

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

Wednesday 26 September 2007

Session 3

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CONTENTS

Wednesday 26 September 2007

	Col.
INTERESTS	107
FREE SCHOOL MEALS PILOT	108
SUBORDINATE LEGISLATION	127
Provision of School Lunches (Disapplication of the Requirement to Charge) (Scotland) (Order) 2007 (Draft).....	127
SCOTTISH GOVERNMENT'S SKILLS STRATEGY	133
SUBORDINATE LEGISLATION	179
Provision of School Education for Children under School Age (Prescribed Children) (Scotland) Amendment Order 2007 (SSI 2007/396).....	179
Regulation of Care (Social Service Workers) (Scotland) Amendment Order 2007 (SSI 2007/407)	179
Disclosure Scotland (Staff Transfer) Order 2007 (SSI 2007/417)	180

EDUCATION, LIFELONG LEARNING AND CULTURE COMMITTEE

5th Meeting 2007, Session 3

CONVENER

*Karen Whitefield (Airdrie and Shotts) (Lab)

DEPUTY CONVENER

*Rob Gibson (Highlands and Islands) (SNP)

COMMITTEE MEMBERS

*Aileen Campbell (South of Scotland) (SNP)

*Ken Macintosh (Eastwood) (Lab)

*Christina McKelvie (Central Scotland) (SNP)

*Mary Mulligan (Linlithgow) (Lab)

*Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD)

*Elizabeth Smith (Mid Scotland and Fife) (Con)

COMMITTEE SUBSTITUTES

Richard Baker (North East Scotland) (Lab)

George Foulkes (Lothians) (Lab)

Hugh O'Donnell (Central Scotland) (LD)

Shirley-Anne Somerville (Lothians) (SNP)

*attended

THE FOLLOWING GAVE EVIDENCE:

David Caldwell (Universities Scotland)

David Cowan (Scottish Government Schools Directorate)

Fiona Hyslop (Cabinet Secretary for Education and Lifelong Learning)

Adam Ingram (Minister for Children and Early Years)

Howard McKenzie (Association of Scotland's Colleges)

Grahame Smith (Scottish Trades Union Congress)

Rosemary Winter-Scott (Scottish Government Lifelong Learning Directorate)

CLERK TO THE COMMITTEE

Eugene Windsor

SENIOR ASSISTANT CLERK

Nick Hawthorne

ASSISTANT CLERK

Andrew Proudfoot

LOCATION

Committee Room 1

Scottish Parliament

Education, Lifelong Learning and Culture Committee

Wednesday 26 September 2007

[THE CONVENER *opened the meeting at 09:37*]

Interests

The Convener (Karen Whitefield): I open the fifth meeting of the Education, Lifelong Learning and Culture Committee in 2007. I welcome all members—especially Mary Mulligan, who replaces Pauline McNeill—to the meeting. I invite Mrs Mulligan to declare any relevant interests.

Mary Mulligan (Linlithgow) (Lab): Thank you, convener. Apart from saying how pleased I am to be back on the committee that deals with education, I have no relevant interests to declare.

The Convener: I am sure that we are all glad to have you on the committee and we look forward to the contribution that you will make.

Free School Meals Pilot

09:38

The Convener: The next item on our agenda is the Scottish Government's proposed free school meals pilot. We now have an opportunity to take evidence on the pilot from the Minister for Children and Early Years, Adam Ingram. We have an opportunity to question him in the light of evidence that we took from stakeholders last week, and to follow up some of the points that we pursued with his officials last week.

I welcome the minister. He is joined by David Cowan, a policy officer from the support for learning division in the Scottish Government Schools Directorate. I thank the minister for joining us and give him an opportunity to make a brief opening statement before we move to questions.

The Minister for Children and Early Years (Adam Ingram): Thank you, convener. This is my first visit to the committee—let us hope that it is a productive one for all concerned.

As a nation, we must change our eating habits and we urgently need to take action to tackle the alarming levels of childhood obesity in Scotland. The overwhelming evidence is that healthy children become healthy adults and are therefore more likely to avoid diabetes and other risks to their well-being.

One of the biggest challenges of all is to break the culture of unhealthy eating in Scotland. From a health perspective, it is essential that we start now to change children's behaviour while they are young if we are to change the culture. That is why we want to conduct the trial of free nutritious school lunches for all primary 1 to primary 3 children.

The fundamental aim of the trial is to establish whether provision of free school lunches to that age group can help to bring about a shift towards healthy eating habits and social behaviour, both at home and in school. A universal approach is required to effect the necessary culture change, because—as recent research that was commissioned by the Food Standards Agency showed—the types of food that are eaten by people on low incomes are quite similar to the types of food that are eaten by the general population.

I do not expect that specific health benefits will be demonstrated over the period of the trial, but there is plenty of evidence that a healthier diet leads to longer-term health benefits. We have not set up the trial to add to that evidence; rather, I expect emerging changes in pupils' and parents' behaviour and in their attitudes to school meals

and healthy eating to become discernible. We want to see whether offering free school lunches to young people encourages more families to opt for school lunches, which are a guaranteed healthy choice, as their first choice. If young people enjoy their lunches, they will be more likely to continue to take them as they get older, and to eat better out of school.

The trial will also help us to assess the impact on poverty of universal provision of free school meals for this age group. The evaluation of the trial will assess whether there are differences between the rate of uptake among those who are entitled to free school meals and the rate of uptake among those who are not. In the future, we will look to extend entitlement to free school meals in order more effectively to address poverty and disadvantage. We want to bridge the gap to which Tam Baillie of Barnardo's Scotland referred last week. At the moment, more children are living in poverty than are entitled to free school meals. The trial will allow us to assess the practical impacts of a nationwide roll-out of free school meals on kitchen and dining capacity, school meal take-up and the costs of providing school lunches.

Yesterday officials met local authority representatives, who are all geared up for the trial and are keen to commence it after the October break. They have already taken steps to address some of the practical issues: some have hired staff and purchased new equipment, where necessary and others have taken steps to accommodate the increased numbers of children who will take school meals. All have written to parents of P1 to P3 pupils to tell them about the trial.

