeship together, five ended up being very successful with their own businesses, and I wanted to give something back.

Forrit has used a bit of tenacity to make it work. We have worked hard on the process from schools to further and higher education—we have tried every iteration. We have forged good relationships with Skills Development Scotland and Edinburgh Napier University. I have put 28 kids through university. I say kids—some of them have been in their 30s, but, when you take on apprentices, it is like having children. Of those 28 kids, 14 have graduated with first-class honours and four with a 2:1. Most of them came from council estates. I came from a really deprived area of Dunfermline called Abbeyview, so I have replicated my journey for them.

Socioeconomic mobility is a real problem, so, with the university, we have focused on that as an organisation. We tried to take kids from school, but we found that they were not quite ready, so we have doubled down on relationships with FE. We have worked closely with the local colleges and found people with higher national diplomas. They have done a two-year full-time course, which means that they are more ready when they come into the workplace. They now do one day a week at university and four days with us.

I do not want to say what the exact salaries are, but they are in the mid-£20,000 range for the first year and up to £30,000 for the second, and they get third-year entry into university. In those two years with us, they have been paid about £53,000 or £54,000 while getting a degree, two years of work experience and some industry qualifications.

The tenacity of the company has made that work. We have made sure that the apprentices go back into schools and colleges, and we have brought the colleges into our workplace, to talk about what we are doing. We have put a lot of effort into it. We started the first apprentices when we had only nine staff. In 2017, we took on two kids and put them through university, and we have had apprentices at university every year since then.

It is about tenacity—we have made it work and we have seen the value of it. The key point for us is to get people with an HND, so that they can come into the workplace and go into a department and start working properly. They add value to the company as well as to themselves.

Michelle Thomson: That is very interesting. You used the phrase, "We have made it work"—I heard that quite strongly. You said that you have developed an approach using the skills provisioning from various routes, which you mentioned in your remarks, and that you have made it work. I just want to confirm that.

Peter Proud: Yes, it has been great. SDS and Edinburgh Napier University have been very supportive, and local colleges have forged relationships with us and let us speak to the people who are going through their courses. That means that, when we post adverts for jobs, we get lots of applicants.

Michelle Thomson: Ian Rogers, how about you and your sector?

Ian Rogers (Scottish Decorators Federation): In construction, we fish in a slightly different pond. Schools are graded on a league basis according to the number of A-levels, O-levels and other things that students achieve academically. They are funded to get that kind of path. We do not fish in that pond—we fish for people who get C grades and have hand skills.

We are very fortunate in that we have an oversupply of people who want to join the construction industry. For every job that is advertised, we have several—sometimes several hundred—applications, depending on what sector the job is in. There are different requirements as we go through the whole built environment.

We are successful, but we are also lucky that we have our own training board. The Construction Industry Training Board is a servant to the industry, and we task it with doing certain things, which it does very well, particularly in Scotland, where, according to a Cardiff University study, we have the gold standard of apprenticeship. Without a doubt, it is the envy of Europe. Dr Steve Snaith of ICI Paints AkzoNobel once said: "In Scotland, you think you have the best apprentices in Britain—you haven't. You think you have the best apprentices in Europe—you haven't. In my opinion, you have the best apprentices in construction in the world." It is about the way in which we train. Our four-year apprenticeship works very well.

Our problem, as always, is funding. Could we do better? Yes, we could. How could we do better? We could train more people. How could we do that? We would need more funding. We need more college places, but they do not exist. Colleges will not put on courses for one year, because they need security over a longer timescale. The industry needs that security, too—it needs to know that, if it is taking somebody on, that person can get the full four-year training.

If you are an apprentice, you contribute to the economy of Scotland. Unfortunately, funding is not equal. We do not fund vocational qualifications to the same level as we fund academic ones. Although both are four-year courses, with one course, you come out with a degree and, with the other, you come out with a Scottish credit and qualifications framework level 6. If I say to parents that their child will get an SCQF6, they give me a vacant look and ask, "What is an SCQF6 and what is it equivalent to?" It might seem picky, but we should perhaps call a qualified apprenticeship something different. Perhaps we should call it a vocational degree, because that is something that parents could understand and buy into.

Our industry training board does an excellent job, but the problem that we have in some areas is that the education takes place mainly in the central belt and upwards—the map is an inverted C shape. There is training in Inverness, Aberdeen, Edinburgh and Glasgow, but it is a bit more difficult to get training in the Highlands and Islands. Young people have to leave home at 16 and come down to one of the colleges in Aberdeen, Glasgow or Edinburgh to do their training. As a parent, I am not sure that I would want my 16-year-old from the islands to come down for three weeks to do their training. Although we need the same qualifications nationally, we could perhaps deliver the training in a different manner in the Highlands and Islands.

09:45

Michelle Thomson: You have introduced a lot of themes that I think other members will want to come in on.

Ian Rogers: For clarification, as well as being chair of the Scottish Decorators Federation, I am chair of the Scottish arm of the skills council, Construction Skills, which is a pan-industry body for the whole built environment, and chair of CITB's construction skills network. I expect that committee members will have information about what is happening with those bodies, how much money we are spending and how many people we need. My waistcoat therefore buttons over a number of chairmanships.

Michelle Thomson: I will leave it there, but I might come back in later.

Murdo Fraser (Mid Scotland and Fife) (Con): I will pick up on Ian Rogers's point about funding. The committee is interested in examining funding for apprenticeships, to see whether the regime in Scotland is different from that elsewhere in the United Kingdom and whether we can learn from one another. Do any of you have experience of dealing with apprenticeships, or skills and training, elsewhere in the UK that would allow you to make

comparisons? You might not, in which case we can move on quickly.

Ian Rogers: Construction apprenticeships are going through a particularly difficult time in the south, as are all apprenticeships in England. Numbers are 40,000 down on where they should be.

The funding model is different. In Scotland, no one is qualified in construction until they have what was called in the old days a level 3 Scottish vocational qualification, whereas, in England, someone is deemed a craftsperson at national vocational qualification level 2. The funding model in England is therefore geared towards colleges awarding NVQ level 2, whereas in Scotland it is geared towards those awarding SVQ level 3.

Moreover, managing agents, such as the CITB, are paid on completion of apprenticeships, whereas colleges in Scotland are paid on input. A college could have 100 people joining a course and their places would be fully funded after six or seven weeks, whereas if the CITB were the managing agent, those places would be funded only on successful completion of the apprenticeships.

In England, the colleges are in charge. The CITB does not have a managing agency in England, and you can see what has happened down there. Since the Grenfell fire, they have been talking about requiring minimum competency standards rather than an SCQF level 6-type qualification. Someone would be able to enter the industry, do a module and be trained in that, go back to do something else, work on that and then go back to do something else, building up to being a qualified person.

The Government wants us to look at modular training and competency standards, but the industry is quite resistant to that at the moment. We have two routes to competence: the four-year apprenticeship, with successful completion of the skills test, and the mature route, which takes two years. We would resist breaking that down into competency standards, because a customer who employs someone expects that person to be able to do the whole job and not just part of it.

The national occupational standards are now in limbo because we are waiting for the competency standards to come through. That work has been completed for painting and decorating here, though, because we have a competent committee dealing with that.

There are difficulties out there, and especially down south. I would not base anything that we do in Scotland on what is done down south.

Murdo Fraser: A lot of people have raised the issue of the apprenticeship levy, which is paid for by employers across the UK. You are all employers in Scotland. What do you think about the levy? Do you see that money coming back into your businesses?

Ian Rogers: The levy is paid only by companies with wage bills of more than £3 million. In Scotland, the national health service pays a huge amount of money, but we have absolutely no idea how it can get that back. On several occasions, we have asked the minister what happens to the money, but we have had no answer apart from that it forms part of the block grant.

You could say that the apprenticeship levy is a certain amount of money in the UK and that, by rule of thumb, 10 per cent of that should come to Scotland. Only about half a dozen companies in the Scottish construction sector pay the apprenticeship levy, but it would be nice to know what happens to that, because it is a lot of money and could be better utilised if the process were more transparent.

Peter Proud: I see our apprentices as really valuable and am not too worried about paying a levy, as long as it is reasonable. What frustrates me is that the Government tends to know the cost of everything but the value of nothing. I see that every day when I deal with people in the public sector. I come from a corporate background, which is value based rather than cost based. It is important that you can satisfy yourself that there is value, which there obviously is, because you will be dead if you do not have the future skills.

My view is quite simple. If you are not prepared to invest in your own business through training, why should anyone else invest in you? I am not worried, as long as the levy is reasonable and we can justify it to ourselves. Levies do not make a big difference.

I will jump in on the comparisons between England and Scotland. Because of the complexity of the English system there are opportunities for people such as Euan Blair to build companies valued at hundreds of millions of pounds by facilitating the matching of apprentices with colleges. If something like that were to happen in Scotland, I would be quite upset and fearful, because organisations that are already in place are doing that quite well here. I used to work for a large and complex organisation and I am a great believer that when the problem is complexity the solution should be simplicity. We should aim to have small, targeted and simple organisations that focus on getting the right results.

