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Education and Gaelic Committee

Comataidh an Fhoghlaim agus na Gàidhlig

Tuesday 24 November 2026

Session 7

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EDUCATION AND GAELIC COMMITTEE
9th Meeting 2026, Session 7

CONVENER

Karen Adam (Banffshire and Buchan Coast) (SNP)

DEPUTY CONVENER

*Katherine Sangster (Edinburgh and Lothians East) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)
*Senga Beresford (South Scotland) (Reform)
*Duncan Dunlop (South Scotland) (LD)
*Patricia Gibson (Cunninghame South) (SNP)
*Laura Moodie (South Scotland) (Green)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Demi Brown (National Union of Students Scotland)
Jackie Dunbar (Aberdeen Donside) (SNP) (Committee Substitute)
Chris Kelly (Confederation of British Industry Scotland)
Gill Simpson (Lantra Scotland)
Lorna Trainer (Federation of Small Businesses)

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Education and Gaelic Committee

Tuesday 24 November 2026

[The Deputy Convener opened the meeting at 09:01]

Interests

The Deputy Convener (Katherine Sangster): Good morning, everyone, and welcome to the Education and Gaelic Committee's ninth meeting in 2026. We have received apologies from Karen Adam, who is unwell—we send her our best wishes for a speedy recovery—so I am convening today's meeting.

I ask Jackie Dunbar, who is here as a committee substitute, to declare any relevant interests.

Jackie Dunbar (Aberdeen Donside) (SNP): Good morning, deputy convener. It is good to be back. I am not aware that I have any interests to declare.

The Deputy Convener: Thank you very much.

Apprenticeships

09:02

The Deputy Convener: We will now have our second evidence session for our short inquiry into apprenticeships. I welcome Chris Kelly, head of policy for the Confederation of British Industry Scotland; Lorna Trainer, director of L&G Learning, who is representing the Federation of Small Businesses; Gill Simpson, director of Lantra Scotland; and Demi Brown, student president of Ayrshire College, who is representing the National Union of Students Scotland. We saw Demi at our visit yesterday, and it is nice to see her again.

I will kick off with a question for all the witnesses. The Scottish Government wants post-school education reform to lead to a fair system that gives opportunities to everyone, but we have heard evidence that some schoolchildren cannot access foundation apprenticeships and that, at times, no modern or graduate apprenticeships are available in people's desired field. What are the benefits and challenges for businesses in offering apprenticeships?

Chris Kelly (Confederation of British Industry Scotland): It is good to be here.

Employers get fresh ideas and fresh thinking from apprenticeships, which build the skills pipeline in the system. However, we have heard from a lot of employers that one barrier that they face relates to young people's communication skills. We have also heard frustration about the complexity of the system when recruiting people. We have heard from employers that finding the right people for jobs is becoming a bit of an issue. As I set out in our submission, our members have frustrations about how the apprenticeship levy is applied in Scotland, as the system is inflexible and not focused on lifelong learning. We also hear that the link between employers and education is often too weak.

As you will hear across all sectors, there has been a rise in the costs and complexity involved in taking young people into the workforce. There are rising employment costs, and there is more complexity as a result of the Employment Rights Act 2025. At the end of the day, apprentices are classed as employees in a business.

I think that the opportunity is there. In Scotland, £230 billion of investment is planned across grid upgrades, net zero opportunities and defence. Businesses are saying that they need people, and apprenticeships offer a good route to develop skills, fill those roles and recruit the engineers, electricians, welders and technicians of the future in order to meet demand.

The Deputy Convener: You mentioned the apprenticeship levy and the lack of clarity in the system in Scotland. How would you recommend that we look at that?

Chris Kelly: Our members, and businesses, are telling us that they would like a more flexible and modular system, with the ability to focus on lifelong learning. Given the demographic challenges that the country is facing, it would be better if we had an apprenticeship levy or system that could be deployed to reskill or retrain older people.

Businesses constantly tell us that they are frustrated about the lack of transparency with regard to how much the levy is raising across Scotland, how much Scotland is getting back from it and how much of it is going on apprenticeships and skills in Scotland. Employers and businesses also tell us that they are frustrated by the lack of a link between what they are paying and what they see coming back out of the system. Employers that work across the United Kingdom make a lot of comparisons with the English system and say that they feel that they get a better deal in England and that that system gives them more agency. There is real frustration among businesses that operate across the UK at how the apprenticeship levy is applied.

The Deputy Convener: Are there any other negatives in comparison with the English system?

Chris Kelly: The English system is changing, too, but having a centralised approach has its positives. One of the things that the new apprenticeship committee should be tackling from next year is helping to build a link between employers and what the apprenticeship system does and how it runs in Scotland. There has been some disengagement in that respect, and employers are a bit frustrated by that. Over the next year, as the apprenticeship committee gets established and up and running, one of its roles should be to build up employer engagement and ensure that employers buy into the system.

The Deputy Convener: That is great—thank you. I put the same question to Lorna Trainer. What are the benefits and challenges for businesses in offering apprenticeships?

Lorna Trainer (Federation of Small Businesses): I echo a lot of what Chris Kelly said about funding. A lot of small businesses recognise the benefits of apprenticeships as occupational standards for the job role—they are, if you like, a baseline qualification that reflects the job role—so they definitely want a voice in developing apprenticeship frameworks. I hope that the new apprenticeship committee will include a greater voice from the small business sector.

As for the challenges, it is a big deal for a small business to take on a new member of staff. It can mean the difference between the business surviving and not surviving. As a result, we are finding that quite a few small businesses are not taking on new staff, and they are not necessarily taking on youngsters, either, because a lot of them feel that young people are not ready for employment.

Therefore, we welcome the Milburn review's focus on supporting youngsters to get ready for work. I know that Scotland has its own no one left behind employability framework, but it is not doing enough to tackle things. The problems are greater than the current arrangement can support. We want a routes into employment approach that ensures that, when someone takes up an apprenticeship, they are ready for the job. I am thinking of employability skills—people actually turning up and understanding the expectation on them that they are doing a job, that they will do the tasks and that they will commit to their learning. A bit of preparation in that respect would help.

I also highlight the other pressures that Chris Kelly talked about, such as national insurance contributions, and other increased costs and expenditure. We know that Scotland's productivity growth has plateaued to an extent, so small businesses in particular are not making a lot of profit, and any additional costs that might arise from having younger people as apprentices will be too much of a burden for them.

Small businesses might not have enough people to cover apprenticeships. They are expected to provide mentorship, support and help to develop meta skills et cetera. There is an ever-increasing burden on employers to do a lot for apprentices and other staff. That is a pressure point, particularly for small businesses. They feel that you want them to do everything to tackle the issues of young people not being ready for employment and to nurture and develop talent, while also running a business. I think that employers feel that you are asking too much of them.

The pressures are not just from apprenticeships. Businesses are under many other pressures, including increased costs, such as energy costs. Those global pressures are not necessarily unique to Scotland but, nonetheless, all of them are pushed on to small businesses, which feel that it is enough.

Those are the barriers that employers face. They want to take on youngsters, but we have found that smaller businesses have to take on someone who is ready for work and who can do the job, so they are choosing to go for older candidates. The problem with that is that

contribution rates in Scotland are higher for younger people and lower for older people, so employers are asked to pay a contribution to an older person's apprenticeship. Again, that is an additional cost that they cannot meet, so they are just not accessing apprenticeships as fairly and equally as they would like to.

That ties in with Chris Kelly's point about upskilling staff and continuous lifelong learning, which small businesses feel is important to them. They definitely feel that the apprenticeship is the baseline national occupational standard that we should build on to develop talent in our services. That is where other qualifications come into play. Apprenticeships are one system, but small businesses want additional measures. For example, if businesses need to upskill staff in cybersecurity, which is a huge issue just now, they need to know that they can do that inexpensively and that they will be supported to do it. Apprenticeships are one aspect, but they are within a wider and bigger system of skills development.