Changing the eating habits of our young people will not be easy, but it is crucial that we try so that they can enjoy a healthy future. The trial will allow us to assess whether universal provision of free school meals for P1 to P3 pupils can help us to achieve that goal. I am pleased that last Friday the Child Poverty Action Group, the Association of Headteachers and Deputies in Scotland, the Poverty Alliance, Save the Children, the Church of Scotland, One Parent Families Scotland, the Scottish churches social inclusion network and Children in Scotland wrote to *The Herald* to express their full support for our free school meals trial. I hope that the committee, too, will support the trial and will recommend that the draft order be approved.

The Convener: Thank you for your opening statement. Could you comment further on the meeting between Government officials and representatives of local authorities that are involved in the pilot? You said that all parents of children who are eligible to benefit from the trial have been written to and advised of their entitlement. Is not it a bit premature for those

letters to have been issued, given that the trial has not yet received parliamentary approval? The committee is to vote on the draft order only this morning, and Parliament will also have to vote on it. It seems that an attempt is being made to ride roughshod over Parliament. It is unacceptable for us not to be given the opportunity to scrutinise the Government's legislative proposals.

09:45

Adam Ingram: I must disagree with you, convener—we are not prejudging the committee's or Parliament's decision. A lead-in time is necessary to make the arrangements for any trial. We cannot just turn the trial on and off like a switch, so it is only sensible that we make appropriate arrangements for local authorities to launch the trial after the October break, as we told the committee we wanted to do. Obviously, if the committee does not approve the trial, the local authorities will write to the parents and tell them that it will not happen. I argue that we have simply proceeded sensibly.

The Convener: Was not that a rather presumptuous way of proceeding?

Adam Ingram: No.

The Convener: A lead-in time is always required for legislative change. We should choose the lead-in time and then base the time of application of the decision on that. Would not it have been more appropriate for the Scottish Executive to have introduced the entitlement in November or December, once the parliamentary authorities had had the appropriate opportunity to scrutinise the legislative proposals, rather than make local authorities work to a rather tight timescale and assume that the committee and Parliament will endorse your proposals?

Adam Ingram: No—I have made no such assumption. A window of opportunity is clearly available to run the free school meals pilot in this financial year and we have the resources to do so, which is why we signalled our intention to the committee and to all concerned. Basically, we have been setting up the process. We have given proper advance warning to the local authorities, which are taking sensible steps to put the trial in place. However, we have not prejudged the committee's or Parliament's decisions. As I said, if the committee or Parliament votes down our free school meals pilot, the local authorities will be stood down.

The Convener: You have prejudged, because the parents of the children who would be eligible have received letters advising them that they are eligible. However, they are not eligible, because Parliament and the committee have not been given the opportunity to reach a decision. You said

in response to one of my questions that, should Parliament choose not to approve the proposal, letters would be sent to the parents to advise them of withdrawal of the provision. However, they do not have an entitlement at present; they have been advised prematurely of an entitlement. It was inappropriate to write to the parents in advance of the committee considering the matter today and Parliament considering it later.

Adam Ingram: I hear what you say and I will check the text of the letters that the local authorities have issued to parents. If the letters use presumptuous language, I will apologise for that, but that was not the intention.

The Convener: I would be grateful if you could provide the committee with any examples of occasions on which the previous Administration wrote to members of the public to advise them of a change to legislation prior to a decision on the legislation being taken by the parliamentary authorities.

Adam Ingram: Yes, we could do that, convener.

Elizabeth Smith (Mid Scotland and Fife) (Con): I will add my concerns to those that the convener raised. An issue arises about procedures. The minister is right that the debate is important; Scotland, the committee and Parliament must have the debate, because the future health of the nation is at stake. I was impressed by some of the evidence that we took last week, so it is a great surprise suddenly to find that letters have already been issued that make it clear to parents that they are entitled to free school meals for their children. I find that difficult to accept, when the committee has not taken more evidence or debated the issue, prior to the matter going to Parliament.

There may be good arguments for having the pilot, but the point is about the procedures, under which we have not been able to debate the issue as thoroughly as we might have done. Given that, our judgment about whether the pilot is good or bad is slightly compromised.

Adam Ingram: I disagree. I notice that the committee discussed last week how to involve parents in the culture change that I talked about. We need to involve them from the outset, so it is appropriate for local authorities to tell parents that the pilot is coming up.

I accept that you feel that to contact parents was presumptuous, but I assure you that we did not presume that the committee would give its approval. We have laid it out clearly from day 1 of the parliamentary session that we intended to introduce a free school meals pilot between October and March. We had a sum of money set aside in this financial year for that purpose. Everyone was aware of our intentions. We are not

presuming that the committee will give its approval.

Elizabeth Smith: Do you accept that, because the issue is so important, the committee still had questions on it at the end of our previous discussion that we wanted to be answered before we could judge whether the measure was good or bad?

Adam Ingram: Absolutely.

Elizabeth Smith: Now that the letters have been issued, it would be extremely difficult to tell parents, "Sorry, this letter was inaccurate. We've got to withdraw the provision." The situation is bizarre.

Adam Ingram: On reflection, perhaps it might have been better to wait to issue the letters after today's meeting. I will check that with officials. If the committee knocks us back today, the only people with egg on their faces are likely to be the Government.

Jeremy Purvis (Tweeddale, Ettrick and Lauderdale) (LD): I have several questions, convener—do you want to take questions just about procedural aspects first, or are we asking questions about general issues?

The Convener: You can move on.

Jeremy Purvis: I will ask about the procedure first. I represent many constituents who have received the form and the tear-off slip, and my constituency includes one of the local authorities that are in the process of hiring staff and purchasing equipment, as you said. When you notified councils of your intention to deliver the pilot, did you stress to them that their hiring staff and purchasing equipment involved a risk, because Parliament had not authorised the pilot?

Adam Ingram: Yes.

Jeremy Purvis: If so, I would have been grateful if we had received written notification of that—I understand that the risk of Parliament's not giving authorisation was not included in any of Scottish Borders Council's preparatory work.