Victoria Erasmus: I agree with that. Everyone knows that they have to invest in their team if they want to have a workforce in the future. There is no way around that. It is the same with apprenticeships. I am talking about private

businesses in the hospitality sector, where it will be very difficult to employ people in future and so investing in the team makes sense. We have always had to pay for training and to support our teams to get the best from them, and it is the same with the apprenticeship levy. I do not think that there will be a massive kickback against that because the value is going into the workplace, where it needs to be. I do not think that it is a massive problem.

Peter Proud: Can I make one point? Finding a person who will be paid £50,000 a year costs between £7,500 and £10,000 in recruitment fees, but if a company invests in training the levy will not be £7,500 to £10,000. In my sector, you can get someone up to that level relatively quickly. The levy will not be near that, which is another factor that the committee should consider.

Murdo Fraser: I have a slightly different question that goes back to something that Ian Rogers said earlier about the way in which we think of apprentices as opposed to those who have degrees. The committee is interested in hearing about graduate apprenticeships, where people work and study at the same time, coming out with a degree at the end while having worked all the way through. Do any of you have experience of, or views on, the value of graduate apprenticeships?

Peter Proud: That is all I have done.

Murdo Fraser: Which institutions have you worked with?

Peter Proud: I have only worked with Edinburgh Napier University and SDS. We have done 28 graduate apprenticeships so far.

The kids' sickness levels are low and they are very resilient. They are working four days a week for us, and a couple of them are married or have young children, but they are coming out with better results than the full-time students are. Another four students are graduating this year. Of the 18 people who have graduated so far, 14 have achieved first-class honours degrees and four have attained 2:1s.

Those kids are not from privileged backgrounds. One of our apprentices was homeless and a sofa surfer when I met her, and she is now the team leader of a software group. It is important to note that the scheme is investing not only for now but for the future. The apprentices are able to take the skill sets that they gain through their apprenticeships and use them in their future careers. When the student whom I have just mentioned graduated, her dad hugged me and thanked me for getting his daughter back—that is the impact that we can have on people's lives. Another student was dyslexic; his thesis was published last year. He achieved that through full-time work and part-time study.

We need to focus more on the social and economic mobility that apprenticeships bring, to get people out of poverty. When I was at school, the aspiration at Woodmill high school was: "If you are quite smart, you could be a sparkie at Rosyth dockyard." However, I ended up going on to be a senior director for Microsoft in Seattle and having quite a big job.

At Forrit, we have dragged a lot of people out of their situations because of our approach. One thing that we lack in Scotland, but which we need, is inspiration for kids from council estates so that they have the self-aspiration to engage with education and to create opportunity for themselves. We need to start to inspire them, and to celebrate having an aspiration and taking it on. The only person who will look after you for your whole life is you, so if we teach people to get themselves educated today, they will do that for the future.

We are really tough on the kids who work for us. We tell them: "You're not here to scrape through a degree. You're here to get a first-class honours or to do really well." We have a celebration for their exam results so that they have to share them. Nobody wants to be last in that pecking order—not because we fire them or we are bad to them or anything, but because they have self-pride in what they are doing.

Ian Rogers: From the perspective of the construction industry, it is the construction professions that are taking part in graduate degrees and apprenticeships—not the trades or the crafts but the professional element of the industry.

Peter Proud: I have a few friends who have kids who are going down the accountancy and legal routes. There are always a lot of such routes for chartered qualifications.

Another factor to consider is that student loans and debt count against affordability for mortgages and such like. Most of our apprentices buy their first houses towards the end of their fourth year. They tend to be pretty reasonably priced flats. However, it is important for apprentices to get into the housing market as soon as possible so that, instead of paying money to landlords, they are starting to create assets for themselves. We have financial planning and mortgage clinics for all our apprentices, and for everyone in the company, so that people can think about the long term. The long term comes closer very quickly, and the sooner people can plan for it the better. Therefore, it is not only educational training that people get out of apprenticeships; it is vocational and life skills, too.

Victoria Erasmus: Apprenticeships in the hospitality sector are not the same in that respect. We see them as stepping stones for people to develop themselves as individuals.

It is a tricky question. At the beginning of the session, I was asked about the particular skills needs in the sector. One of the main skills gaps that we are addressing is the disability employment gap. That gap also exists in apprenticeships.

10:00

One of my biggest issues is how we support that level of inclusion in apprenticeship opportunities, and the hospitality sector is addressing that. My ask is that when you are looking at restructuring and putting things in place, you consider the level of inclusion in apprenticeships and the accessibility of apprenticeships from schools or colleges, which leads into the workforce, that is needed.

As an employer, we see the value of apprenticeships, but we can also see what they need, and we are having to put in skills such as accessible communication, resilience building and mental health first-aid training. Those things are all needed to support apprenticeships. For a private business, a lot goes on behind the scenes to have an apprentice in the business, and that cannot be underestimated or forgotten about.

We have not really talked about green skills, but you only have to look at what is happening up north with the workforce north initiative from SDS, the University of the Highlands and Islands, Highlands and Islands Enterprise and businesses to see how everything is coming together to address the construction sector's need for green skills.

Kevin Stewart (Aberdeen Central) (SNP): The words "diversity", "equality" and "inclusion" have recently become dirty words in the minds of some right-wing politicians from here and elsewhere. Peter and Victoria, you describe having a workforce that includes everyone, and you say that having those folks can be inspirational for them and for your companies. Peter, many folk would say that what you have done in bringing in folk from council estates, dyslexic folk and homeless folk is a gamble, but you describe a workforce that suits you and is made up of people who have aspired and have attained.

What would you do to encourage other business owners to take the steps that you have taken and get them to realise that investing in people properly is not a gamble?

Peter Proud: I have done a lot of that. Twenty-odd companies have come to me and followed what we have done. One of the things that Skills Development Scotland has done well is getting us to speak to other people. I could give many examples of companies that have taken on apprentices. The initial issue was that it is seen as a big overhead; we saw it as a relatively large overhead when we were taking people straight from school, because they were not ready to come into a workforce such as mine, but you can get them coming out of college and get them straight into university. They do two years full time at college, so they have some competence when they come out with an HND.

I do not understand SVQ levels 2, 3, 4, 7 and so on—I get confused, right? We should just go back to ordinary national diplomas, HNDs and then into degree levels. We have paired with companies and have had apprentices go and speak to them and to colleges and schools. We have done a lot of that, and I think that everyone has a duty to do that. We have been very vocal on social media such as LinkedIn about the power of apprenticeships, and we have celebrated the success of apprentices, and people have copied that. The key message is that there is a cost but the value outweighs that significantly, and I think that we have done a good job of that as a company.

Kevin Stewart: It is good to hear that you are taking on that ambassadorial role, as are your apprentices who have been successful. I hope that others will follow suit in that regard.

Victoria, do you want to come in on those issues?

Victoria Erasmus: I have four teenagers, and my third son has severe autism and learning difficulties, so I am really passionate about what the world of work looks like for him. Apprenticeships are good because young people are on the job and they can train as they go, but before he can even get to being in the workplace, the workplace has to be set up for that kind of employment.

That is where I get really frustrated. How can diversity, equality and inclusion be embedded in a business so that it is not having to adapt all the time? I do not particularly like the word "adapt", because, if we are getting it right, those things should be embedded within the ethos and culture of the business, but that does not happen overnight.

We spent about a year doing diversity training, looking at lived experience within our teams and growing it from there before we got remotely close to offering our first supported employment opportunity within our businesses, mostly because things will not work if people are not behind you.

Unfortunately, the disability employment gap in Scotland is pretty appalling and gets worse as you go further north, but that can be addressed.

Skills Development Scotland was phenomenal at helping me to look at the opportunities in the skills for growth programme. I will be eternally grateful to SDS for that. A person came and sat with me to look at our teams and skills and how we could get people into the roles that they wanted.

We have completely transformed how we operate as a business. We do social stories for people who are thinking of coming into the business. People who come for interviews can see the questions beforehand, alongside photographs of the people who will be interviewing them. We have inside/outside movement interviews. We want to see people. The frustration for me is that businesses need to be set up for that sort of inclusion in employment if they are to address the massive issues that must be addressed.

We are leading the way on inclusion in hospitality. We do not advertise that because we are talking about people and I will not advertise people, but you only have to listen to the stories from our teams and about our apprenticeships to know that. I challenge anyone to go to SDS or to the awards, or to listen to individuals talking about how that impacts their lives and what it means to them.

I could give you countless success stories about apprenticeships, but I could also tell you about the work that has gone on behind the scenes to ensure that those apprenticeships take place. That is the bit that really needs to be looked at. We can all offer apprenticeships, but they are not going to be successful unless the groundwork is being done within businesses. That is where we need help and support from a forward-facing agency such as SDS or Developing the Young Workforce. We need those people in our businesses to help us get to where we need to be, so that an apprenticeship is as good as it can be and can be offered more widely.