Gill Simpson (Lantra Scotland): I thank the committee for inviting me to speak on behalf of Lantra. I echo the points that have already been made—we are all on the same page. Employers absolutely want to take on apprenticeships. They recognise that apprenticeships are core to future proofing the industry that I work in and that they underpin it. Apprenticeships are a great way for young people to get in at entry level and start to build their career. However, there are a lot of challenges. Although nationally there is good availability of clear career pathways into the land-based and environmental sectors, that does not necessarily mean that there is local access for everyone. More rural businesses, which can be microbusinesses in niche areas, face the sorts of challenges that have already been discussed. A lot of those businesses do not have time or capacity to do the administration that is involved or to commit to training someone and filling in all the paperwork that comes with that.

Geography can be a real challenge. In very rural parts of Scotland or on the islands, it can be a challenge to identify talent and take on a young person. Our land-based pre-apprenticeship programme, which we deliver on behalf of Skills Development Scotland, is underpinned by good mentor businesses that are willing to take on a young person. One challenge with scaling that model is that it is only as good as the businesses that sign up to take on young people. If there is no mentor business in the right place geographically to line up with the young person, that limits the progress of the programme. We cannot expect young people to travel all the way across Scotland at such a young age, as there are too many barriers to that.

Businesses want to take on apprenticeships. They are absolutely core—they are not secondary; they are the thing that we recommend to a young person to get into the industry. However, there are just too many barriers.

On the new apprenticeship committee, we absolutely recognise what Chris Kelly said. We recommend that the voices of everyone—employers, learners and educators—are heard. It should not be one over the other; it is about everybody coming together and making sure that national provision is driven by and can flex to the needs of different industries, including those that are more niche, with smaller providers that face some of those additional challenges.

The Deputy Convener: I will come to Demi Brown, who can maybe chat a little from the perspective of the young people who are trying to access apprenticeships.

09:15

Demi Brown (National Union of Students Scotland): Clearly, I cannot speak from the perspective of businesses. However, specifically from the perspective of students at Ayrshire College, although a lot of businesses are interested in bringing on our apprentices, a lot of them find it difficult to do so because of the finances. A lot of apprentices have told us that they are being paid too little—some of them have their own houses and bills to pay. There is demand for businesses to increase that amount, but they simply cannot do that, because of all the different costs that they have to pay already. That is the only thing that I can say for certain. However, I am more than happy to take this issue back to the National Union of Students to see whether it can give the committee more information.

The Deputy Convener: That was helpful. I have one other question. All the other witnesses mentioned readiness for work. From a student perspective, what more could be done to help people get into, and stay in, apprenticeships?

Demi Brown: It mostly comes down to schools and colleges being more in contact with each other. Although a few did, a lot of our apprentices did not know about apprenticeships straight from leaving school.

In order for apprentices to stay in their apprenticeships, we would need to have them in earlier—then they could make sure that it is what they want to do, rather than feeling like they have to do it, because they have started college and they are one of our apprentices. Apprenticeships could start earlier, say in secondary 4 to 6. Those

could be smaller apprenticeships providing basic knowledge of the area that young people wanted to go into, which could get them ready for a more practical, hands-on apprenticeship. That could encourage them to stay in that area.

Chris Kelly: I will make two follow-up points.

First, a major issue that we hear about from businesses is that they feel that the school-employer link, which builds up work readiness, is not quite there, or working as well as it could. One of our members—a manufacturing company in Scotland—told us that it sets aside some investment and time to reach out to schools in its local area. It reached out to 16 schools, but only one of them took up the offer to engage with the business and be shown what it did and the types of job that exist in it. There is a real opportunity to build better links between schools and employers in local areas.

My second point relates to the barriers facing young workers and the work readiness issue. As I mentioned earlier, a lot of our employers and businesses are talking about the issues with soft skills and meta skills that they are seeing in young people entering the workforce. However, a couple of weeks ago, I was speaking to an employer—a large car retailer—in Scotland that hires a lot of young people and apprentices, and I asked it whether it was seeing those issues in its workforce. It said that yes, it does see those issues, but that it had changed its management processes to include a lot more regular, shorter and sharper check-ins between the manager and the employee. It looked at its training and gamified a lot of its processes so that young people engage with them a lot better.

What I took from that example is that employers, educators and policy makers must all work together to remove the barriers that young people face in the workforce, rather than just highlighting the problems that they may have or the skills that they may lack. That is a good example of how employers can help to build young people's readiness for work.

Patricia Gibson (Cunninghame South) (SNP): I will pick up on something that Lorna Trainer said earlier and that you said too, Chris, when you spoke about being work ready. As you were speaking, I wondered about something that you have half answered. Does that point to a need for more mentoring? Has that always been a problem? I am thinking about the Covid generation. Did the pandemic have an impact on the interpersonal skills that we might want to see in apprentices? Is that lack of work readiness new, is it worse than it was or is it just the same as always? If it is worse, could Covid be the cause and could it be solved by better mentoring?

Chris Kelly: That is a great question. I think that there is a feeling in businesses that some of that is linked to Covid. It may also be connected to changing habits and patterns: people are spending a lot more of their social life engaging online, which might have diminished some of their soft skills and communication skills.

Mentorship is one answer, because it is the link between employers and educators. There may be a need for more of the hands-on management that the car retailer we mentioned earlier was doing, with shorter, sharper and more regular check-ins to help build skills.

We speak to apprentices and hear stories about what apprenticeships have done for them. We had the 2024 winner of Scotland's apprentice of the year at our annual conference yesterday speaking to a room with 800 people in it. He went through a butchery apprenticeship in Falkirk and spoke about what that did for his confidence, his soft skills and his belief in himself, which shows that apprenticeship opportunities and engagement with employers can be life changing for young people.

To answer your question, the situation has become worse and that probably is linked to the Covid generation.

Lorna Trainer: There are lots of issues, not just one, and the problem is not just Covid but lots of different things. Chris Kelly made a point about engagement between schools, apprenticeship providers and colleges. Schools are quite confident in pointing out the route to college or to higher education but less confident and comfortable about the route into apprenticeships.

Some schools do really well, having careers fairs, inviting apprenticeship providers and being proactive, but others do not do that. It would be good to have a standard that schools are expected to follow, driven by the Scottish Government saying what it wants schools to do with work-based learning.

We have also talked about meta skills. The language about that is now in more common use, but a lot of youngsters still come out of school not knowing what meta skills are, so that message is not quite getting across at school level. It would be good to introduce meta skills much more cohesively, with a strategy for how schools can do that and tools for them to use. We must also ensure that we measure that, because we often have strategies but do not measure their impact.

We need goals and strategies for mentorship, for preparing young people and for engaging with employers and we particularly need to have routes into work-based learning. I am pleased to see that the language of work-based learning talks about it having parity of esteem with higher education.

That is a great start, but we need to get that message about parity of esteem out there by having schools promote it to parents and youngsters, with career guidance services being involved in that process.

You mentioned mentorship and Chris Kelly spoke about a company that adapted the way it did things. We find that a lot of training providers are nurturing and supporting employers to do that. A lot of employers do not have the time to do that, so they look to training providers to do the mentoring for them. There is a role for mentoring, so we need greater emphasis on and support for that. What if employers cannot do it? Say you are a microbusiness with three or four staff, and a youngster comes in who needs a lot of nurturing and mentoring to help them through it. Can someone else do that? Following on from the notion of having a key worker through the no one left behind framework, is there anything wrong with having that throughout someone's lifetime? If the person moves into employment, the no one left behind framework stops, but maybe a mentor or key worker could continue to work with them.

There are a lot of different approaches that we could take. Perhaps people who are identified as being vulnerable or having problems, such as mental health problems or issues relating to employability, could have a dedicated person to support them into sustained employment. As Chris Kelly said, once that person achieves, their confidence and their belief in themselves increase significantly.

I remember supporting a youngster who came out of school with no qualifications whatsoever. She had very severe dyslexia and she acted out at school—she said that herself. She said, "I was all over the place. I was an absolute nightmare." That was because the school did not meet her needs. She was particularly interested in getting a job in childcare. She got a lot of support and guidance, and the apprenticeship programme was adapted significantly to address her learning needs. The dyslexia was particularly profound, but she had a lot of strengths.