Adam Ingram: I personally phoned the leaders of Scottish Borders Council and other councils to outline the process that would be required, which included the parliamentary approval process. Councils were well aware that we had to obtain the approval of the committee and Parliament for the draft order.

Jeremy Purvis: On that basis, do you criticise local authorities for acting before authorisation was given?

Adam Ingram: No.

Jeremy Purvis: That is a curious state of affairs.

Adam Ingram: What date is this? We have two or three weeks before the October recess. For local authorities just to switch on a pilot without making suitable preparations or giving parents and others suitable warnings would be asking a lot of local authorities. It is only sensible that they make such preparations.

Jeremy Purvis: That is the nub of the issue. You took the policy decision that the pilot should start after the October holidays. The Administration's response to the Subordinate Legislation Committee's questions was telling. It shows that you had considered the options. The Government said that it had

"considered introducing primary legislation"

and that you wanted to move ahead fast. You said that

"Primary legislation remains a future option but in the context of a pilot scheme, in a small number of councils, we decided that it would be preferable, quicker and more efficient to avoid primary legislation at this time."

You took that policy decision.

Adam Ingram: Yes. We have made no bones about it; there is a window of opportunity and resources are available to run a free school meals pilot between October and March of the current financial year, so we have laid a suitable order to make that happen.

Jeremy Purvis: You said that money had been set aside for that purpose. Why not give that money to complement the work that the councils are doing with the hungry for success programme?

Adam Ingram: Because we want to conduct a free school meals pilot.

Jeremy Purvis: If the pilot is successful, will it be rolled out nationally?

Adam Ingram: Obviously the intention of a pilot is to consider practicalities and identify constraints or obstacles to a national roll-out. If those are insuperable, we will not roll out the programme nationally, but if we can establish that it is feasible and we can plan a national roll-out, we will do it.

Jeremy Purvis: For clarity, is it correct that the Government intends that if the pilot is successful, or there are no "obstacles to ... roll-out", all P1 to P3 pupils will have free school meals?

Adam Ingram: That is our intention, yes.

Jeremy Purvis: How much will that cost?

Adam Ingram: That will depend on the outcome agreements and the spending review process that we are currently going through. I think that we have a figure of £70 million; is that right?

David Cowan (Scottish Government Schools Directorate): No, it is not that much.

Adam Ingram: I am sorry; it is around the £40 million mark.

Jeremy Purvis: Last week the committee was told £46 million.

David Cowan: The figure will depend upon uptake. I would have to double check, but I think that the figure was £30 million to £46 million.

Jeremy Purvis: Officials also told us last week that there are no objective criteria for judging the pilot's success. Are you saying that the pilot will be judged a success if there are no insuperable practical barriers to roll-out?

Adam Ingram: Indeed. We also want to measure whether uptake of meals improves significantly, and we want to examine attitudes and behaviours of pupils and parents. We should get enough evidence to determine whether we can improve levels of healthy eating. It should be remembered that the purpose of the measure is to change Scotland's current culture of eating habits, and we should be able to gather some evidence of that during the trial.

Jeremy Purvis: During last week's meeting, the committee members and officials discussed the experience in Hull where, within the six-month period, there were divergent levels of take-up. Officials told us that take-up of meals dropped and then it picked up, but that happened outside the six-month window. Are you confident that six months is sufficient for a trial, given the previous examples where it has not been sufficient time to highlight what you called emergent trends and behaviour?

Adam Ingram: We have plenty evidence that healthy eating has positive health outcomes, so we are not looking to establish that the pilot will lead to positive health outcomes; we know that it will. We are trying to establish the practicalities of rolling out a national programme, whether there are any obstacles to that, whether it would be value for money, whether there would be an impact on average or marginal costs, and so on. We also want to establish what kind of behaviour, or changes in behaviour, we can expect or try to promote.

We are going to consider all sorts of different circumstances. Different schools and local authorities have different practices. We want to identify as early as possible the best practice model, and incorporate it into the national programme.

10:00

Mary Mulligan: Good morning, minister. I am a little concerned about how you intend to use the pilot. What baseline information do you hold on schools in the local authorities that will be involved

that will allow you to assess the pilot's merits, once the results are available?

Adam Ingram: There are basic statistics for school meals take-up, for example.

David Cowan: We intend to gather baseline information before the trial starts. We will measure uptake of school meals in the P1 to P3 age group and in the P4 to P7 age group. We also intend to talk to catering managers, head teachers and other teachers to get their impressions of the situation before and after the trial. We will gather information from the local authorities on costs, capacity issues and so on. They have already agreed to provide us with information before and after the pilot.

Mary Mulligan: You seem to be exercised by preparation for the trial; that is why you have allowed local authorities to provide notification of it at this stage. Do you have sufficient time to gather baseline information between now and the start of the trial?

Adam Ingram: Absolutely.

Mary Mulligan: What do you think about the fact that letters are being sent to parents that suggest that parents will nominate themselves to take part in the evaluation of the programme that Ipsos MORI will carry out?

Adam Ingram: That is an established research methodology, so I am happy to go along with it.

Mary Mulligan: Are you concerned that parents who have more time and are more vocal will put themselves forward while the parents of more vulnerable children, who do not have the time or facility to get involved, will not? We may not learn the lessons that we seek to learn.

Adam Ingram: I do not accept that. We put out a fairly detailed research brief, and the research organisation that we have commissioned has a good track record. As well as undertaking a general sweep of parents' and pupils' views, we will conduct 10 intensive case studies of individual schools, in which the parents of every child who is involved in the trial will be approached and asked to respond to questions.

Mary Mulligan: What are the case studies intended to show?

Adam Ingram: Ten of the schools that are involved in the pilot will be chosen. We will focus on four variables: deprivation and free school meal eligibility; rurality; size of school; and previous levels of uptake of school meals. We will aim to look at a mix of facilities—schools in which all the children eat in a canteen and schools in which other areas are also used. All those factors will be brought to bear, so that we can get a clear and detailed picture of what is happening, what works and what does not work.

Mary Mulligan: You will have heard the evidence that children's charities gave at last week's meeting of the committee. Do you share the charities' concern that to provide free school meals for P1 to P3 is perhaps to intervene too late to be able to change habits that have been established?