Obviously, I do not work in construction, but hospitality is people facing. We can offer contracts of anything from one hour a week to full-time employment, so there its flexibility, but we are also dealing with in-work poverty. We are a real living wage employer, but someone is not going to make that if they are being paid for one hour a week, so we have food banks in our businesses. We are having to do all sorts of initiatives just to give people the opportunity in a difficult time. It is difficult to operate with high costs, people are struggling and they are bringing all of that into the workplace, so we have to unpick that while offering opportunities. There is a lot in there.

Kevin Stewart: You have rightly said that some of the stories about folk who have aspired to do apprenticeships and to be in work are inspiring. Many employers have not really heard those stories and are unwilling to move forward, particularly on employing neurodiverse folk. How do we get the stories out there, beyond internal award ceremonies and the rest of it, so that others will be brave and will employ neurodiverse folk?

Victoria Erasmus: I have been asked that a lot and it seems really simple to me. You start with the lived experience in your own teams. You do not have to look outside if there is diversity happening inside your teams. If you can have honest, open and transparent conversations, that is the starting point. I am not talking about going from there to having neurodiversity training and everything else because—trust me—once you start looking at what your teams are dealing with and what they have and building out from there, you will start bringing people in.

People will get inspired because they will realise things are actually not so bad. Most of it is fear led: people worry that they are going to say or do the wrong thing, but if we are authentic in having conversations—if we say, "We are going to pull this jar down, look into it openly and honestly and have the conversation,"—they are happy to engage.

People like to stick to what they have always done, but we cannot do that any more. We will not go back to that 2019 mindset. We must move forward and thrive. We need to get people to look at what is happening in their own businesses and then at what they can do. However, that will not happen overnight. Tiny steps lead to massive change, and every business should be involved in that, not only the big ones—indeed, most of our businesses are small and medium-sized enterprises. We could have the biggest impact, the biggest change and the largest success story, but we need to support businesses on that journey, because the issue is fear and we all have enough fear to be getting on with.

Kevin Stewart: Thank you, Victoria. Ian, do you have anything to add?

Ian Rogers: What you have talked about is the very pond that we fish in for our employees and apprentices. How many of us here thought when we were 16 that we would be sitting here today? It is a journey that you have to take. Construction is one of the few industries where, even if you were told at school that you were a failure, you can end up a millionaire—I think of Stewart Milne, the Robertson Group, the Bell Group and Trident Maintenance Services, to name but a few.

If we want to inspire people to the higher echelons, we must do it early at school. SDS has

careers teachers in all the schools, but they are probably not well versed enough in all the different sectors that a careers teacher is required to know about. I went to Bearsden academy, where the careers teacher only spoke about Singers or John Brown & Company—that is all that they knew about, and both closed down.

When I was at school, I did not think that I would be sitting here, that I would be the chairman of the federation or that I would be chairing all these different committees. It has been a journey. Whether or not you want to make that journey is in yourself. Some people do not want to do any more than just be tradesmen, but some people want their own business and some want a bigger business, and we must have ways of teaching those people how to get there. We are trying to get federations and industry bodies, as well as the CITB, to be cradle to grave. We can give tremendous training courses, but you just cannot get everybody to go there. There will always be people who are hugely successful and people who are quite happy without responsibilities, so we must have industries that can accept both types.

On diversity and inclusion, we are an equal pay, equal opportunities sector. I do not see a huge queue of females wanting to join the industry but, if there were, we would employ them. As a sector, painting and decorating—

Kevin Stewart: Why is that, Ian? To my knowledge, some construction companies have many more women apprentices than others. What makes the difference between the likes of Ashleigh Building in Ayrshire, which I have come across previously and which often has a lot of women apprentices on site, and others who have none?

Ian Rogers: It is a generational thing and an attitude thing. In reality, I do not see an awful lot of women who want to work in the sector. It is a transient business, and I do not think that a lot of females can deal with being told that they will be working in Glasgow today and in Aberdeen tomorrow, especially with their family responsibilities. Unless we put crèches into tier 1 contractors and other businesses, it is difficult for them. It is not awfully aspirational.

On the continent, Scandinavia has historically been hugely successful in bringing females into construction, but the females are now reverting back to a different role—I would call it a caring role—away from construction. There is a lot of work to be done.

10:15

Our sector—painting and decorating—attracts more females than most sectors, but they come into the industry with a different mindset from the males. They come in with the idea that because they perhaps did not do so well at school, they can go through an apprenticeship and get their SCQF level 6. With that qualification, they can enter college and do interior design—lots of them become interior designers. That is a decision that they make early, because they take a longer look at life than many males.

Peter Proud: I worked for Microsoft for 19 years, and nine of those years were in Seattle. When I joined, 12,000 people worked there; when I left, 200,000 did, so I was there during the growth period. To put things into perspective, Amazon was next door on the campus where I worked. If you made the two companies into a country and looked at their revenue, you would see a gross domestic product figure that was between that of Turkey and that of Switzerland.

I have seen growth and scale—some of that comes from my experience at Microsoft, and some of it comes from my experience of running my own company.

I started Forrit serendipitously; I never really wanted to found a company—it just happened. Can I speak about "girls" and "boys"? It is just easier for me; I am not being derogatory. There is a push to get girls into software development, which does not seem to be a skill that they want to have.

In our industry, when it comes to getting a software product on to the market, you have to consider the product definition, which involves using business analysts and writing the specs of what the software will be; the product architecture; the build and test of the software; the pre-production; the service delivery; the human resources around it; the sales; the marketing; and the training. In organisations such as mine, most of the project managers are actually girls, and most of the software engineers are boys; the business analysts are girls and the marketing people tend to be girls, too. That means that the pay gap analysis is actually pretty good, because writing the code is not actually the difficult part of building software. Once you get to that point, that part is relatively easy to do.

The difficult bit is defining what the code has to be in the first place, which is all about communication and sharing. The process involves collaboration, sharing and writing stories. I also see this in our organisation but at Microsoft, it was predominantly girls who went into that role, whereas boys went into writing software. Do not kill me for using the terms "girls" and "boys"—it just makes it easier; people can be what they want. Pre-production and service delivery involve interfacing with clients, which is a quite difficult and technical role that we are seeing more females in.

As our apprentices have come through, we have tended to ensure that we have a balance. As soon as they get past the apprenticeship and have graduated as a software engineer, girls want to go towards project management roles, such as scrum lead and service delivery manager. They seem to want to jump into management roles more quickly than the boys do, which is something to think about. I am taking that from quite a large subset of people at a big organisation.

We need to start to be quite honest about what skills are needed. In the software industry, collaboration and communication are very important. It is an industry that is geared towards softer skills—I am not using that as a negative term, because they are harder skills to learn in certain instances. That is what we have seen in the industry. It is something to think about, because these are high-paying jobs. Our management meetings are 50:50 between girls and boys.

Kevin Stewart: I wouldna worry about your terminology; it is all about maximising people's skills.

Lorna Slater (Lothian) (Green): I will pick up some themes that were brought up earlier during the framing discussion. Throughout our inquiry, we have heard from employers about their frustration with colleges' lack of flexibility. For example, an employer might have an apprentice starting in January, but they cannot start their college course until September, or, if a lecturer is not available on a certain day, the students might have to go into college for three half days instead of one whole day, which makes their work day much more complicated.

I am interested to hear your comments on the flexibility of colleges, not only in supporting apprentices but in supporting more traditional young students and also mature students. Is our skills system via colleges flexible enough, or does something need to change?

Victoria Erasmus: I will put my other hat on. I chair the management board of the University of the Highlands and Islands Inverness college.

As a business owner looking for courses or apprenticeship opportunities for my teams, I would say that it is difficult to find those that fit in. However, in hospitality, we would not be looking to do a course in the summer, when everyone is really busy, so the timetable helps us from that point of view.

There is definitely a need for more communication between businesses and colleges. More demand-led conversations have to be had about what is needed in different sectors and colleges—again, the workforce north initiative is a good example of that. The UHI, HIE, SDS and other organisations have come together with businesses to ask what green skills the businesses need and how they can make it work and put the learning in place. That is an example of how it can work.

I hate using the term "green sector", because every role in my business is green. We have responsible receptionists and sustainable chefs; that comes before their role title. However, partnership is there on the energy or renewables side of things. There just needs to be more understanding of who should be doing what. For example, should SMEs do the work individually or collectively?

We need to ask whether there is an opportunity for the business community to engage more meaningfully with colleges; for example, if colleges do not know that the timing of the availability of lecturers is not right, we need to know how to inform them to have the lecturers available at the right time. The business community needs to be heavily involved in tailoring what is required, as opposed to only saying that colleges are not doing a good enough job and that it needs to be done better. Colleges can only do what they know. If businesses help with that by saying that, for example, running courses in January would be good, that would help to tailor the curriculum to make it slightly easier.