My point is that there are different models out there. It should not just be about taking the linear approach; maybe we need to include strengths-based recruitment. We need to have not just mentoring but different models of recruiting staff, and we must then support the person throughout their employment. It is about assessing the individual and then supporting and nurturing them through it. I hope that that makes sense.

The Deputy Convener: Yes, thank you.

Duncan Dunlop (South Scotland) (LD): I will follow up on that. I was heartened to hear what Chris Kelly said about the apprentice butcher. Is there not an opportunity here when we look at corporate social responsibility? Often, that seems to be an add-on to what we give to businesses. We tell them what they ought to do, but they do not really know what to do with that a lot of the time, so it is not the most effective approach.

I used to work a lot with young people and in employability, and one of the best things that I saw was there being somebody in the workplace every day who the young person could look up to and respect—or otherwise; it can go wrong. Is it not better to be honest with businesses and say that, given the state of where we are, whether that is due to the pandemic or something else, it is the workplace's responsibility to give young people the guidance that they need and to have someone there who they can look up to?

If there is a retention rate of 99 per cent among modern apprentices—although maybe that is in only one sector—surely it is worth investing in them, because they will be a loyal and determined workforce going forward. Is there an opportunity to move the mindset so that businesses see that as part of their role, and realise that, if they do not do it, nobody else will? What assistance can we give to make that happen?

Lorna Trainer: I absolutely agree that doing that should be part of the process. Some employers are very good at taking that on board and doing it; others are not, perhaps because they are busy or they do not have enough money coming in, and the person who suffers is often the apprentice. They are seen as being a little bit more disposable, if you like.

I agree with you, and perhaps that obligation needs to be put in the guidance or the framework if a business takes on an apprentice. Skills Development Scotland has knowledge and understanding in this regard, and there is perhaps an expectation that employers will take such an approach, but SDS does not necessarily insist on it. Perhaps it needs to be clear that, when a business takes on an apprentice, they will be funded and supported throughout, but the business must sign up to what you have just outlined.

You make a good point, and I agree with it. However, the responsibility needs to be made bit clearer in the contract.

Gill Simpson: I would build on that and say that it is probably everyone's responsibility. For some of the larger businesses, particularly those with Government contracts, I think that it is already built in under the fair work practices.

A lot of businesses want to do the right thing. No business does not want to take its corporate social responsibility seriously, but for the smaller

businesses or the microbusinesses, it is not just a question of whether they have time or capacity; it is about knowing where to start. It is everyone's responsibility to help and support them, right from when the young people are at school. That would include early careers engagement, early pathway integration into the school curriculum, utilising careers advisers, and developing the young workforce. Those advisers are on the ground speaking to young people, and they are pushing the meta skills that we talk about. Maybe young people do not even know what we mean when we talk about meta skills, so those advisers could put it into language that they understand.

Rather than being asked, "Do you want to be an apprentice?", young people should be asked, "Do you like working with your hands? Do you like working outdoors? What excites you? What makes you happy?" First, we need to find a route that works for them, and then we can ask businesses, "What support do you need to make this work for you?" Some businesses might never be asked that.

09:30

When we look at the outcomes, we sometimes think, "Why did that not work? Why are more young people not ending up in positive destinations? Why are apprentices not always completing their time with the employer?" There is sometimes a need for early intervention right at the start so that the employer can be asked, "What could we do to support you? How can we help you to ensure that the young person succeeds?" We do a bit of that in the land-based pre-apprenticeship programme. Taking that approach with the mentor businesses definitely works, because it results in a high level of engagement and really positive destination outcomes.

Chris Kelly: For such success to be achieved, we need to look at some of the barriers to and frustrations with engaging with the apprenticeship system, which include the hidden costs. Last week, I spoke to an employer in the defence supply chain who had a lot to say about the hidden costs. One of those costs is the time that managers need to spend away from their role in order to help to develop apprentices. Another is wastage. When someone is being trained, things will not always be done right, so there will be a high rate of product wastage. There is also the cost of engaging with the system, which can sometimes be a bit complex or rigid. We need to look at all those barriers. If those were removed or the system was improved, that would increase the number of apprenticeships or increase the employer uptake.

Building on a point that the FSB has made in the past, I think that it is a bit easier for larger employers to take on apprentices. Smaller companies face a lot more barriers in taking on apprentices.

Duncan Dunlop: I will move on to a different area. In all your submissions, there was, if not scepticism, a wariness about what will change when the Scottish Funding Council takes over budgetary responsibility for apprenticeships from next year. What do you think needs to happen for that to succeed? Perhaps we could start with Demi Brown.

Demi Brown: I cannot really speak on that subject, because I am here mostly as a representative of Ayrshire College and its students. However, as I was invited by the NUS, I can definitely take that question away and get the NUS to contact you and provide you with information, as I do not have much to give.

Duncan Dunlop: That is okay. Is there anything that you would like to say?

Demi Brown: Not in relation to the SFC, if I am honest.

Duncan Dunlop: Do you have other, broader points that you want to make sure that the committee hears?

Demi Brown: If you would like to finish covering the SFC topic, I can come back to you.

Duncan Dunlop: That is fine. Gill?

Gill Simpson: We were talking about this issue outside. We support the as-is model and mantra that has been explained. SDS will be put into the SFC and an as-is model will be maintained. It is important that we maintain the structure, the system, the processes and—most importantly of all—the relationships. In my business, we have built extensive relationships with colleagues at SDS who are critical to the delivery of some of our work. We want that to be maintained—we do not want to lose that. First of all, we want to ensure that everything is maintained in an as-is state as well as that is possible.

In the longer term, we anticipate that change will come. I think that change is good, but it should be made with employers and learners in mind. Institutional change should not come at their expense.

Duncan Dunlop: I am sorry to interrupt you, but if you are saying that everything should remain as it is, what is the purpose of the exercise? Is it simply a rebranding? What benefit will come from that?

Gill Simpson: Initially, everything should remain as it is, but that should not be the case in the longer term.

Duncan Dunlop: What do you think the benefit will be?

Gill Simpson: Are you asking about the benefit of the as-is model?

Duncan Dunlop: No—I am asking about the benefit of moving the responsibility from SDS to the SFC.

Gill Simpson: It is hard for me to answer that question, because I am not the one who is building and redesigning the structure. Right now, people are apprehensive about the fact that there is a risk that projects will be lost. I have mentioned our land-based pre-apprenticeship programme, which is funded by SDS. We are concerned that that will not continue. There are definitely concerns that need to be heard.

However, there should be positives. I hope that one of those will be the creation of the apprenticeship committee. That would be an important first step to listening to employers and businesses, putting them at the forefront of curriculum design—for example, on what apprenticeships look like; whether they are still fit for purpose, and whether changes are needed—and getting that insight and data.

I do not think that like for like will continue to service what the economy needs. We cannot continue to look at historical data in order to understand the future needs of the workforce. There has been so much change in technology and the environment, for example, and there are a lot of pressures on businesses. Business voices need to be heard, but we also need to look at the data and understand what is required to future-proof our economy and the jobs that will come with that .

Lorna Trainer: That was a really interesting question. You asked whether we saw the benefit in moving responsibility for apprenticeships to the Funding Council. The FSB did not really see the need for that, so there was no great, “Oh my goodness, we must do that!” from our perspective.

There were issues with SDS. It was maybe not as flexible and responsive as it could have been. It made a lot of effort to involve small businesses, but most of its direction came from the Scottish Government, so it always said, “We are limited by the strategic direction. We cannot make all those changes.” If responsibility moves to the Funding Council, it has to be better. We talked about that. An as-is situation will mean that employers, learners and career guidance know what is going on for the next few years.

The clear thing for me is what the direction is; what the Funding Council says are its strategic aims and objectives; what its operational plan is; how it will implement that; how will it ensure that it meets the requirements; and how we measure that. I do not see a lot of that around, so what worries me slightly is that it will just fumble into a new approach without our being clear about how that is going or how to measure whether it is working. That is the one thing that needs to happen.

Duncan Dunlop: Basically, you are saying that you are not clear why the change is necessary.