Adam Ingram: Guidance to pre-schools and nurseries was issued—in August last year, I think—and the Scottish Commission for the Regulation of Care has been asked to inspect on standards. The care commission will soon produce its report on what is happening out there. I intend to review the report, and if we need to take further action to encourage healthier eating pre-school, we will do so.

We are building on action that has been taken through the hungry for success programme, which focused on pre-schools as well as schools. We are trying to go further based on the steps that have been taken and we hope that in the important period that starts with nursery and pre-school and continues into the first three years of primary school, better eating habits will be established.

Rob Gibson (Highlands and Islands) (SNP): We are not discussing the provision of free school meals for the first time. We should remember that in the previous session of the Parliament there were contentious debates about how to approach the issue. Will the pilot add to work that was done through hungry for change?

Adam Ingram: Do you mean hungry for success? Yes, it will add to that work.

Rob Gibson: Sorry. I wrote the wrong title in my notes.

Adam Ingram: As I said, we must try to change the culture of eating habits in Scotland. We cannot change culture by targeting resources on small or not-so-small groups; we have to do it across the piece. Last week, witnesses who gave evidence to the committee on behalf of charities said that if we want culture change it is appropriate to take the road towards universal provision. We are not suggesting that we go beyond primary 1 to primary 3. However, as I said, the early years of nursery and pre-school followed by primary classes 1 to 3 offer the best chance that we have to bring about a culture change.

Rob Gibson: Charities including the Child Poverty Action Group, the Poverty Alliance, Save the Children and One Parent Families Scotland said that the pilot

"is a very welcome step in the direction towards"

universal free school meals, so the pilot is widely welcomed. Those charities did not give evidence to the committee, but is their view representative of other views?

Adam Ingram: Yes. We are receiving a warm response from local authorities, headteachers and parents, who acknowledge the benefits that such a move would have for their children.

Rob Gibson: Given the budgets that are available, time is constrained. A six-month pilot must be run between October and March, before money stops being available.

Adam Ingram: That is right.

Rob Gibson: Therefore, in the circumstances of this debate, we are trying to move forward with good will. If that good will was reflected, we would have been expecting the charities that gave evidence last week not to demur—and they did not say that there should not be a pilot.

Adam Ingram: Indeed.

Ken Macintosh (Eastwood) (Lab): Minister, I want to follow on from the evidence that we heard last week. The two policy objectives of improving health and tackling poverty through universal application appear to be conflated. You have heard some other concerns about the pilot, but mine is that the pilot will be an expensive way of proving not very much. It will not take us much further forward. In particular, it will not test any alternatives to the policy in the Scottish National Party manifesto—universality for P1 to P3 and a targeted programme for years above that.

Let us consider the health objectives. All committee members want further action, and we are all pleased with the progress of hungry for success and the idea of health-promoting schools. Those initiatives will benefit our country by improving our diet. However, the pilot will give you only some information about the impact of universality in P1 to P3. For example, you will not be able to tell whether the children who were not previously entitled to free school meals but who then took them up were eating more healthily before or after. In other words, the children who take advantage of the pilot might already have had healthy diets before they switched to eating healthy school meals. You will be able to tell only whether they now have a school meal and not whether the school meal is healthier than the option that they previously took advantage of.

Adam Ingram: I made the point earlier that the diet generally made available to youngsters is not very healthy—and that goes across the socioeconomic groups. The likelihood is that children who do not currently eat school meals eat less nutritious meals. The feedback that I have seen from the Hull pilot, for example, shows that packed lunches taken into school are full of not very nutritious food.

That is all part and parcel of what I was talking about—trying to change the culture. It is a

question not of focusing on low-income groups but of trying to change the culture throughout Scottish society to improve our health outcomes.

Your point about poverty alleviation is valid. Although universal provision for P1 to P3 will capture all youngsters—whether or not they are eligible—we know that a number of young people are eligible, but do not take up school meals. I hope that by promoting uptake we will reach that hard-to-reach group. However, with some 25 per cent of the population living in poverty but only 19 per cent eligible for free school meals, capturing that group is not enough. We will need to extend eligibility across the piece, and we will be looking at that in the future.

Ken Macintosh: I will come back to that in a second, but I want to pursue the impact on health. You are saying, in effect, that the pilot does not test that in the sense that it is built on the assumption that a school meal is a healthy option. It will not give you any further information on health benefits.

10:15

Adam Ingram: We are not looking for further information on health benefits, because there is a huge literature on them. We already know that healthy eating leads to better health; that is a given. In the pilot, we are looking at the practicalities of trying to roll out universal provision nationally. What are the obstacles to that? What are the problems with dining room capacities? We want to try to establish what we need to do to sort out those types of issues for the national roll-out.

It will also be useful to examine some of the issues with school meal uptake that Jeremy Purvis talked about. Between the various groups that we are examining, we should be able to get significant results over the six months on what happens on uptake.

The pilot will be data rich in those areas, but we are not trying to add to the sum of human knowledge about the health impacts of healthy eating.

Ken Macintosh: You said earlier that you are committed to extending entitlement. I take it that that means extending it into the P4 to P7 range, or perhaps secondary school as well.

Adam Ingram: Yes—across the piece.

Ken Macintosh: What is your thinking about how you target entitlement? What device will you use to extend the range of free school meals? What information will you gain from the pilot that will help to inform that process?

Adam Ingram: The way to do it is by passport benefits. I think that the entitlement just now is

based on income support, jobseekers allowance and child care tax credit, so the way to extend it would be to move to maximum working tax credit, which was in the Labour Party manifesto, I think. It is our intention to move down that road.

Ken Macintosh: That is interesting. Our manifesto said that that would cover nearly 100,000 children.

Adam Ingram: To some extent, the difference in figures is down to the fact we are also introducing universality in P1 to P3. I acknowledge that there is a discrepancy, but I think that that is the source.

Ken Macintosh: That is interesting and useful.

Jeremy Purvis: Will you clarify for me, minister, whether it is the Government's intention to roll out nationally universal free school meals for P1 to P3 and extend eligibility through benefits to all pupils whose families are on the maximum working tax credit?