Ian Rogers: My experience is that there are some excellent colleges, some good colleges and some not-so-good colleges. Colleges are badly funded. Just now, 17 of them have been identified as needing special measures. They are in a difficult financial situation. It was decided that the college sector would be amalgamated, so the failing colleges were amalgamated with the successful colleges. If we have a deficit in one college and a surplus in another, and we mash them together, we get a deficit for both. That has been difficult for them. Therefore, they have tried to look for funding directly, rather than from the managing agencies.

Under the Freedom of Information (Scotland) Act 2002, we asked Skills Development Scotland how CITB course completion rates were against those of the colleges that are fully funded—I will call them managing agency colleges; that is not what the Government calls them; it calls them fully funded colleges. They say that they are doing all the managing agency work, but really they are only doing part of it, despite taking the full funding, which takes it away from the managing agencies. The CITB course completion rates are up to 46 per cent higher than the rates of the combined colleges—I will call them de facto managing agents—which is a huge difference.

That shows that, if we give all the funding to colleges, we give all the responsibility and

authority to colleges, too. Colleges only have to tell CITB eight weeks in advance of closing a course, so candidates could be halfway through undertaking a qualification and the course could be closed. For example, stonemasons are badly needed in Edinburgh, but the stonemasonry course has been closed because it is not economic. Well, it might not be economic, but that skill is badly required, and it is a danger to society if it is not there. Anybody who is walking through Edinburgh could be killed if stonemasonry is not done properly.

That could happen to any construction course. In fact, it could happen to any course if you put colleges completely in control of things. Colleges work on what is almost a school timetable. When kids go into an industry, they work on an industry timetable, which is an 8 o'clock start and a half 4 finish. If we got colleges to do that, we could shorten the time when candidates are in college—although it might cause some problems with the unions to ask lecturers to work an industrial week.

Lots of colleges are very good and want to work with industry. However, lots of colleges do not. There is therefore a mismatch around the question, "Where do you put your money?". If I was the Government, I would point out that we have a training board for the whole construction industry, and we should give it the money, make it responsible, give it the authority and make it the awarding body for qualifications.

Construction is the biggest vocational element under the Scottish Qualifications Authority. Perhaps the SQA should concentrate on academia and allow the industries to look after our qualifications. Delivery of construction qualifications has become a huge expense now, because a portfolio of evidence must be gathered from the workplace. That was previously done in a more sympathetic mode, whereas it is now done absolutely on an observation mode. People have to be observed. In construction, somebody will come to look at an apprentice's work. The external verifier could go to Aberdeen, for instance, if that is where the apprentice is based, but he might not be there; he might be working somewhere else.

We have an apprentice who has done seven and a half years, having got through their apprenticeship. That is for a number of reasons. Covid, and the difficulties that it brought about, is one. Covid was a difficult time for everybody: it was a difficult time for colleges and an extremely difficult time for apprentices. We now have a new cohort coming through, who will not be able to produce all the evidence from their workplace, because the employer might not have the type of work that can be looked at. We would want to have the apprentices in a realistic workplace environment within the college boundaries, so that

a competent craft teacher can evaluate and pass their work. However, because the SQA tries to take traditional apprenticeships, such as in construction or engineering, and make them modern apprenticeships, that does not quite work. Although creating a portfolio might work in hairdressing, that does not mean that it will work in construction, yet the SQA demands that. That makes things hugely difficult for employers.

This year, there has been a slight drop-off in the number of apprentices in construction. There are two reasons for that: one is the portfolio of evidence, and the second is the increase that the Government put on the minimum wage, which affects the first-year apprenticeship. It is now £7.55 an hour, I think, which is up from the negotiated rates. We have collectively bargained terms and conditions, which we agreed with the union. The Government just walked right through that and issued a completely different wage scale, which some employers are finding difficult, especially with the imposition of the national insurance increases.

Lorna Slater: Do you have any comments on colleges and flexibility, Peter?

Peter Proud: I have really only dealt with the universities, but my view is quite simple: anything that is bespoke tends to be expensive and unable to be scaled, so it depends on what we are trying to do. Are we are trying to build a scalable solution to get a lot of people through? I will offer a couple of examples.

10:30

I have found the university to be really quite flexible. It should be a bit competitive, too. Some universities go for a one-day-a-week approach, while others go for a 12-week course, with the person then going back into the workplace. It is up to the employer to decide which approach works for them, because they have a choice.

For our apprentices, 70 per cent of their coursework is based around the projects and the work that they do with us. We have taken on apprentices for quite a few years, so we have a pretty good process. Our students follow the academic year, the same as full-time students; the only difference is that they do trimesters instead of semesters—three terms instead of two—and the third term is based on a project that relates to the work that they are doing with us.

There is a rigid process in that they start at the same time as the normal students, and they graduate two years on, one term later than the others. However, I do not see that rigidity as a bad thing—it makes it easier for employers to plan. If they are going into this area, they can commit as they know exactly the cadence, and when the

exams are. Flexibility is not necessarily always a good thing. There is enough flexibility in the coursework and in what the apprentices are doing, but the timing is predictable, which is quite good for employers.

Lorna Slater: It feels to me that there is a strong move towards workplace learning and that that is the case for every type of learning, whether it is academic or vocational learning.

I am an electromechanical engineer and I did a workplace learning scheme in North America—that is common over there, and it is starting to be more common in Scotland, with the graduate apprentices. I am interested in what you say about doing an industry placement week by week versus doing it in chunks of time, which is how we did it at my university.

Am I right about that—is workplace learning the way of the future? What barriers are there to that model? Do parents accept it? Is it the way forward for all types of learning?

Peter Proud: The universities will never be able to keep up with us in terms of the tools that we use. We use the most modern tools to build software solutions and the most modern methodologies—we were first into artificial intelligence, and we get into everything very early on. The more academic, architectural, maths-type, industry-standard discipline can be delivered through the university, and the actual learning, with the latest tools, tends to take place in our organisation. We seem to have a nice cadence and a balanced approach to education.

Looking at some of the other apprenticeships that our people go through, I see that some of them are working for pretty antiquated organisations. There might be a bit of a difference in the tooling that people use for work in an organisation. Some organisations are not as modern as a company that builds modern software tools. That could be a bit of a problem.

We went with Edinburgh Napier University because its one-day-a-week approach suits us. Other people go with Heriot-Watt University because its sandwich courses work for them; the University of Strathclyde does exactly the same. There is competition there, so it is up to the employers to consider what suits them. We have not looked at any other colleges or universities, because we have our scheme working now.

There is enough flexibility in that there are different models, which is important, but the outcome is the same in that our students sit exactly the same exams as full-time university students.

On our drop-out rates, I note that I have had one person out of 28 leave their apprenticeship. I was nervous about hiring him in the first place because he had a CV that jumped around—he never finished anything, but he convinced me that he had changed. He was an Olympic athlete but he had finished his athletics career and wanted to get a job. After a week, he thought that he was too good for university and said, "I don't need to go."

I made the decision that he was not staying in the programme—it was not his decision—because I had hired him as an apprentice on condition that he went to university. I think that he had a harsh lesson in life, especially when he and his mother phoned me begging me to allow him to come back, but I said no. I challenge you to find a university that has better drop-out rates than my programme, in which only one person out of 28 has left in the middle of their course and not finished their degree.

I want to cover student loans—I do not know whether you will come on to that issue—which our students do not have. Correct me if I am wrong, but I think that the student loan interest rate is about 6 per cent. A person's salary needs to accelerate before they start to pay off a loan. My second-year students who are in their fourth year of university are already past the point at which they would be paying off a loan. If you were not at that salary level, the amount payable would double within about 11 years. If you take the natural log of 2 at 6 per cent and divide the interest rate by 70, that would be how long it would take to double, which I think would work out to 11.4 years. That means that someone's £50,000 debt would become £100,000 within 11 years.

We want to get away from that burden. The committee should be looking quite closely at how not to burden our youth with debt that they will never be able to pay off during their career. Using the apprenticeship model can prevent that burden, which, otherwise, is on our youth for a long time. They will get to a point at which they think, "I can never pay it off, so why do I care?".

Lorna Slater: That is clearly a strong pitch for workplace learning. I think that what you have said is true across the board. I am interested in what the barriers are to doing more of that.

Ian Rogers: In construction and the built environment, it is all work-based learning, with the underpinning knowledge coming from college courses. That approach has worked well for years. The problem in our sector is that everybody wants to get involved in telling us how to educate our young people. A plethora of committees will decide, "We'll change the qualification here; we'll do that here; we'll do that there," but the only people who should tell us what to do are those in the industry. We have had to shoehorn our desires into a modern apprenticeship framework, whereas the traditional apprenticeship model goes back

hundreds of years. Trying to do what is required for the modern apprenticeships can be a turn-off for many employers.