Lorna Trainer: We know why from the Withers report. We understand that there were two systems and it was complex; that they were maybe not working as well as they should; and that there should be one organisation. We get that. However, there was certainly no pressure from the FSB to say that it needed to change.

Chris Kelly: For the CBI, I have three points on the transition.

Businesses are keen for very little disruption, especially in business-facing teams and roles, before April 2027. It is key that the transition happens without disruption.

A strong employer voice in the new apprenticeship committee, which is being set up for next year, is also key.

To echo what was raised before—which comes back to James Withers’s point to the committee—employers will judge reform in the long term on whether it becomes easier to take on and train apprentices and whether there are more opportunities for young people in Scotland.

Duncan Dunlop: One major issue seems to be that, although we have moved funding for universities and colleges into the Scottish Funding Council, there are still two different budget lines, and the amount of money that goes to the colleges is defined. There are some graduate apprenticeships by that route, but their number is small, relative to modern and foundation apprenticeships. Is there any way for the SFC to merge those budget lines? What could happen to enable that? I am conscious that the college and university sectors could be in conflict with each other, competing for finite resources.

Lorna Trainer: That is a worry. For the FSB, and small businesses that are training providers, it is a concern that money goes, perhaps, more towards higher education, less towards further education and even less towards apprenticeships. There may be a hierarchy within that, and there is a concern that that could become a reality.

The Funding Council is not keen to ring fence the apprenticeship funding that it gets. How will that look? I understand that perspective—“Don’t ring fence it, that is too rigid and we need flexibilities”—but we also need assurances that a

considerable chunk will still be aimed at apprenticeships from the apprenticeship levy. We need transparency around the levy and the funding that goes towards its purpose of apprenticeships.

Duncan Dunlop: My final question is potentially more for Gill Simpson, although Demi Brown may want to comment on it as well. It is about rurality, particularly in relation to courses. The NUS evidence says that, in Argyll and Bute, more than 26 per cent of employed young people are in apprenticeships, whereas the figure in Edinburgh and Glasgow is below the Scottish average of about 8 per cent—it is down at 3 or 4 per cent. However, you are saying that it is hard for people in very rural areas to access apprenticeships. Can you explain that dynamic? Why is the percentage higher in some areas, and what can we do to assist students to access apprenticeships?

Gill Simpson: You are right. Apprenticeships underpin the land-based and environmental sector, and they are the route to making sure that we have the skills that the sector will need in the future. There is not an even spread across the whole of Scotland; it is much more challenging in the more rural areas. We work with a lot of specialist training providers, so it is not just colleges that are delivering the apprenticeships for our sector. That brings its own challenges. They are in very niche areas and the numbers are low, but what I would emphasise—

Duncan Dunlop: I am sorry, but can you give an example of what that means?

Gill Simpson: I can. Let us take forestry, for example. You might have five individuals on apprenticeships across the Highlands who all need to be trained in how to use their chainsaws, which is very specific training. You are working with small numbers and the training needs to be in a specific location, it needs specialist machinery, and it needs specialist training providers. That is a challenge. The small numbers do not necessarily make the training cheaper; they actually make it more expensive. There is the travel time that it takes the apprentices to cross Scotland to go to the particular area where the training will be delivered, which means that they need to be released from their work for the day. There is also the cost of that travel, and the transport links are not always as good as they could be. So, they already face a lot of different challenges before they even get to continue with their apprenticeship or with being in that industry.

Duncan Dunlop: What could be done about those challenges? What assistance could be given to students, colleges or providers?

Gill Simpson: I think that the national approach is great, but it needs to flex. It needs to be recognised that particular industries face some additional challenges that not everybody faces. It always comes down to the need for more funding, but it is not just about funding—it is about recognising the needs and considering whether there could be better or different provision. Could it be targeted in a different way?

The niche nature of the training should be recognised as well. In a lot of the courses that are provided, the focus is on volume and numbers. A course will be delivered because, for example, 30 young people can go through it in a year and it is cost effective. That makes sense. The data does not lie: the data says that there is a trend and that we need those people. However, the five people in forestry apprenticeships, for example, are just as important, and they underpin our economy. It is not just forestry in that situation; it is also agriculture and food production.

My feedback is definitely to look more at local accessibility, and I am happy to follow up with some more specific examples and asks.

Duncan Dunlop: It would be interesting to hear how we can really enable that. Demi Brown, the last word goes to you on this point—or on anything more generally that you would like to cover.

Demi Brown: I completely agree with Gill Simpson. Everything that I was going to say has already been said, but there is one thing that I would maybe recommend to help apprentices and students in general. I realise that there is free bus travel for the under-22s, but I wonder whether we could up that for students and apprentices across the country, because it is really difficult for a lot of people to travel, especially over long distances in rural areas. It can add up to a lot of money. That is really all that I have to say—everything else has been covered.

Duncan Dunlop: That is a really good, practical example. Thank you.

The Deputy Convener: Patricia Gibson wants to come in.

Patricia Gibson: We have talked about parity of esteem, and everybody is on board with that. I do not know about you, but I have been hearing about the need for parity of esteem for 50 years, and there are lots of barriers that mean that it does not happen—barriers that, I think, it is increasingly important to break down.

Lorna, you talked about universities and colleges facing the same budget and fighting for their share of it. I am looking at the submission from CBI, which is quite worrying. It says:

> "over 99% of Modern Apprentices qualifying in net zero-related sectors were working in Scotland 15 months later, while 40% of university graduates entering those sectors had left".

If those figures are correct—I have no reason to think that they are not—that is all the more reason to shift the balance in favour of modern apprentices. I am wondering why 40 per cent of graduates entering those sectors had left within 15 months and what we can do about that.

09:45

Lorna Trainer: It is possible that someone on a university course has been set on pursuing that pathway from a young age but has then decided, at some stage, that that path is not necessarily for them. There are lots of reasons why graduates do not stay in particular fields.

Patricia Gibson: Do we know where those particular graduates are going? Are they leaving Scotland or going into different sectors?

Lorna Trainer: I am not entirely sure. I think that there is a gap when it comes to moving and supporting university graduates into employment. We have heard a lot, certainly in the Milburn review, about young people leaving higher education and not moving into employment quickly enough. There are a lot of issues around entry-level graduate jobs, but I am unsure whether those graduates moved into the sector and then left it.

In my view, apprenticeships prepare people for such jobs. If you have spent two, three or four years, or however long, in a job, you are likely to be committed to it. You have built up relationships with your employer, you understand the role and you are clear about what the job involves. Often, if you have completed a university course, you come out with an academic knowledge but not necessarily the knowledge that comes from the reality of work in the sector. There could be issues in that area, but I am not sure about the destinations for those who leave.

Chris Kelly: Building on that, the reality is that apprenticeships ground people in a job and a destination, whereas graduates are probably a bit more mobile and look for work and opportunities. That is probably one of the reasons for the figures.

Patricia Gibson: Yes, but these graduates have left the sector entirely. They have completely changed direction or left the country. It is a worry, but it is a great argument for modern apprenticeships as opposed to everybody being funnelled into the university system, because, as has been said, parity of esteem is a cultural problem.

Senga Beresford (South Scotland) (Reform): We were talking about how we really need to bridge the gap between school and apprenticeships. Small businesses make up 98 per cent of businesses in this country, yet three quarters of small business employers have never taken on an apprentice, mainly because of the cost. What one change would you make to fix that problem?

Lorna Trainer: I quite like that question—it is interesting. What change would I make? Small businesses quite often like flexibility. If they are asked to contribute because a person happens to be one day over the age of 20 and the funding for their training is reduced, that reduces their choice. Small businesses want choice; they do not always want to be told how to do things. Businesses are told, “You can take on an apprentice, but they must be of this age and here are the conditions.” As Duncan Dunlop said earlier, we need to make that process easier. How do we ensure that small businesses can fulfil their corporate responsibilities while giving them the support and flexibility that they need to take on apprentices?

Given that businesses—particularly smaller businesses—face all those pressures, they need support, guidance and assistance. We need to ensure that training costs are properly funded and supported, and we probably also need to raise awareness. I have spoken to loads of small businesses that do not even know about apprenticeships, Skills Development Scotland or how apprenticeships could help their business. We still have a public relations and marketing job to do.