Adam Ingram: Yes, that is the intention.

Jeremy Purvis: What would be the total cost of that? The officials told us that the top element—the universal entitlement in P1 to P3—was £46 million. What is the cost of extending eligibility to all pupils whose families are on the maximum working tax credit?

David Cowan: That would be in the region of £16 million to £31 million, based on a 70 per cent to 100 per cent uptake. At current uptake rates, it would be about £17 million, if we average out the cost of meals throughout the country. The uptake right now is 67.5 per cent.

Jeremy Purvis: Is that on top of the £46 million?

Adam Ingram: Yes.

Aileen Campbell (South of Scotland) (SNP): Do you agree that the need for free school meals has added importance given that Scotland is second only to America in obesity levels? How much support will parents be given in the pilots?

Adam Ingram: As you know, the Schools (Health Promotion and Nutrition) (Scotland) Act 2007 places a duty on local authorities to promote the uptake of school meals. To do that, local authorities have to establish a relationship with parents, fully inform them of what they are trying to do and try to involve them as much as possible in healthy eating initiatives. I am keen that that should develop to the extent that the healthy eating that happens in school comes back into the home.

Aileen Campbell: Last week we heard that the example of the Nordic countries, where health and well-being are paramount and universal free school meals have been used as a tool to maintain

health, will be considered. Are you keen to pursue that?

Adam Ingram: Indeed. In the previous session I was a member of the Education Committee and undertook a visit to Sweden to see at first hand the terrific work that is being done there. I think that Ken Macintosh accompanied me.

Ken Macintosh: No, I stayed at home.

Adam Ingram: I would like Scotland to move towards the Swedish model. It will not happen overnight—it has taken Sweden 20 to 25 years to get to the point that it has reached. However, that is the direction in which we should go.

Aileen Campbell: Do you think that the pilot is critical if Scotland is to emulate the successes that the small Nordic countries have achieved?

Adam Ingram: Indeed. I want to build on the measures that the previous Administration introduced and to take them further.

Christina McKelvie (Central Scotland) (SNP): Aileen Campbell has already asked some of the questions that I intended to put to you, so I will get right to the point. I was horrified to read in the media this morning about the obesity figures for Scotland in relation to the rest of the world. We are second only to America, which is startling. If our young people's obesity problems are a time bomb—that is how they were described this morning—surely it is best for the pilot to start sooner rather than later. If we have only six months between October and the new financial year, we should use that time to start the process with children in P1 to P3, so that by the time they get to fourth, fifth and sixth year we have begun to address the problem of obesity, which seems to hit kids between the ages of 14 and 18. I hope that you will agree that, although the pilot is for only six months, it is not a short-term method of dealing with the problem. Rather, it is the first step in a long-term culture change.

Adam Ingram: I agree absolutely. Exercise is another means of addressing the obesity problem. However, as I indicated in my opening remarks, there is no time to lose. Our eating habits and health outcomes are extremely poor. Through the hungry for success programme, the previous Administration started to change that. I want to take the programme further and to move Scotland forward.

Jeremy Purvis: Would you be alarmed if the return rate of forms in one of the pilot areas—for example, the Borders—was slow and low, because parents know and have been told that the provision of universal free school meals is not permanent, but for only six months?

Adam Ingram: I do not follow your question.

Jeremy Purvis: If the return rate of forms from parents opting into the pilot is low because they have been told that provision is for only six months, will you be concerned that the pilot is in no way an accurate gauge of parents' intentions regarding take-up?

Adam Ingram: I do not think that the return rate will be low. I hope that in the pilot areas we will be able to continue universal provision of free school meals in P1 to P3, but I cannot guarantee that. As you well know, in the context of the spending review we are in the process of trying to reach outcome agreements with local authorities. However, the intention is to continue provision.

Jeremy Purvis: That comes down to the priority status the policy is given. Committee members have warmly welcomed the pilot and cited other bodies that welcome it. You talked about your intention and said that what happens will depend on the spending review, but you announced the pilot in advance of announcements on the spending review. It is news to parents in my constituency that the programme might be continued in the Borders after March. That is brand new information—

Adam Ingram: I cannot give that guarantee. It would be irresponsible of me to do so, because we must assess the outcome of the pilot. All that I can say is that, if the pilot is successful, our intention is to roll it on in the five pilot areas.

Jeremy Purvis: Options are emerging as the meeting goes on. You said that if the pilot is successful the programme might be rolled out in just the pilot areas rather than nationwide. Parents in my area have been told that the pilot will last six months, but in a month's time when the results of the spending review are known they might be told that the programme will be rolled out. They have not been told whether there will be universal provision in other council areas, so I am not sure about the status of universal provision for constituents of mine in Penicuik in Midlothian—neighbouring the Borders—where universal provision is not being piloted.

Committee members talked about the benefits of universal provision as part of our anti-obesity strategy and approach to the nation's health. It is bizarre that there should be no provision in a primary school in Penicuik when there is provision in a primary school in Peebles, across the local authority boundary. Indicators of deprivation in Penicuik are such that you might expect the town to be given higher priority than Peebles. However, you seem to have taken the decision.

There is no indication that provision will be rolled out nationally, because you are waiting on the spending review. You said that it would be irresponsible to guarantee a roll-out, but it is

irresponsible of you to have made an announcement in advance of the spending review period, given that you could have proposed to the committee and the Parliament a coherent national approach.

You said that the pilot's purpose is to test effectiveness and gave the example of dining room capacity. I would have thought that local authorities and schools would already know the capacities of their dining rooms.

We learned from the Hull pilot—a real example—that six months is not long enough to allow us accurately to gauge levels of take-up, so you will make artificial decisions at the end of the pilot. However, as you said, the reality is that everything depends on the spending review, which means that the principles can go out the window. You can work out how much cash you have and then suit your policy to fit. Is that not so?

Adam Ingram: Which bits of that will I pick up on?