Victoria Erasmus: You asked about barriers. We are creatures of habit. Before someone goes into employment, they have been in a school environment. As I have said, I have four kids, and they have all gone in different directions and have different abilities. I am also a teacher.

Parents and schools still think about the college or university route, and we are not doing enough in the education sector—right from primary school—to get the parents, families or support unit that is around each young person to understand that there are different options. Workplace employment is the biggest growth sector, and I think that people want to work. A young person in their early 20s who is trying to study might have to contend with student loan debt when, instead, they could do an apprenticeship and be in work, which could allow them to buy a house. That would get them on the property ladder, which is really good.

The conversation around their options needs to happen earlier. As much as I say that businesses must be involved in colleges and course curriculums, the business community also needs to be involved in providing proper careers advice in the education sector. We need to bring in the family unit because, without family support behind young people, things will not work. Those conversations can address the issue of women not going into the construction and software sectors—I note that I also have a software company—but they need to take place at a much younger age.

As employers, we are trying to address everything. We are trying to unpick the learned behaviour and the idea that this is the pathway that they have to take. It is a really damning place. We can give you millions of examples of people coming to work for us who feel lesser because they did not do well at school or were not academic—whatever that means. They come in, they do an apprenticeship and they say, "Actually, do you know what? I'm not stupid. I'm not unable to do it. Look at what I have achieved". They realise that their self-value is totally missing. Schools need to have that ability to give that self-value.

Ian Rogers: Can I add something?

Lorna Slater: I do not know how we are doing for time, but yes, if you can be brief, and then I have one more question.

Ian Rogers: A number of years ago, there was a party in the Parliament celebrating a young lady who had just qualified in stonemasonry. She was a mature young lady. She had been at university to do a course in archaeology. She passed the course and could not get a job. She went back to

university and did a masters, which was paid for by the people. She passed that and could not get a job. She then decided that she would like to be a stonemason. She became a stonemason and was successful in that. Everyone was celebrating the fact that she had done stonemasonry. I was sitting there wondering what happened to all that money that was spent on her doing this course that she never did any work in. She never got a job in it. I just wondered if that was a waste of money. While we were all celebrating her success, I was considering her failure.

Lorna Slater: We have heard that—we heard last week that 34 per cent of university graduates do not use their degrees. Does it represent a national waste of resources if we are using educational resources to train people?

Ian Rogers: She had all the money for the courses, and then she had all the money for the training and for the apprenticeship itself.

Lorna Slater: It is an interesting question, for sure.

My final question is about mature students. We have spoken a lot about young people, but in terms of a transition in our economy, increasing productivity and getting people back into work who might have had a break for whatever reason, how is our skills sector doing? Is it easy for people to get back in? What can we do differently to help more mature people?

Ian Rogers: We have a skills shortage, so we would welcome them back with open arms—all they need to do is apply. If they need more training, we can get that for them, and the industry pays for it. Look at what industry puts into education. Apart from the money that SDS gives industry to work on education, the construction industry puts £30 million a year into Scottish construction apprenticeships. That is a huge amount of money. I do not know many sectors invest in education at that level, but we do.

Lorna Slater: So, you do not see any particular barriers to mid-career people coming back or changing career.

Ian Rogers: None at all.

Lorna Slater: Do any of the other witnesses have views?

Peter Proud: I do not know what the definition of a mature student is. We have taken on some people in their early 30s. I do not know if that is mature.

Lorna Slater: It is, as opposed to those who are just coming out of school.

Peter Proud: Okay. I took on people who came out of the armed forces. One of them told me that society's aspiration for them was that they go and

stand outside Tesco as a security guard. I started him down an apprenticeship route for software engineering. He was not quite making it, but because of his military background, he was methodical and organised, which sits well with cybersecurity, because that involves a lot of process. We sent him to take a cyber degree instead of a software degree, and he got a first-class honours and is now running a cyber team. Whole-life learning should be celebrated. You have got to keep reinventing yourself. I go back to the point that I made earlier about how the only person who will be with you your whole life is you. We need to give people the aspiration.

To answer your question, we have had people in their 30s doing degrees. In fact, we have got apprentices now who are in their 30s.

Lorna Slater: And you do not perceive any particular barriers there.

Peter Proud: I would not even notice the difference.

10:45

Victoria Erasmus: One barrier concerns the reason why someone is coming back into employment. If they feel that they have to come back in or to take a second job because of the high cost of living, that is a different type of employment because they feel they must come back to work instead of wanting to come back to work. There is a barrier there, and how that person is supported within the workplace will be important.

Another barrier concerns people coming into the profession later on as mature applicants who may also have expectations about salaries. They may not have had experience of the hospitality and tourism sector but may have come from a senior management level career from which they were made redundant—there are a lot of redundancies right now. They might be looking for similar roles and have salary expectations about their new role, as well as dealing with the reasons why they have to come back into employment. On the other hand, they might have a phenomenal knowledge base and a really good work ethic and can be resilient and really knowledgeable, so they can be an absolute asset to a business.

Peter Proud: I know of a company down south that got rid of everyone under the age of 35—I am being serious. After Covid, the company had just had enough. It is a pretty good and smart company with a female founder and if you look at the staff now you will see that they are all older than 35 and probably over 40 because the work ethic of people over 40 is way better than that of the youngsters. That is a pretty hard thing to do but that is what she did. Most of our staff are younger, because work in software tends to attract younger people, but that company is in the creative and marketing industry and the average age of their staff is at the top end of the 30s. It is interesting to see that.

The Convener: Follow that, Gordon. [*Laughter.*]

Gordon MacDonald (Edinburgh Pentlands) (SNP): Victoria, you touched on an area I was going to ask about, which is access to schools. You highlighted the benefits and challenges of apprenticeships, but how do you encourage young people even to consider your sector for their future career?

Victoria Erasmus: If I am totally honest, I think that our sector gets a bad rap. We are seen as offering low pay for long hours or as having jobs that people do for a summer, when hospitality is actually a lifelong career where people can go as far as they want to. They can come in with a skill set but no qualifications, work hard and achieve massive success just by being themselves. It is a value-centred career.

As I said earlier, we do not do enough work in schools about careers or roles within the sector and about the value that can come from that. We job sculpt now. There are opportunities as AI comes in, and you only have to look at what our own business is doing on sustainability to see how far someone can go with that. There are also new opportunities to change operational practice.

This is a really exciting time to be part of the hospitality sector and I wish that I had found my way there sooner. I am glad that I fell into it from education and have moulded a job, but it is a phenomenal sector for young people to come into. It offers massive opportunity, and we have to get that message into schools and out to young people, showing them the benefit of apprenticeships and work-based learning alongside that, because we are always going to need people—we are not going to be replaced by AI.

Gordon MacDonald: You said that you were previously a teacher. Do you get opportunities to go into schools to deliver that message?

Victoria Erasmus: I go into schools. I specialise particularly in additional support needs and have gone into local special schools, where I have created value-based programmes for the hospitality sector. A lot of young people have not even been to a hotel or restaurant because they cannot access them, so we have social stories about going into a restaurant or coming into a hotel.

As a teacher, my remit was to prepare young people for jobs that do not exist, but, as a business owner, I see that I need to find those

jobs or ensure that the jobs that are being done now can be done differently. That is completely intuitive to me. When I go into the schools, I want young people who have additional support needs to tell me what the world of work looks like for them; I will not make up jobs and say, "This is what I think a job for someone with cerebral palsy or Down syndrome or autism looks like." I want them to tell me how that works, and then I will set up my business so that they can work. It is those kinds of programmes that the business community can do, and it is really not that difficult.

I go into schools and talk to young people about the hospitality sector, but more importantly, I talk about where they see themselves in that sector and what value they could bring into it. We all know that they have had a really rough time—they went through Covid and economic instability, and they have not had any of those conversations. If we want to ensure that we are not getting rid of everyone under 30 and building ourselves a bigger problem for when those people are in their 40s, we as businesses need to take those young people with us and develop that resilience with them as we go. I think that that is our responsibility. As a business owner and a parent, I feel very responsible for ensuring that the workforce that is coming through is getting the skills that it needs. I just need help getting that, too.

Gordon MacDonald: Are My World of Work and Developing the Young Workforce fit for purpose, with regard to encouraging people to look at other avenues?

Victoria Erasmus: From a business point of view, they are the front-facing people. I know the people who are involved in Skills Development Scotland or Developing the Young Workforce—they come in and work with me. I worry about losing that, because we cannot afford to lose it. I could not have done any of the things that I have done in the business around diversity, equity, inclusion, the skills-led programmes that we lead and the supported employment that we do, without their involvement and support, because where do you go for that information? You need that person to come in and work with you and to actually care.

I hear a lot that there will always be hotels and restaurants. That is true, but they will not always care. Family businesses such as mine are a dying breed in hospitality. Hotels and restaurants will be run by global offshore companies that can mitigate the costs of operating because of what is happening in other countries. For me, having that front-facing person whom I can contact and who can come in is vital, especially in the rural economy—you need people who care, and the people in those organisations genuinely do. A lot of what we have done is down to the support that we have had to, for example, unpick my wonderful

ideas and turn our vision into steps that can be followed. That is important.