Senga Beresford: I totally agree with you. I have been a small business owner for 30 years and have never been asked to take on an apprentice. I know many businesses with exactly the same problems. It is a huge cost to take on, as you have said before.

You said that contribution rates have not been revised since 2012. Fourteen years on, ministers are proposing a 10 per cent increase. Is a 10 per cent increase enough to keep pace with the costs that small firms face in training an apprentice?

Lorna Trainer: Absolutely not. We are clear on that. We made a mistake in our written submission. We said that the previous increase in contribution rates was made in 2012, but it was made in 2014, so I want to clarify that. A 10 per cent increase is a nice start, but, with a reduced contribution rate for those aged 20-plus, it is 10 per cent of a lower rate, so not a huge amount will be added and the increase will not cover the costs. Since 2014, costs have increased by about 37 per cent, so a 10 per cent increase will barely scratch the surface.

Senga Beresford: Do you agree that many small businesses have had to cut back because of a lack of trained staff? Small businesses are keen to employ people, and they certainly provide a great place to learn a trade. The Government’s guidance says that at least half of the members of the apprenticeship committee should be employers. How many of those seats will go to

small businesses, given that they account for 98 per cent of businesses?

Lorna Trainer: Off the top of my head, I am not sure what the exact number will be. I do not think that it will be huge, but I would advocate for as many small businesses, particularly rural businesses, as possible being on the committee. As you will know, it is often difficult to get small businesses to become members of such committees, because they are so busy. They are often just firefighting and paddling to keep afloat, so it is difficult for them to make an extra commitment to be a member of a committee. However, I have met quite a few strong advocates from small businesses who are willing to give that extra time and effort. They are fabulous. They tell it as it is and do not talk in jargon. They say what is going on and what can be done to solve things. I would trawl for as many small business owners as possible to provide those views.

Senga Beresford: I think that small businesses would be keen to have that contact, especially at the moment, because we are really lacking in skilled workers, who are needed for—to be honest—the survival of small businesses.

George Adam (Paisley) (SNP): Good morning, everyone. I had stacks of questions and I have even more now. I will try to get through as many as possible.

I was struck by what Gill Simpson, Lorna Trainer and Chris Kelly said about a general lifelong-learning approach to training and about giving people who go through that process a career path. What do businesses need or what do we need to do to get to that position? I know that you have said that more flexibility is needed, but what would that look like?

Chris Kelly: In the past, we have called for a skills wallet—that has been part of the discourse for a while—which would stay with people throughout their careers, including during their training and retraining journeys, to support that training and the funding for it. It would also build in a mentality of lifelong learning, which would be good for employees.

Lorna Trainer: People who go into higher education get four years of free tuition, but there is no equivalent for those who do work-based learning. That relates to Patricia Gibson's point about parity of esteem. Perhaps individuals could have the right to have their additional training funded throughout their lifetime. At the moment, there is no mechanism for someone to say, "I have used only one year of my further education budget, so can I get more funding to do other things?"

A lot of organisations think about that. I am thinking about what Senga Beresford said about small businesses. If small businesses grow a bit, they need other skills to manage their staff, so different skill sets need to be brought in at different times. Small businesses often support their own staff to upskill, but there needs to be flexibility to enable them to do that.

If there was an equivalent right to four years of funded higher education for those who do work-based learning, that might help to create a perception of parity of esteem. That would be one simple solution.

I will give you an example. Just now, I have two staff who are doing a graduate apprenticeship. They are older—they would say ancient. One is 40 and the other is 50, which is considered ancient. Anyway, they are doing graduate apprenticeships. Due to changes in the business, we need to have more information and use of tech, so one of them is doing an artificial intelligence and data science graduate apprenticeship. It is one year in, and I can already see the benefits of that. With graduate apprenticeships, there is no cost to the employer, so I am not asked to pay a contribution to that.

Employers might be asked to pay a contribution if someone is doing a modern apprenticeship, but they are not asked in the case of graduate apprenticeships, so there is already an in-built inequality in the system. That might be because graduate apprenticeships are new and we want to promote them, so we do not ask employers for a contribution. It is an interesting concept that graduate apprenticeships are free but modern apprenticeships are not necessarily free. There are lots of different layers in there that make it tough.

Gill Simpson: I could not agree more. We are all saying the same thing. Some questions never have an easy and straightforward answer.

I have heard the concept of a skills wallet talked about in many different conversations; it gets called different things by different people. The concept is about having a trackable and measurable way to evidence someone's career. It is a much more practical and hands-on way of learning—it is not just academic—and it gives the learning parity, saying, "This is just as important as going to university. Your career matters, and this is how it can be developed and can demonstrate your value and worth." There is a Government consultation at the moment on continuous professional development in the land-based industries. The idea is to have a proper system for CPD tracking in our industry, to provide a skills wallet—it is exactly that—or passport that demonstrates the skills that someone has picked up and what they do throughout their career.

In the industry that I work in, people cut across different parts of it: they could be in agriculture and

then change to forestry or go into aquaculture. There are many transferable skills, and a trackable CPD system would enable and support that, as it would in other industries as well.

George Adam: Chris mentioned that one of his members tried to contact schools to build up a relationship. I have been on this committee so long—I know it shows—that I do not even talk about the Withers review; I talk about the Wood report from 2014. It said, in effect, that businesses should be co-investors and co-designers instead of simply customers in the process. We are 14 years on from that. Have we got any further forward in breaking down the barriers? It is also about businesses having the mentality of seeing it as being part of their role to be involved and help to redesign this.

I have heard it said a million times before that young people are coming out of school who do not have the skills that we need to go forward. The whole point of the Wood commission was to make sure that business and education both take ownership. If we are not there yet, how do we get there, and why are we not there after 14 years?

Chris Kelly: Yes, in that example, we had a member who reached out to 16 schools and only one took them up on their offer.

There has been progress. The Developing the Young Workforce co-ordinators are now being rolled out to schools, and there is SDS careers guidance in secondary schools. However, there needs to be more awareness of these schemes and, especially, the contacts, and more work is needed to connect with local employers in regions. As I said, that manufacturing member was really keen to show his factory operation and the range of jobs that exist in his company, but he did not get the response that he expected from the schools. There has been some progress, but it is a huge area of opportunity to build on.

George Adam: Is it patchy across the country? Are there some areas—perhaps local authority areas—that are doing better than others?

Chris Kelly: I am not sure. I could not comment on that.

George Adam: Can anyone else comment?

10:00

Lorna Trainer: I am not sure which areas are doing better than others. The foundation apprenticeships help, because youngsters in schools think, “Okay—this is to do with work,” which encourages them to take them up. The name could change at some point—perhaps we should not call them apprenticeships any more—but the concept is really important, and I like the fact that the Milburn report talks about having more of that approach in schools. That is a good starting point, and we should continue with it, extend it and get those messages across to parents, schools and employers who can be involved in delivering foundation apprenticeships.

A lot of youngsters leave school at the age of 16 with no qualifications and say, “School didn’t work for me.” That is often the case, but they want to get into employment. There is often a gap between them leaving school and getting a job, so I would like the concept of the foundation apprenticeship to be rolled out to include the post-16 stage, whether that involves colleges, training providers or whoever. The foundation apprenticeship is a good product, so why not use it as a potential preparation for and route into employment for those aged 16 to 19 who have left school?

I apologise—that does not answer your question about how we engage schools. It just came into my head.

It is also important to encourage more employers to be involved, and particularly smaller employers. I will use hairdressing as an example. It has had a bad press and people say, “How many hairdressers do we need? We don’t need tons of them.” Actually, we do need a lot of hairdressers and barbers. They are part of our culture and social life, and we need them. Hairdressers used to be great at taking apprentices and foundation apprentices, but they have really struggled with the funding that is available for apprenticeships, so they are now less engaged and less likely to offer them.

We have closed down a few traditional routes for youngsters to get into employment, which often had good links to schools. Saturday jobs have reduced to almost zero. They work well in other countries, but we are not very good at them. That also shows us that businesses have economic struggles. The Saturday job was a really good route into employment. How many of you had a Saturday job when you were younger? However, we have closed down all those avenues, even though they helped youngsters to develop good mental health and good work skills. They would often tell their friends about jobs, and they got a sense of what jobs were like, and that had an effect in schools, too.