The purpose of the pilot is to establish the basis for a national programme roll-out. If the pilot is successful in that regard, we will move on to national roll-out. It is obvious that all will be determined by our negotiations with local authorities on outcome agreements and so on, so I cannot give a definite indication on timings. However, if the pilot is successful it will surely not be sensible to ask the areas in which it was conducted to stand down and go back to the status quo ante. All I suggest is that if the pilot is successful, we hope that free school meals can roll on in the pilot areas. I would have thought that you would welcome that.

Jeremy Purvis: To follow on from Mary Mulligan's point, can I be clear that you are not publishing the absolute criteria for how you will gauge success?

Adam Ingram: I do not know what criteria you are looking for. We have been specific about the areas in which we are looking for information.

10:30

Jeremy Purvis: That is contrary to what we were told by your officials last week. The current take-up of free school meals in the Scottish Borders Council area is 33 per cent. The council has been given an indicative level for the financing of the pilot of more than 80 per cent, but that is just indicative. We do not know how that pilot will be judged a success because you have not given a target for take-up. I am suspicious that you will decide whether the pilot has been successful when you realise how much money you have from the spending review, rather than publish the criteria now on targets for take-up, which would

allow an objective, independent analysis of whether the pilot is successful.

Adam Ingram: We would love a target of 100 per cent, but we are trying to establish from the pilot the take-up rates that we can expect and what we can do to bolster those rates with the introduction of universal provision. The notion that we pick a figure out of the air and say that that is the target that we are aiming for in the pilot is frankly not relevant.

The Convener: Minister, is this just a case of, "We'll introduce a pilot and see what happens", or do you have specific criteria on which you will judge its success or otherwise? If you have specific criteria, what are they?

Adam Ingram: If you want, I can read out the research objectives for the record.

The Convener: We have them. What we want to know is how you will judge the pilot's success. You can have objectives, but how will you measure whether the policy has been successful?

Adam Ingram: Basically, we do that from the results of both the quantitative and qualitative research. The qualitative research will focus on parents, children, headteachers and schools. We will get feedback from them on the benefits that they see from the pilot. That will be extremely important and will give us information on whether we can achieve a culture change. A culture change is not susceptible to figures or to saying, "We'll achieve 60 per cent here and 30 per cent there." We have to see the attitudes and behaviours developing, and we should be able to identify them within a six-month pilot. That is the key.

There are statistical things that we can measure, such as school meal take-up. If we found that school meal take-up went down with the introduction of universal school meals, it would suggest to me that it was not a success. However, if it goes up significantly, I would suggest that that could be a success measure.

The Convener: So, if the take-up falls in any local authority area where the pilot is being run, will the Executive deem it to be a failure?

Adam Ingram: It would certainly call into question the rolling out.

The Convener: Are you aware that, when the free school meals pilot was run in Hull, there was an immediate downturn in take-up?

Adam Ingram: Yes, but there were very specific circumstances. You might recall that Jamie Oliver was on television at that time demonstrating how most school meals were absolutely appalling—children were served up turkey twizzlers and the like. Parents were obviously put off asking their

children to take school meals. Since then, with the introduction of nutritious school meals, the take-up rate in Hull has gone up dramatically. I understand that it is at 65 per cent.

The previous Administration's work has taken us to a position in which school meals in Scotland are recognised as nutritious, so we will not have the same circumstances as occurred in Hull.

The Convener: We may not; we need to wait and see. You have made clear today your position that if uptake falls, the pilot will be deemed unsuccessful. By what other criteria will you judge the initiative's success or failure?

Adam Ingram: I have already indicated that we are looking for some positive feedback on changes in attitudes and behaviours that would indicate the level of culture change that we want to bring about.

The Convener: Who will say whether there have been changes in behaviour? How will you measure them?

Adam Ingram: That is what the research is all about. In essence, that is why we have commissioned the researchers to conduct the research and find out for us.

The Convener: If somebody said that they liked getting a school meal and that it made them feel more positive, would that be considered qualitative data on which we will judge the initiative's failure or success?

Adam Ingram: No. As I was a professional consultant in my previous life, I know that there are standard research methodologies for qualitative research—questionnaire surveys, for example. It is not a question of anecdotal evidence but of being able to analyse the evidence that one collects.

Elizabeth Smith: I think that there is unanimity in the committee that childhood obesity is an extremely important issue. As Christina McKelvie rightly says, it is all over the newspapers and we must do something about it. I fully accept that the pilot may—I stress the word "may" carefully—be important in addressing it, but so may other things, and the jury is out. Forgive me for saying so, but some of the answers that have been given this morning are a little vague. The jury's decision on the qualitative analysis of the pilot scheme is important. I return to the fact that it is a discourtesy to the committee and the Parliament not to have debated the full implications of the pilot and the other options before you sent the letters out.

Adam Ingram: I understand your concerns, but there was no intention to be presumptuous about the final decisions that will be taken by the committee or the Parliament. We are talking about standard practice for trying to prepare local

authorities for the introduction of a scheme. If the committee or the Parliament decides against the scheme, the local authorities will have to be stood down.

Elizabeth Smith: Are you confident that the information that is provided in the letter to parents is entirely accurate?

Adam Ingram: I have not seen the letter, so I cannot say that.

Jeremy Purvis: On the criteria for the pilot, you said earlier that a universal approach is necessary for a culture change. You have made a policy decision in favour of a universal approach. If you have made that decision, the only thing that the pilot could indicate is that it is wrong. Therefore, the standard of the pilot is critical, which is why there have been questions about it. You said that you would expect significant uptake. The objective is simply to measure the change in uptake, but it is fair to ask about more than whether uptake falls or increases. To judge the success or failure of a pilot, we require more than simply a measure of its impact; we require an objective to be met against the value-for-money test. If you want to roll out a £46 million scheme, for the Parliament to be satisfied that it is value for money you would have to have clear targets by which you were able to judge it.

Adam Ingram: You are looking for a numeric target. I am saying that we have one or two such targets, but I am looking for evidence of significant changes in attitude and behaviour. That is appropriate to the pilot's overall objective, which is to ascertain whether we can achieve the culture change of moving to healthier eating habits. I suggest that such an approach is not unusual and has been applied to other parts of government many times. It is not deficient not to have several statistical targets that determine whether to roll on from a pilot into a national programme.