Gordon MacDonald: Ian Rogers, you spoke about the situation with the stonemasonry course at Edinburgh College, but you will be aware that, in the city, Castlebrae community high school is taking on a national 5 stonemasonry course and there is a roofing course at Wester Hailes high school. What does your sector do in order to encourage people to think about a career in construction?

Ian Rogers: Kids are absolutely different now from how they were when I was a kid. We do very well in primary schools because kids love colour and colouring in. They seem to lose that as they get towards 12. When they get to secondary, they are probably starting to make their minds up, if they can, about what they would like to do. Peer pressure at home is to go into academia—you will never change that—but in the pond that we fish in, we must have that peer pressure telling them to go into a trade.

In the built-environment sector, 50 to 60 per cent of candidates come as what we call "pre-matched", which is when your parents, your uncle or somebody is in the industry and they bring you into it. That leaves 40 per cent who are not pre-matched, so the question is how we convince that 40 per cent and their parents that the built-environment sector is good for them. Nothing happens in the world without the built environment—without it, we all live in caves. We need the built environment—roads, transport, power. Initially, everything comes from that built environment, but how do we promote it?

When I was in Orkney, I talked to the MSP and to the colleges and schools—I did a complete tour. Most of the kids we spoke to were pre-matched by their parents. We asked them, "What do you want to do?" and they replied, "Ah want tae be a fermer" or "Ah want tae go fishin." A long way down the line, we also heard, "Ah wouldn't mind being in construction". Of them all, about half a dozen were interested in construction.

The problem is much more difficult in the islands. If a large project needs to get built in the islands, you have to import a bigger company, which means that the money goes off the island rather than into a circular economy within the island. How can we get the companies to come together, to be more efficient and to do a pooled project? The MSP—who I think was a Liberal Democrat—was keen to explore that, but the exploration is difficult because companies become much more protective of themselves when you start moving forward on that question.

In schools, there is not enough vocational information—it is as simple as that. We cannot expect a careers teacher to know everything.

Gordon MacDonald: Is My World of Work a useful tool?

Ian Rogers: It is useful for that 40 per cent that I mentioned. I would rather see more work being done in the school itself. In Germany, there is an equivalence between vocational qualifications and academic qualifications, but it makes no difference which you do—a professor is as respected as a bricklayer. We do not have that in this country: if you are a professor, you look down at the bricklayer.

Gordon MacDonald: Changing that is about influencing the parents.

Ian Rogers: It is about influencing the parents, absolutely, but it is more than that; it is about influencing the Government to change its policy and change the way that it grades things.

I did not go straight into construction—I was in newspapers for many a year, working for the *Daily Record* and the *Sunday Mail*. Then, the mafia came along and made me an offer that I could not refuse, to go to work in construction—not in the tools, I should say, but in sales and management.

We did some of the biggest projects in the UK. We built the Toyota engine plant in Wales. When we were tendering for that job, I went down to the site—which was just a field—and I envisioned a factory there, with people going in and out of it. Then, we won the tender. We did other big jobs like that one.

I find that, when you are in construction, you are not a voyeur in life; you are producing something tangible. How many bricklayers or joiners say to their kids, "I did that. I built that"? There is a pride in doing what you are doing. What about the people who built the Parliament building? They will say to their kids, "I built that." That is a wonderful thing to be able to do—it is a lasting legacy. It is where my enthusiasm for construction comes from, but how do we get that into the schools? How do we change the perception that academia is the way forward? It is for some people; it is not for everybody.

Gordon MacDonald: Peter, you said that you like to take people on when they have an HND, but people must want to take a relevant HND course in the first place. How do you go about influencing young people to consider doing that?

Peter Proud: We have our apprentices go into schools quite regularly. There is no point in me going in—I am nearly 60; they are not going to relate to me. We make sure that our HR team and the apprentices are always in schools and colleges talking about the industry. Information

technology is quite an easy industry to get people interested in—they think of gaming, for example—and it is very diverse.

11:00

I went to visit a guy in hospital because he had had his leg amputated, and he was sitting there with a computer on his knee. He was 78 at the time. I said, "What are you doing?", and he said, "£1,800 a day." He was on the hospital wi-fi. He is a KIX programmer and he was working for a bank while he was in hospital, on a day rate of £1,800. He said, "It's better than just sitting here doing nothing." I am talking about people who are later in their careers still being able to work. People can work for a long time in our industry, because legacy systems are still out there. We are quite lucky in our industry, in that a lot of people want to work there.

There is a negative to it, which is that it is very competitive. I do not sign contracts with our apprentices to say that they have to join us at the end of their apprenticeship. I do not say, "You've got to stay here for two years when you graduate, because we've invested in you." We do not do that—our view is that we should work hard to keep them. We educate them to the point at which they can easily find a job anywhere else, and we bring them in and inspire them to stay with us.

We therefore do not face a lot of the problems that have been highlighted. I think about this quite a lot. I flew up from London to Scotland this morning. Trying to start your career in London is prohibitive, given the cost of housing, rent and suchlike. As a country, we have clean water and air, and we have freedoms—we have those problems fixed already; the experience of not being able to go from Fife to Edinburgh during the Covid pandemic was unique.

What we are lacking, however, is inspiration and aspiration. We have a kind of lost-boys scenario—I use that term loosely, but I think that it applies in both respects. People do not have aspiration, so they just give up. If they feel that they cannot do something, they just do not try. We need to get aspiration back into schools. All of us—certainly you guys, as leaders of the country—should be thinking how we start to inspire people. If you give someone a fish, you feed them for a day; if you teach them to fish, you feed them for life.

Looking at our apprentices, two thirds stay and one third leave—people want to go abroad and that sort of stuff—but not a single one of my apprentices is currently unemployed: every single one has a job. As has been mentioned already, many students and graduates are struggling to get employment, but every single one of our apprentices has a job—100 per cent. We had 29

people start the course and one person left, so 28 have finished the journey. That is the sort of thing that we need to start thinking about.

In addition, those people do not have student loans, so they can buy a house, and they have more disposable income, so they can contribute to society. They may have the aspiration to start their own companies, because they have been part of one. Quite a few of my apprentices have side hustles—they are starting little software companies on their own on the side.

I will highlight another thing that we have done as a company. I have brought four companies into my office and started them off. They are kids from the university, and they come in pairs. The first company sold to Facebook for about £38 million, the second one went for about £17 million and the third one has just raised £15 million against a £50 million valuation. We have created more than 100 jobs in our sector from the companies that we have started, just through pairs of kids coming in from university.

That is something to think about that has not yet been mentioned: how do we start to get that entrepreneurial spirit among the people who are coming through? Ian Rogers touched on the idea that the fact that someone has not done well at school does not mean that they cannot start a company. Anyone can become an entrepreneur. Entrepreneurship is very important, and I think that it is something that we lack in Scotland.

Gordon MacDonald: On that point, how do we reintroduce that spirit back into society?

Peter Proud: It is about confidence. We have a culture that says that it is embarrassing and bad to fail. However, you learn more from the hard times than from the good times, so failure is important. Very few successful boxers have never been punched in the face, so you have to go through the school of hard knocks.

In Scotland, we have probably been cocooned for too long, because we have had the Royal Bank of Scotland, Standard Life and all the big financial services companies here for a long time. In Edinburgh and Glasgow, a lot of people certainly saw that as a route because their parents said, "I've done okay because I've worked for RBS for 20 years," but that is now gone. Those big institutions are not necessarily the major employers that they were, so we are going back to more of a cottage industry—that is what Andrew Carnegie came from—and we need to focus on that.

Inspiration and aspiration are two key things that we need to start getting back into our society.

Willie Coffey (Kilmarnock and Irvine Valley) (SNP): Good morning, everybody. It has been absolutely fascinating to listen to your stories, and particularly yours, Peter. I am a software engineer, having graduated in computer science from the University of Strathclyde many years ago.

Peter Proud: A great university.

Willie Coffey: Absolutely. I loved it. I had some questions to ask but, having listened to what you have said, I will change tack.

For years, we have been told in the Parliament that we are short of software developers. We were short when I was a new graduate, and we still are. We are always asking ourselves how we can tackle that and improve things at school to get a through-flow of kids to take up software. You started telling us a story about your staff and how the guys prefer the coding and the girls prefer communications and the business analyst stuff. Going forward, is that how the world will be? Is the Government—any Government—getting it wrong by thinking that it can change that model? Should we just accept it or should we be influencing the situation a bit more in order to get more young females to study coding? In theory, half of the talent is being missed out on.

Peter Proud: In my career, I have suffered with imposter syndrome more often than not. Microsoft spent a lot of time trying to make us good at things we were not good at. If someone is a goalie, they are a goalie; you will not make them a centre forward. You are better at what you like, so why not embrace what people are good at? I am not disagreeing with you, Willie, but I just wanted to say that.