There is no easy solution here, but I agree with Chris Kelly that Developing the Young Workforce has worked really hard in this area. Glasgow Chamber of Commerce is also very proactive and it makes really good links with employers. I cannot comment on the rest of Scotland—I am sorry.

Gill Simpson: You asked whether we have moved further forward, I would say yes, with lots of positivity. We have a really strong careers

programme at Lantra. In the current financial year, we have already worked with more than 9,000 young people. That is a big number, and we have asked every young person that we have spoken to or had a touch point with, “Have you considered a career in the land-based and environment industries?” We will not be the only ones who are doing that. There will be examples of it all over Scotland, including in other sectors.

We recognise the importance of starting this work at a younger age and working with schools from the late primary years right through to early secondary. It is important to get in before pupils make their subject choices and to catch them in the important bit when they start to have discussions with their careers advisers about what they want to do.

Things are moving in the right direction. We have some nice statistics on the land-based pre-apprenticeship programme that we deliver, which show that 67 per cent of the young people who were on that programme last year were not from the land-based sector. That demonstrates that the messaging, discussions and awareness raising of the opportunities that are out there are working. We have some good examples of young people going through that programme and into positive destinations at the end, such as further college studies, a modern apprenticeship or employment.

There are still things that we could be doing. We recognise that there is a gap. There is no foundation apprenticeship in our sector, but we are scoping that out to identify what it would look like, and the message that we are getting is that it is important to keep it flexible. It would probably have to vary in each local authority area depending on the young people there and the types of employment that they could take up as a result.

We notice that not only young people are at that early stage; there are also career changers who come later, which you touched on. We are speaking about young people, but we do a lot of work with people who are further in their career and who might want to change what they are doing. They could take an apprenticeship. That is another audience that recognises the value in what we do and the value in an apprenticeship.

George Adam: At a previous evidence session, I raised concerns about how much apprenticeship funding reaches the learner or the apprentice. Some managing agents and providers top slice around 40 per cent of the money. Would it be a good idea to get a clear breakdown of what is delivered by those training managers and management companies? The example that I used during consideration of the Tertiary Education and Training (Funding and Governance) (Scotland) Bill had just been given off the top of the head—it was 40 per cent and that was it.

I know that that is your area of expertise, Lorna, so on the basis that I heard you say “Oh”, perhaps you should answer that first.

Lorna Trainer: I agree with you. The funding should not be top sliced. You must have funding to run the programme, because you have quality assurance and you have to lead it, but the majority of that should be for delivering the programme to the learner and supporting employers, including teaching them about mentoring skills and how to support learners, making many different phone calls and visits out, and so on. Forty per cent going to the learner is not on—that is not value for money.

It is difficult to know the costs down to the penny as there are many costs involved in delivering a training programme, but many providers made a good attempt at putting that together, and Skills Development Scotland was surprised at how much it costs to deliver a training programme to apprentices. We will see what comes out of that in the stage 2 review.

I would be alarmed if only 40 per cent went to the learner.

George Adam: No, 40 per cent was top sliced, as opposed to what happens with a college, where it is around a 90:10 split.

Lorna Trainer: It is more realistic that roughly 10 per cent is for management costs and delivery, and the rest goes to the learner.

George Adam: Do you agree that it would probably be better if we could see that where the funding goes is pretty flexible?

Lorna Trainer: I would be a wee bit sceptical on that, because I would not want to see that in any commissioning model. That would make it difficult when putting a tender in, because you would have to prove certain things. In the current tendering process, it should be evident how much goes towards delivery. I do not know what to say about somebody who says that 40 per cent is top sliced. Perhaps it was an off-the-cuff figure and it was not realistic.

George Adam: Well, they have never taken it back, and I have mentioned it on numerous occasions.

Lorna Trainer: Come and talk to me, George—I will keep you right on that one. That is nonsense. That absolutely would not have been the case, but I get what you are saying about transparency and about what funding needs to go to the learner.

George Adam: One of the things about the training environment—Withers says this—is that it

is complex and difficult. For us as politicians, and for the Government, it is a question of how we simplify the system, but it is not as easy as that.

How do we make it all about the young person getting that opportunity? How do we make it as simple as possible, from your experience? I know that you are here for the FSB, but you are a training provider as well.

Lorna Trainer: It is a difficult question for me to respond to, because I do not do it that way. For me, it should be about the learner. It is their journey and their employment, and we are very passionate about that. How to ensure that training providers are committed to that is an interesting question.

I would not want that to be too prescriptive in the commissioning route, because it becomes overly burdensome. There is the right balance just now, although somebody snuck in there and said that 40 per cent goes to the provider's costs and the rest goes to the learner.

In general, the way in which commissioning currently works is that the methods that are used to deliver training must be discussed, and it must be evident that the training is about the learner and all the work that is done with them, employers, and so on. SDS will come out and visit, talking to employers and candidates to ensure that it is clear that everything is happening. His Majesty's Inspectorate of Education in Scotland also does that now, although it will be further out.

Perhaps it should be evident in the quality-assurance process that that is where the majority of the funding goes. It is a complex system—I would not want to make commissioning too prescriptive, but I would like to introduce and include that requirement in the quality-assurance systems.

George Adam: Finally, Demi Brown spoke earlier about the income level of young people causing them difficulties. One of the challenges that might come out of the Milburn review relates to the fact that young people's income is affected by what they can get from various benefits. If we move towards implementing Milburn's ideas, could that affect young people's access to apprenticeships and their ability to move forward?

Demi Brown: Yes. It would be likely to have a fairly large impact on students as a whole and on apprentices in particular. That is especially the case because, as I said earlier, apprentices need to travel a lot, and travel is getting more expensive depending on which mode of transport people use. One of the apprentices I met yesterday is fine with his wage just now—that is fair enough—but other people in his situation, perhaps those who are younger than him and earn less, would not be fine with their wage. That apprentice has his own house, bills and car, and it would have a big impact on students in that situation if the amount of money that they receive were to lessen. Does that answer your question?

George Adam: Yes, that sounds fine.

Lorna Trainer talked about people leaving school at the age of 16. In my case, it was nothing to do with the school or the education system; I was just a wee bam at the time. I do not know whether that comment is of use to anybody.

The Deputy Convener: We will put it on the record. [*Laughter*.]

I would like to expand on something that George Adam spoke about. Demi, do you have anything to add about the learner journey from your perspective? How can we make that better? I note that you mentioned in your submission that people who go to university have the Universities and Colleges Admissions Service and all the information is there, but that is not the case with apprenticeships. Do you want to say anything in that regard?

Demi Brown: There should be more funding in place for apprentices. For example, when I did my higher national certificate, I got my student loan from the Student Awards Agency Scotland. I am not sure whether that can happen for apprentices, but it would make a big, positive impact if it could, because they would be able to apply for so much money, depending on their situation and the amount of money that they would need to thrive as an apprentice and also as a human being.

The Deputy Convener: Thank you—that is really useful.

Laura Moodie (South Scotland) (Green): That is a good point to pick up on, because proposals for a UCAS-type system are feeding into some of the discussions that we have already had on parity of esteem. Having a rigid system in place can help to provide a pathway for people to follow.

I will come back to the idea of a skills wallet. A recommendation in the Hayward review was to introduce a national certificate of achievement, which would in effect work in a similar way—it would capture achievements beyond the purely academic ones and it would go with someone throughout their life. Such a certificate has recently been trialled in Fife, and one of the bits of feedback has been that employers do not understand it. It is great to hear that employers would like to see something like that in place, but how can we overcome that problem of recognition? Would the certificates need to be rolled out nationally and have a level of buy-in and knowledge, or are there other local approaches that would ensure that employers value the certificates?

Lorna Trainer: Who devised that framework? Was an employer involved in pulling it together?

Laura Moodie: I understand that it was led by Fife Council, the local colleges and employers.