Jeremy Purvis: We heard last week that the new nutritional guidelines will come into force early next year and that councils are gearing up for that. All the councils that are involved in the pilot are gearing up—Scottish Borders Council certainly is. How will you judge the difference between increased uptake because of the food quality and its heavy promotion in schools and in the local authority's area and increased uptake because of the pilot? You have talked about the impact of a promotional campaign and of food quality, rather than the cost of a meal, on uptake.

Adam Ingram: That will be one of the issues that the research will address. We know that the uptake of free school meals is double the uptake of meals that children have to pay for, so I assume that the uptake of free school meals in the pilot will be significant. Other variables play in that—I have

given the committee an idea of those in relation to the case studies that we are doing. We can gather a rich data set during the pilot that will inform a national roll-out and establish best practice models to allow us to provide guidance.

Mary Mulligan: You have said that you want a culture change in eating habits across the board. It is clear that we will not see that outcome from a six-month pilot study. I suggest that culture change will not be achieved solely by offering free school meals. Do you have other measures in mind? If so, will you run them at the same time as the pilot project?

Adam Ingram: As I have said, we are not considering the pilot in isolation. I want to deepen several measures that flow from the previous Administration's hungry for success programme.

Mary Mulligan: Will you be a bit clearer about what they are?

Adam Ingram: I await a report from the Scottish Commission for the Regulation of Care that will tell me how well nutritional outcomes under the standards for health and well-being are being met by our guidance on healthy eating in nurseries and pre-school provision. That is one element. The second element is universal provision in the early primary years—P1 to P3. The third element is extending eligibility for free school meals to alleviate poverty. That is the approach that we are taking to building on what has gone before.

The Convener: That concludes the committee's questions to the minister, whom I thank for his answers.

Subordinate Legislation

Provision of School Lunches (Disapplication of the Requirement to Charge) (Scotland) (Order) 2007 (Draft)

10:44

The Convener: The third item on the agenda is formal consideration of the draft order. Members should have with them a copy of the draft order, a cover note, and a briefing paper from the Scottish Parliament information centre.

Motion moved,

That the Education, Lifelong Learning and Culture Committee recommends that the draft Provision of School Lunches (Disapplication of the Requirement to Charge) (Scotland) (Order) 2007 be approved.—[*Adam Ingram.*]

The Convener: We can now debate any issues that have arisen as a result of our lines of questioning in item 2. I seek an indication from members who have something to say. There are no further questions for the minister, so this is an opportunity simply to state your position for the record, if you feel that that is appropriate. The minister can respond to the debate.

Elizabeth Smith: I feel that our decision is compromised by the situation that we discussed earlier: information has gone to the councils prior to proper scrutiny by the committee.

Jeremy Purvis: If the draft order is agreed to today, Parliament will have an opportunity to discuss it next week. I wish to register my frustration not only as a member of the committee but as a local member. Parents will today receive a further piece of information that the form that they have been asked to fill in may be inaccurate. Depending on what the minister will decide, on non-objective criteria, the pilot may be rolled out in the Borders but not in Midlothian. The minister told the committee today that, because of the spending review, there is no indication of further finance or, indeed, of an allocation to local authorities in the next financial year.

Later in the agenda we will discuss an SSI on the extension of the provision of school education to children under school age. The Executive note for that instrument says that an allocation has been made for 2008-09, with the proviso that that is subject to review because of the spending review. Nevertheless, an allocation of £21.75 million has been made. The lack of clarity is not fair for parents—I hope that that will be discussed in the chamber next week.

Mary Mulligan: As a result of this morning's discussions I still have some concerns about the purpose of the pilot. I agree totally with Christina

McKelvie when she says that we should all be concerned about the levels of obesity in Scotland. I understand the desire to change the culture, but I am not yet convinced that this is the way to do it. More measures need to be introduced—in regard to eating and, as the minister said, in regard to activity. I am concerned that the pilot will not show us what changes can be made by offering free school meals.

I hear what the minister says about this being a window of opportunity, but it seems to be a case of, "We've got a sum of money. Let's spend it on this, although we're not sure whether it will prove what we want it to prove." I think that the minister, because of his background, will accept that that is not particularly scientific. However, we should accept this opportunity as it stands and support the pilot.

My further concerns are the same as those of Jeremy Purvis: how we progress this at a later stage. I would hate to think that we are building up expectations that the minister cannot fulfil. The evidence provided by the pilot may not be the evidence we are hoping for, and we would then have a dilemma about whether to continue. I am uncertain about the process, but I do not oppose our going ahead with the pilot.

Ken Macintosh: I echo the comments of my colleagues: I am slightly disappointed. The minister said that the work on the pilot would build on the work of the previous Executive. There is no doubt that there is broad support for improving the diet of our young people and of the nation as a whole, and for tackling our growing obesity problem. I am sure that we all share the underlying policy objective of inducing cultural and behavioural change among our young people. The difficulty is that I am not entirely convinced that the pilot will do that or that it will test anything. It is called a pilot, but I am not quite sure what the Executive is piloting. It seems to have made up its mind on a number of areas.

Although the pilot will add some information—for that reason, it is, on balance, worth supporting—it will not add a huge amount of information. In particular, it will not test any of the alternatives to free school meals. If we want to improve the take-up of school meals, universality is not the only issue to consider. We know that there is a problem with take-up in many areas in which free school meals are provided. It is also evident from the pilot areas that there is a huge divergence in take-up between different authorities. The pilot will provide some information, but I am not sure that variation in take-up will be investigated properly.

There are other issues to do with school meals that we must pursue. For example, we must consider how we can improve the diet of children who do not take school meals. Many policies can

be introduced in that area, on which I hope the minister will follow through, including the provision of guidance on what should be in packed lunches, the imposition of controls on who sells food outside schools and consideration of whether children should be allowed out of school to go to mobile shops and other establishments.

I am left with the impression that the Government is committed to quite an expensive policy and that the pilot is a rather cheap way of introducing it initially. In other words, the pilot is not actually a test—it is just the introduction of a policy. Although the pilot is cheaper than the policy as a whole, it still involves the spending of a lot of money on something that will not take us much further forward.