At Microsoft, we had "Strengthsfinder", "Know Thyself: The New Science of Self-Awareness", Stephen Covey's "The 7 Habits of Highly Effective People", bell curves and stuff like that thrust down our throats, which just harnessed imposter syndrome more and more. You would end up a nervous wreck every time you went into a review process. The more senior you got at the company, the worse it became.

Additionally, more and more of what we are doing in software engineering is self-generated by AI, which will shift the industry quite a lot. More and more, AI is about defining the question that you are asking the system in order to get the right result, which is about communication—you are communicating with a machine instead of a person, but it is still the same.

I will be very careful in how I say this, but it is really important to help people to have the confidence to know themselves. In my career, I spent a long time trying to be somebody else because I felt that it was how I had to be in order to survive in such a large corporate organisation. Oscar Wilde said:

"Be yourself. Everyone else is already taken."

It is important that we drive people to be confident that they can be good at something. It does not matter what they do, but they should be good at it and want to be good at it. It is hard to get a good joiner now. Very few good joiners, electricians or plumbers are available, because we all know who the good ones are and we use the same people—that is certainly true for my peer group—so that point is important.

Going back to your point, Willie, I note that it is not just important to get more software engineers; we need to get more girls into science, technology, engineering and mathematics. Guys are more likely to be software engineers, but girls are good at jobs such as business analyst, scrum lead and project manager. Those are properly high-paying jobs—we are talking around £80,000-ish per year, which is pretty good in Scotland.

The other thing to think about is that Scotland does not have a big market in the software industry. It is not huge. However, the world is out there, and it is a very transferable thing. Also, it is not time driven, so it does not matter if someone does not start at 9 o'clock in the morning, unless they are providing support. People can work at any time and anywhere.

Willie Coffey: Even in hospital.

Peter Proud: People can work anywhere. That is the sort of thing that we need to promote. It is about getting more people into the industry.

I was recently asked to do a podcast where I interviewed Nicola Hodson, who is now the chair of IBM UK and Ireland. We used to work together years ago, and I asked her, "Why did you go into STEM?" She told me that she did not start in STEM. She started studying to become a doctor but she did not like that and only did six months. She then did chemistry and, from there, she ended up in IT. The point of that story is that it is a matter of whole-of-life learning. It does not matter where someone starts; it is about where they finish.

Getting more and more people into STEM is important. People think that it is just too hard, because not many people's brains are geared or wired for maths. However, although maths is very important when it comes to software, it is not necessarily important to the software industry. It would be good to encourage more people who are into communication, the arts and creative work into STEM.

There is one area where we find it very difficult to hire people. In fact, it is a lot more difficult than anything else. The hardest thing to find is good UX and UI people—those who work on the user experience and user interface—and good designers. It is difficult to get people who are into design. One of my buddies is one of the most prolific car designers in the world, and he did art; he is not an engineer. There is that aspect to our industry, too: making things look good, easy and intuitive is difficult, especially with something that is complex and difficult to make simple. Simplicity is really important in our industry.

We need to think about that and promote it, certainly in the software industry. It is not the case that, just because someone is not good at maths or is not really scientific, that path is shut for them.

Willie Coffey: Ian, you mentioned the transition when primary school kids, particularly young girls, go into secondary. They tend to lose their interest in science when making that transition. We have all heard about that in the Parliament for years, and we are all collectively looking for the solution to it. Do we need to do more to inspire kids at that earliest age to give them at least a glimpse of some of the careers that your companies are offering? I find that, particularly in relation to science, the young females at school tend to switch off in the transition from primary to secondary.

Ian Rogers: It is a long time since I was at school, but I remember science as sitting writing reams and reams of notes taken from the blackboard that the teacher had written at break time. That did not inspire us to be anything scientific. We might have thought, "It's science again—I'll have writer's cramp when I've finished. I don't really want to go. Can I go and play football instead?"

Willie Coffey: But if we collectively agree that we are so short of some skills, particularly among females, what do we do to try and inspire them to consider that path and embrace it?

Ian Rogers: They need to know more. Not enough is known at school about the world of work, what is required to get into it or what employers are looking for.

Victoria Erasmus: There are two things going on there. First, from a female point of view, there is the transition at the age of 12. That young teen age is a very difficult time for females anyway. On the question of what can be done around what is a vital transition, I would ask what we are teaching our young people in science and maths that prepares them for the world of work. The subjects have such a disconnect from what we do.

I mean no offence to Peter Proud here, as he uses maths regularly, but what do the large majority of people learn in maths that they take into the real world? Where does the real world come into the maths format? I mean that in relation to primary schools, too. How often do we give young people a problem sheet where they have 50p and there is an iPad, an apple and a

phone or whatever else and they have to buy something? That is not a real-world problem because you are not going to get all those things for 50p. It is about how we can make the connection between the world of work and the subjects that young people are studying more relevant.

11:15

In STEM, with young women in particular, that transition is about how we keep them engaged so that they can see where they have value and where they can use that subject in a career role. I have a daughter, and too often I cannot see how what she is studying will allow her to see herself using that subject in a career. Teachers have young people for a year or two, depending on whether they are studying for a national 5 or a higher, but what are young people studying that will allow them to envision that career progression?

In maths, we are still teaching the same subject that we taught 20 years ago. There is no connection to the real world. I would argue that there needs to be more in the curriculum about young people, male or female, seeing themselves in roles and careers.

Peter Proud: That is interesting. I think back to when I was at school. I do not know whether anyone here knows Dunfermline and Abbeyview at all, but Woodmill is quite a rough area, and the school was quite rough. I did a milk round, and the people on my milk round were quite rough. I used to get picked up at half past 3 or 4 o'clock every morning to do the milk round, and then I went to school. It did not do you well to be too smart in that environment.

I remember a teacher called Mr Hunter, who was my woodwork teacher. I mucked around, and I sometimes masked behind being the class clown to hide my smartness. He made me write an essay on why not realising your full potential was disappointing and would let yourself down. I still remember that essay from when I was around 14. It was a pivotal point in my career, and it came from a woodwork teacher. My point is that education is about inspiration.

I would argue with Victoria Erasmus a bit about maths, because maths is the centre of everything, but that is a separate discussion. Let us talk about a simple thing. You can turn a picture of a cancerous tumour into a fractal equation, and a fractal equation of a tumour is exactly the same every time. You can find that equation string in a fractal maths equation way quicker than you can find it through any optical technology. Therefore, cancer is being found early because of maths.

That is one of the things that we need to educate people on.

In schools just now—I have certainly heard this from people—when kids are playing on smart boards when it is a wet break, they are probably doing more advanced stuff with the smart boards through gamification than they do when they are sitting in class. There is a point there around gamification and STEM subjects—a picture paints a thousand words. We should start thinking about using technology to inspire people.

Getting people from industry to go into schools a bit more might be a good thing. We could get people to stand up in front of classes and give lectures. We have not done that since Covid, and I am annoyed about it. We used to get our software engineers to do lectures for the students and do tutorials on different topics in tech. We should start doing that again. Moving forward, we should try to foster school, FE and HE workplace partnerships.

Gordon MacDonald: That sounds good.

Ian Rogers: What Peter Proud was saying made me think back to my schooling in Bearsden. I watched a programme on television called "The Wonder Years"—I do not know whether you have seen it—and Kevin, one of the stars of the show, was inspired by his maths teacher. A specific teacher at my school also inspired me—a teacher took an interest in what I was doing and where I wanted to go. I found that interesting. My registration teacher found something in me that I did not know I had, and that inspired me to go on.

At 14, I decided that I wanted to be a scoop journalist and I joined the newspapers. I found that the newspapers are just businesses like everything else. They are not actually newspapers; they are just businesses. They are there to make money.

Willie Coffey: It is incredible to hear the weird and different sources that inspiration comes from. They take us all by surprise throughout our lives. I never thought that I would be talking about fractals at a parliamentary committee. It is absolutely fascinating to hear that.

The Convener: I am conscious of time, and I want to bring in Michelle Thomson, who has a supplementary question on the issue that is being discussed.

Michelle Thomson: I also went to Bearsden academy, but I will not indulge myself by asking Ian Rogers which teacher he was referring to.

I want to pick up on something that Peter Proud mentioned. I completely agree with what you are saying. I did a music degree and worked as a professional musician for quite a long time. I then did a master's in IT and ended up in project

management in that sector, where I worked my way up the tree.

At that time, that was not typical, but there is now a much clearer understanding that the meta skills that people develop while doing a creative arts degree are transferable. That is my view, because I have been down that path, but I want to explore with you whether you agree with that and whether you think that that is recognised. To return to our questioning about skills provisioning, is there provision for that complex pathway, based on what you see in your software journey?

Peter Proud: The thing about being a musician is that there is a lot of maths in music.

Michelle Thomson: There is a lot of logic and making sense of complex problems.