10:15

Lorna Trainer: It sounds a bit too technical and perhaps not accessible or meaningful to employers. George Adam likes his percentages, so I will say that to devise something like that, we should have 80 per cent employer voice and the rest should come from others. Maybe it is down to the basics, such as the way in which it is put together and how it can be used. There is value in that approach, but how the certificate is presented is key. Is it on an app? How does it look? Do people receive a physical certificate? Forgive me, but I do not know what it looks like.

Laura Moodie: I understand that they receive a physical certificate, but it is also stored digitally.

Chris Kelly: Building on Lorna Trainer's points, having a strong employer voice in the design is important when such things are rolled out. In reality, while it is good to run pilots and do tests, to get recognition from employers, the work needs to be done nationally. A significant amount of work also needs to be done to raise awareness and get buy-in from employers by showing them the benefits. That takes a lot of work and time. A communications campaign is also needed.

As Lorna said, the approach needs to be digital. We need a proper app that people can sign into, and it needs to be modern and look slick.

Laura Moodie: Does anyone else want to add anything?

Patricia Gibson: Is it okay if I come in on that?

Laura Moodie: Yes.

Patricia Gibson: When the witnesses were talking about why the record of achievement would have to be online and saying that employers would need to understand it, I thought about the fact that some professions have exactly that system—I am thinking about teaching.

The General Teaching Council for Scotland has an online system where teachers can go into their account and upload their professional learning plan for the year. They decide what the plan is, in conjunction with their head of department, and the following year they upload information on how or to what extent they have met their goals. It is purely for the teachers' own professional development, and if they have not met their goals they can set out how they will meet those goals in the following year. If they meet the goals, they might set new goals. That follows them throughout their career and means that they have a yearly record of their professional learning. It also means that they are not stagnating; they are learning new things and developing their skills.

Every trade or apprenticeship has its own professional body, so every sector could have its own equivalent of that. I just wanted to throw that out there. There is existing practice that could be adapted and used for each sector to create a skills wallet for people. I think that that is a great idea.

Chris Kelly: The reality is that we have an ageing population and skills for the future need to be agile, nimble and capable of change. We are going to see a lot more of that, and there are more calls for such things. It makes sense.

Patricia Gibson: Sorry, Laura, I just wanted to mention that.

Laura Moodie: It is important that we do not reinvent the wheel. If there are systems out there that work, let us borrow them and reuse them for other purposes.

I will pick up again on the potential issues with the Scottish Funding Council and the key performance indicators. It is not clear what those indicators measure. Does that come back to a slight tension between employer demand, public policy objectives and learner needs? They might all be quite different and it is a challenge to blend them. Does the SFC not have clear objectives in part because it is wrestling with that challenge? I would like to hear your perspectives on how apprenticeship funding should be prioritised where public policy objectives—things such as decarbonisation, biodiversity, renewable energy—might not immediately align with employer demand?

Lorna Trainer: Policy objectives being a wee bit removed from reality has always been an issue. Often, employers tell us that the policy is out of touch with what they need. The Government says, "These are policy aspirations, and we will put in funding to achieve them," but the employers say, "Hey, we're running the businesses here and keeping the economy going. Why don't you think about us, too?" There is always going to be that imbalance, but if we are very prescriptive, other providers and employers will suffer and, when it comes to choice, the learner will suffer, too.

I am not a huge fan of just redirecting things entirely to meet policy objectives if that is not really connected to what employers and the economy need to keep going, to grow and to give young people jobs. After all, that is what a lot of this is about—it is not just about meeting all of the aspirations.

Gill Simpson: I agree. Employers must be heard sooner and must be embedded in the

development of and changes to policy. I am very fortunate and privileged that, as part of my role, I get invited to comment on policy changes on behalf of the industry that I represent. Sometimes we are asked to bring employers to different consultation sessions with the Government. That is really important because a policy change should not come as a surprise to anyone. The policy underpins the direction of travel of Scotland and the economy, but if the employers' voice is not heard early enough, there is a risk that the blueprints will already be in place and the policy direction will already be shifting in slightly the wrong direction or without having taken on board all of the viewpoints.

There are challenges here—it is never going to be an easy issue to tackle—but we need to focus on being learner led and on outcomes. What outcomes do we want? We want a strong workforce, and we want to future proof our economy, but if we do not listen to employers and get them embedded in any policy changes as early as possible, those things will not happen.

Chris Kelly: I was just looking at the employer skills survey for 2024 and some of the skill shortages that the Scottish economy is facing at the moment, and I note that 20 per cent of vacancies in Scotland are hard to fill because applicants lack the required skills, knowledge and experience. There are also shortages in health and social care, construction, digital technology, engineering and the renewable and energy sector.

That brings me back to my earlier point about the opportunity that Scotland has with the planned £230 billion of investment in renewables, digital upgrades and defence over the next decade. A lot of people, a lot of skills and a lot of jobs are going to be needed, so it is really important that the skills system is aligned to unlock those opportunities for the economy and for people in Scotland.

Laura Moodie: I want to talk a little bit about microbusinesses rather than small businesses, because several such businesses have recently expressed frustration to me on a certain matter. They take on apprentices and are keen to train the next generation for their sector, particularly in construction—I am thinking of, say, a small local electrical company. They put a lot of work into training that apprentice and when year 3 comes, they think that they have someone fully trained, say, "Great—all systems go" and then the apprentice moves on elsewhere. As one disgruntled employer put it to me, the apprentices get gobbled up by the big boys after the small employer has put in all the work.

Obviously, you do not want to restrict the choices of those who have gone through the system, but how can we make the apprenticeship system fairer for those microbusinesses that are, proportionately speaking, putting a lot of time and effort into these schemes, only to feel that they are not getting any end benefit?

Lorna Trainer: I have heard that, too, from the construction sector as well as other sectors. It happens in a lot of sectors; they train and develop staff, only for them to move on to better wages or whatever. It is a risk—I understand that—and you do not want to disillusion the small businesses that it happens to.

What we try to do is to talk about the benefits of having the apprentice and of going through the process with them. It might be just about the wages that they pay the person, which will be lower than a qualified rate. It is difficult in construction, because they feel that it is not until about year 3 that they get their payment back. It is a tough one.

I am not saying that this is right or wrong, but some employers will say, "Yeah, I'm going to support you through all of this, but you must stay with me for a year or two afterwards—and if you don't, you'll have to pay a certain amount." That is then built into the contract that the person signs. It is a difficult one, because you can only ask people to pay such a sum if you, as the employer, have already paid it up front. Indeed, the person might already have made a contribution.

It is a messy area, and that is a difficulty. You hope that what, in human resources terms, we call the psychological contract will be good enough to mean that the person wants to stay. That is about encouraging employers not just to invest in training but to provide the right conditions, such as having a great team to work in and flexibility in relation to time off. You hope that the wider psychological contract is sufficient to help the candidate to stay.

Gill Simpson: I agree with that. Core to dealing with that issue is working with employers and helping them to make the working conditions and environment as great as possible. I have many similar conversations with microbusinesses in the sector that we work in. With the pre-apprenticeship programme, a lot of businesses say, "We take someone on and then they leave at the end, so I am on to my fifth one. What do I do?" There is no quick fix for that. Part of the solution relates to having infrastructure in rural communities that supports young people to stay. That means having things such as affordable housing, access to education and transport connectivity. If you make an area an attractive place to live and work, people will be more committed to their employer and to staying in that employment.

The other part is accepting that there is a cycle and that, sometimes, it will be part of the cycle that employers will train someone and they will leave.

We need to consider how we make it more attractive for employers to participate. That might be through the funding or additional support that we spoke about earlier or providing wraparound care to the employer so that they are ready to support apprenticeships as they go through that cycle.

Lorna Trainer: That is absolutely true. Another wee point is that apprenticeship providers are not a homogeneous group. Some providers have a cycle and an understanding that they will employ apprentices who then move on when they are finished. Some people might stay in the job, so the provider uses the apprenticeship as a way of assessing suitability for the organisation. However, those employers have to accept that it is also just a training route.