Peter Proud: Very few musicians are solo artists, so they have to understand teamwork, timing and interdependencies on other people.

I was lucky enough to go to Royal Military Academy Sandhurst when I was younger. I still remember the two things that Corporal-Major Holbrook told me on my first day. He said, "Through protocol, I have to call you sir and you have to call me sir. The difference is, you better mean it", which I thought was quite funny. The other thing that he said was that the difference between a manager and a leader is that a manager tries to make somebody do the best that they can, whereas a leader tries to make them want to do the best that they can. The word "want" is important.

Being a musician, you probably strove for excellence, because everyone can hear a key note or a bum note. There are lots of transferable skills there.

People who have been in the forces have lots of transferable skills, such as discipline, teamwork, understanding, respect, grit and tenacity, which we have not really touched on. Tenacity is really important and the current generation does not have it. They give up too easily. The slightest little blip and they have to take a couple of days off. We are seeing that a bit more than we have in the past. There are lots of interdependencies there.

Project management is just organisation. It is about getting the right thing in the right place at the right time.

Michelle Thomson: You are preaching to the converted, but my question is whether your view, which I share, is recognised? Is that flexibility and, arguably, behavioural flexibility, recognised across your sector? Is that supported by our skills provisioning?

Peter Proud: That is down to the individual. Somebody who is experienced has a broader view and understanding. I see a lot of people who are blinkered about cross-sector migration. I am more than happy to take people from the oil industry who have project management skills and put them into software. Some people say that they are too slow, maybe because their field is more heavily regulated and we go a bit faster, but that can be learned.

We are touching on the same theme of whole-life learning, aspiration, and the ability to adapt and use whole-life learning to navigate your career.

I agree with you about the flexibility and it is something that I see, but some companies are a bit rigid and they cannot change.

Michelle Thomson: It looks like you want to come in, Victoria—am I right?

Victoria Erasmus: It is really just to agree. I see it as job sculpting. If we have someone who comes in with a passion, we use that passion and bring it into their role. For example, we have had housekeepers who have been passionate about interior design but have not felt confident enough, for whatever reason, to go down that line. We have said, "You know what? We've just designed an £8 million brewery and distillery with renewable energy—come and be part of the design team that is looking at that, and learn all about it. You are in the room every day, so bring the passion that you've got and look at how we can improve."

We lead with their passion, and then job sculpt around that. That is the way in which every role should be looked at. We want to see individuals. With a musician going into a software company, as you described, how do we bring in that passion? It is about the connection, and how we take that in and utilise it.

Job sculpting in that way—where we take the individual's value and what they enjoy and bring it into the workplace—is hugely beneficial, and is the way forward.

The Convener: I have a final question on some of the mechanics, to pick up the point that Ian Rogers made earlier about the training board having more of a role in various things. The Government is taking forward a major review of the skills landscape, and there is legislation before another committee. It has also announced further changes to that landscape in the programme for government.

I am keen to know whether you have any particular views on the direction of travel that came from the Withers report, if you are familiar with that. Specifically, we have heard quite a lot from other witnesses about the role of mechanisms such as the Scottish Apprenticeship Advisory Board. Have you had any engagement

with that body directly, or do you have any views on the mechanisms for driving forward the skills landscape as a whole?

I see that Ian is nodding a lot, so I will bring you in first.

Ian Rogers: I read the Withers report with a great deal of interest. I do not know whether I am a realist or cynic, but I had the impression that the report summed up what the Government wanted it to say, in the direction of travel that the Government wanted to go.

Withers suggested that we combine the role of SDS with the Scottish Funding Council. That fills me with fear and trembling. I think that SDS does a particularly good job. It interferes around the edges of some things that we would rather it did not, but, in the main, it does an excellent job. It has really good, and really knowledgeable, people who are industry facing and who understand the industry and what it is trying to achieve. The Scottish Funding Council does not have that role, nor does it have that expertise, so it will have to import that when SDS and the Scottish Funding Council merge or mesh, or whatever it is that they are going to do.

The problem with merging companies is that people become fearful. Good people leave, and you are left with people having to pick up the pieces and learn how to be industry facing. That is not a good model—it is just kicking the can down the road until we get something better. I think that SDS fulfils that role spectacularly well just now.

I do not sit on SAAB, but Paul Mitchell of the Scottish Building Federation does, representing construction, which is our sector. I think that SAAB does a good job. SAAB talks about all apprenticeships. My job is not to do that; it is to promote construction apprenticeships.

Could we do better? Yes—every organisation could do better. There is not an organisation that has existed that could not or did not want to do better. SAAB is a vehicle that talks to Government. When we talk to Government, we hear nice voices, but we do not see much action. That is our experience.

I am not sure that the Withers suggestion that the colleges should be in charge of apprenticeships and funding, closing and opening courses and doing what they want is a good idea. We would rather see the authority and influence go to the training board, as well as the responsibility and accountability. If a college brings in 100 students and 50 leave, and it reports that figure of 50, that is a success. However, if 50 students leave construction schools, that is a disaster. We are measuring the outcomes, not the inputs.

11:30

I have true sympathy for colleges. Material costs are going up, wage costs are spiralling, they are finding it difficult to keep going and they are trying to find lots of commercial routes to make money. We can help them on the materials side if they would all come together to say to us, "We need 5 million litres of paint, we need 6,000 brushes and we need all this." We could probably do that. If we were to have a central point of delivery, we could use our supply chains to help the colleges. There is no doubt about that—the whole of the construction sector could do that. However, colleges individually jealously guard the little bit of money that they have to buy materials. There is a better way of doing things.

The Convener: Peter Proud and Victoria Erasmus, do you have any views on that direction of travel? If you have had any engagement with bodies such as SAAB, what has your experience been?

Peter Proud: I used to chair the Skills Development Scotland graduate apprenticeship technology employer advisory board. That was quite a good sales tool for getting other companies to come in and take on apprentices. I have not dealt with SAAB; it was purely with Skills Development Scotland. My narrow, personal view is that it worked really well. I liked the way that it was able to help us and I liked the connection with colleges—there was a bit of help there. I also liked the connection with the university, where there was also a lot of help. Skills Development Scotland did a good job using the people on the advisory board to sell apprenticeships to other companies.

We had apprentices in the first year that graduate apprenticeships started, which would have been in 2017 or 2018. I had five people on the course in the first year. We were a small company, but I think that we had the most people out of everyone who was working with Edinburgh Napier University. There has been a lot of growth since that time. I am fearful that, if that were to become part of a bigger thing, we would start to go backwards. There are lots of problems out there that need to be fixed; I would not start examining the things that are already working and try to unfix them. With regard to SDS, I would probably keep things simple and how they are.

The Convener: We go to Victoria for a final word.

Victoria Erasmus: I have to declare that I am on the Skills Development Scotland board. I will put that hat aside and consider the issue purely from a business point of view. I joined the board a few years ago, but I would not be sitting here if it was not for SDS. In 2021, we got heavily involved

with its skills for growth programme. That was at a critical time for us when things could have gone either way. If it was not for Michelle Denoon, Anthony Standing and the team up there, and if they had not unpicked the problems and supported us, there is no way that I would be here today. As I said in relation to the importance of caring, it is about the person being there, coming into the business and being a part of it.

I understand the need for reform. Things cannot keep operating, and the Government cannot keep operating, in the same way that they do now. I get that. As businesses, we are taking steps to ensure that we can operate and still be here five or 10 years down the line. However, I worry that, if we start removing people-facing organisations such as SDS, we will lose more than the organisation; we will lose the individuals, the businesses and the support. It will just not work. Things will not look as rosy as they were supposed to five or 10 years down the line.

On the passion and the caring aspects, it was life-changing having SDS in the business and being part of it. I cannot overstate the importance of having someone who feels that they understand what you are going through, that they are helping you as a business and that they want you to succeed.

I employ more than 600 people across my group and I am proud of that. The number would not be anything like that if it were not for the support that we had from that public-facing organisation. I really worry that, with the transitions that are going on, the people aspect—the crucial need for businesses and agencies to work together—will go. I worry about where that will leave people such as me and particularly the SMEs in hospitality and tourism across the country. There are ways to do things better, which is for you guys to decide, but I hope that you understand just how important SDS is as an organisation.

The Convener: Thank you very much for that final comment. That brings us to the end of the evidence session. I thank the panel members for sharing their insights, experiences and stories—at times, it was almost like having an audience with you, rather than a grilling from the committee.

We will move into private session—

Ian Rogers: I have a final comment. There is the Scottish arm of Construction Skills council, which is a pan-industry council. We would welcome representatives from the various political parties becoming part of the council. SDS, the college sector, industry and the CITB are on it. We would welcome input and attendance at meetings from the political parties in the Scottish Parliament. If somebody gives me the names of people who would be interested, we will send them an invitation.

The Convener: We will certainly pass that information on—thank you so much.

11:36

Meeting continued in private until 12:09.

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