For example, health services and adult care and childcare services are always very good at using that model. If you like, they are training organisations. They are not training companies as such, but they are involved in recruiting the next generation of staff. That model can work well, and I have seen microbusinesses do it as well. They will take on an apprentice who finishes and moves on, and they then take on another one. There is not a one-size-fits-all solution. For some microbusinesses, that works, and for others, that would be a terrible financial drain on the company.

Laura Moodie: Finally, I want to go back to the issues of rurality, which is a subject close to my heart—

The Deputy Convener: Before you continue, I think that Chris Kelly wants to come in.

Chris Kelly: It is just a small point. Many of the issues that have just been flagged are amplified by the skills shortages. We see that when we speak to renewables or defence companies. Those are not the microbusinesses that Lorna Trainer referred to but, because of the skills shortages in those sectors, people are job hopping more frequently—you see that across the sectors.

Laura Moodie: That is a sign of a healthy economy, really, but I can see the frustration.

On rurality, when I recently visited Dumfries and Galloway College, which is my nearest college, the people I spoke to said that the biggest barrier to access that students face is public transport, or a lack thereof. What do you think are the biggest barriers to getting into apprenticeships, particularly for young people in rural areas? How can we tackle them? Demi Brown has come up with some suggestions on that. What solutions can make access to apprenticeships and training easier in rural areas?

Lorna Trainer: Skills Development Scotland has a rural uplift, as well as additional funding and support for learners, which might support them with accommodation or transport. There are strict criteria for that support, but it is an attempt to address some of the issues. There is often a mismatch, in that the young person might want a career in a certain sector but there are no such jobs in that area. That has always been a difficulty. As Demi Brown mentioned, transport is key to that. In some rural areas, there are no buses, or there is one an hour. Alternatively, the buses might not start until 7 in the morning when the job starts at 6. There are real practical problems. Perhaps the solution could involve taxis or supporting people to buy electric bikes. We must be creative about solutions to the issue, but it is not an easy fix.

10:30

Gill Simpson: You are speaking my language, Laura. I have that conversation almost weekly. Last week, I visited a farm that is working with young people who are at risk of unemployment and homelessness. The farmers explained that some of the young people with whom they work are extremely engaged. However, one young person said that they wanted to keep coming back and taking the opportunity, but they needed to get three buses to travel 4 miles in West Lothian, which paints a picture of the challenge. The farm's solution was to fund taxis for the young person to get there, so I suggest that there should be a bursary or some other funding that can cover the cost of transportation for young people. A lot of apprentices do not have a driver's licence because they are too young or because of the cost barrier. Any funding that could cover that and remove that barrier would definitely be valued.

The other issue is the lack of accommodation. Think about Scotland's Rural College, which has quite a high volume of people going through its courses and apprenticeships—this point also applies to Dumfries and Galloway College, which I recently visited. The accommodation provision for young people who might be travelling from the other side of Scotland to take up opportunities at those colleges is not quite aligned to need. There must be some kind of affordable accommodation. As you said, when you are a student and you go to university, you get your student loan and your flat. Such thinking needs to be applied to apprenticeships, because it would be valued and would remove some of the barriers.

There is also the need for alignment with jobs. You mentioned the need to work with young people to make them aware of the jobs and opportunities in an area and what is coming. This week, a young person contacted us to say that they wanted to do a specific job in the equine sector for which there is no training provision in Scotland, which meant that they would have to go

to England to do it. We thought that that surely could not be the case, but, after we did some digging, we realised that it was. That is an example of someone who has an ambition—somebody has spoken to them at some point and they have thought, "That sounds fantastic"—but is unable to fulfil it. We need to make young people aware of the opportunities and the training provision that is available. If we hear about gaps, training providers should be told, "There are some gaps here that you could address."

Chris Kelly: I will just echo what has been said. Employers have to think outside the box to ensure that car share schemes and various other options are available. Transport investment, whether that is in bus travel or in transport infrastructure across Scotland, is important.

We hear from employers about the accommodation issue. We know of examples of large energy companies building housing in the Highlands and the north of Scotland because the housing capacity is just not there.

Laura Moodie: Do you have anything to add, Demi?

Demi Brown: I completely agree with everything that has been said. I have nothing to add to that.

The Deputy Convener: Thank you very much for your time today. The evidence was excellent and the Q and A was really interesting.

Would you like to add anything, Jackie?

Jackie Dunbar: I do not think so.

Senga Beresford: I have a point to make. Careers officers speak to children in their last year of school, but I have spoken to businesses about the issue and one big employer in particular told me that it thought that they should do so before then, so that kids start thinking earlier. If the children are interested, those discussions could possibly lead to them taking those Saturday jobs that Lorna Trainer talked about. Perhaps we should think about inviting businesses into schools to talk to kids, give presentations and tell them what they do. That is something to think about.

Lorna Trainer: I absolutely agree. At one point, careers guidance included a traffic light system for children. If you were red and high risk, you received more intense support. If you were green, it was assumed that you would go off to university, so there was no need to talk to you. That is not careers guidance, which should be for everybody and not only provided in the final year. It should be provided throughout secondary school and, as you suggested, in primary school. Interestingly, I have heard advisers talk about careers guidance being given in nurseries, too: they say to children, "Oh, you are a police person today," or whatever.

Senga Beresford: I think that many businesses would happily go into schools.

Lorna Trainer: They absolutely would.

Chris Kelly: I echo that. Businesses and employers also need to advertise the range of jobs and go into schools to do so. There is a real knowledge gap at the moment.

A lot of children's ideas of jobs, especially when they go through the school system, are of police officers, firefighters and so on. However, companies have a range of jobs. I go back to the leather manufacturing company that I referenced earlier. Our member of staff from that company talked about the range of jobs that it has: everything from scientists and researchers to roles in marketing and accounting. It is worth showing pupils the scope of jobs in those companies.

It is important not only to target pupils but to speak to parents as well. Businesses sometimes work in schools with pupils, who then go home and say, "Nothing happened at school today." It is also important to ensure that parents are aware of the regional employment opportunities and how the job market has changed since they were younger or making their own career choices at school.

Senga Beresford: That is true. You talked about hairdressers earlier, Lorna. I was a hairdresser and had a salon for many years. It was the lowest-paid job that there was. I think that the wage requirements now stop a lot of businesses taking on apprentices because they cannot afford to spend money as easily. Business is getting harder for everybody, which is a shame.

Lorna Trainer: I have a last point on that. Chris Kelly is right about parents, but youngsters also have a lot to offer. I do not really know what schools deliver now in terms of the range of courses, but a youngster who is aged 16, or perhaps aged even younger, is probably much more digitally aware and tech savvy than older people and could help out small businesses in that regard. When it comes to approaches, we need a little bit of both.

Traditional Saturday jobs no longer really exist in Scotland or the UK, so what other opportunities are there? As employers, we need to know the areas in which kids coming through schools have skills—for example, social media promotion—because it means that they can do work in those areas. Perhaps we need to rethink how we engage with young people, consider what schools teach and consider the skills that the youngsters have that could help us.

Senga Beresford: It could work both ways: it could inspire the child and the child could inspire the business.

Gill Simpson: I agree with that, based on what we have learned and the feedback that we have received in all the careers activity that we do. We have quite an extensive careers programme. The businesses leave the programme motivated and inspired. It is a quid pro quo, because they get something out of it.

My advice and recommendation is to start as young as possible. We have gone younger by visiting primary 6 and primary 7 pupils. Repeat engagement is also important—it cannot be one and done. You do not go in, speak to one group, and think, "Right, that's it. I've inspired people." You need to repeat your messaging to them.

My other bit of advice is not to rely only on traditional careers fairs, which everyone has seen, where you go along, take some flyers and see the colourful pop-up stand with an adult standing next to it. We flip that by leading really practical, engaging activities and games that are fun for the young people but also absolutely tie back to our industry and jobs, as well as the curriculum for excellence, which is really important for getting the schools on board.

Senga Beresford: Do you travel all over Scotland?

Gill Simpson: Yes, we target every local authority area throughout the year.

Senga Beresford: Super, thank you.

The Deputy Convener: Thank you so much to our witnesses for their time today. We will now move into private session to consider our work programme.

10:38

Meeting continued in private until 10:57.

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