I am slightly disappointed given that, underneath it all, I do not doubt that we share similar policy objectives. I hope that the minister will come back to the committee at a later stage with further information on the uptake of school meals and on the poverty alleviation measures to which he referred. I was pleased to hear that the new Administration is committed to meeting Labour's target of making 100,000 children eligible for free school meals. That is the best bit of news that we have heard this morning. I ask the minister to consider the other poverty alleviation measures that the committee has discussed, such as breakfast clubs and entitlement to school meals over the holiday period, as well as further work at pre-school level.

Aileen Campbell: As an individual, I have been convinced of the case for universality for some time now. We have all agreed that we need to make every effort to improve the health and diet of the country. I am convinced of the case for universality partly because of the stigma that is attached to taking free school meals, which is an issue that has not cropped up today. When I was at school, my parents did not take up the chance for us to have free school meals because of that stigma. I hope that the Government will continue to address that issue and to look at existing best practice. As was discussed last week, Falkirk Council has an anonymous card system for free school meals, which would be a helpful measure to consider when the scheme is assessed further.

Rob Gibson: It is obvious from the evidence that we gathered last week that work on the pilot will not take place in isolation. I asked the witnesses at last week's meeting about the quality of the environment in which children eat their school meals. Tam Baillie said that addressing those conditions is part of the process of improving uptake and that free school meals have a part to play. He said that the environment is an important consideration and that there might be differences in provision between local authorities

or between schools in the same local authority area. We are dealing with variables, and that is why it is difficult for the committee to pin down the details of research presented to us by professional organisations.

If we are to make progress, it will be important to add to the sum of knowledge. This pilot will add a good deal to the sum of knowledge, because there has never before been a commitment to trial free school meals on this scale. Given the financial constraints, I think that attempting to add to the sum of knowledge is a good use of money.

The pilot will not take place in isolation. At a November conference that ministers are underwriting, we will hear evidence from Hull. That will inform the research as it comes to a conclusion.

I understand the problems with lead-in times and with financial constraints, and I understand members' concerns, but I hope that members will have the good will to acknowledge that, on balance, the pilot is worth doing for the good of children. They and their parents might be very surprised if a section of this committee said, "No, we're not having this. We're not making any commitment this year to trialling free school meals."

The Convener: Minister, there are lessons to be learned from the way in which this matter has been handled. I do not think for one minute that the committee would want to prevent the Government from making policy announcements—it is absolutely your right to make such announcements—but you have set the timetable for this policy initiative. To avoid any doubt, you should have given careful consideration to how it would be implemented and to the important role of Parliament's committees in scrutinising it. Parliament as a whole should have its say. I hope that you will reflect carefully on whether the issue has been handled as well as it could have been. What has happened should not happen again.

Like many members of the committee, I share the Government's desire to improve the eating habits of Scotland's children and young people. Benefits could follow—for example tackling obesity and improving attainment and discipline in schools—but the committee should have the opportunity to scrutinise and evaluate any proposals.

I have some reservations about whether the proposal before us will ensure that some of the most deprived young people in Scotland—the ones who need the most help—will actually benefit. The test of whether the pilot is successful will be whether uptake rises or falls.

I accept what was said about the special circumstances in Hull, but there will be special circumstances here too as the provisions of the Schools (Health Promotion and Nutrition) (Scotland) Act 2007 are rolled out. We know from our experience with hungry for success that changes to nutritional standards in schools have led to a fluctuation in uptake. That could have a negative impact on this pilot. One of the main criteria for judging the pilot will be whether uptake falls, so I have some concerns.

I also have major concerns about how we will judge whether the young people who take up their entitlement are the young people who will benefit the most from having a healthy school meal. We all want our young people to eat healthily, but some of us have concerns about whether the pilot is the most constructive way in which to proceed.

Minister, you have an opportunity to respond to the points that have been made in the debate.

11:00

Adam Ingram: I am sorry if committee members feel compromised by decisions that were taken or preparations that were made for the free school meals pilot. That was certainly not our intention, and I do not think that you are actually in that position. Obviously, you will vote one way or the other based on your assessment of our proposal.

I am conscious of the point about take-up, disadvantaged groups and the like. We share the objective of trying to ensure that disadvantaged children in particular are captured in anything that we do to promote healthy eating.

In relation to preparing for the committee, I will certainly learn some lessons from the experience. I hope that we will establish a constructive relationship. We both support many of the policy objectives of the proposal and of the hungry for success initiative. I am content to move on. I look forward to working with the committee and making available the results of the pilot, if it is approved, later this year.

The Convener: The question is, that motion S3M-419 be agreed to. Are we agreed?

Members: No.

The Convener: There will be a division.

FOR

Campbell, Aileen (South of Scotland) (SNP)
Gibson, Rob (Highlands and Islands) (SNP)
McIntosh, Ken (Eastwood) (Lab)
McKelvie, Christina (Central Scotland) (SNP)
Mulligan, Mary (Linlithgow) (Lab)
Purvis, Jeremy (Tweeddale, Ettrick and Lauderdale) (LD)
Whitefield, Karen (Airdrie and Shotts) (Lab)

ABSTENTIONS

Smith, Elizabeth (Mid Scotland and Fife) (Con)

The Convener: The result of the division is: For 7, Against 0, Abstentions 1.

Motion agreed to.

That the Education, Lifelong Learning and Culture Committee recommends that the draft Provision of School Lunches (Disapplication of the Requirement to Charge) (Scotland) (Order) 2007 be approved.

The Convener: We will notify the Parliament that the motion has been agreed to.

I suggest that we have a comfort break of five minutes to allow the minister to leave and a changeover of witnesses.

11:04

Meeting suspended.

11:10

On resuming—

Scottish Government's Skills Strategy

The Convener: I reconvene the meeting. Our fourth agenda item is evidence taking on "Skills for Scotland: A Lifelong Skills Strategy" by the Scottish Government. We invited Scottish Enterprise to give evidence, but it indicated that it preferred to come before the committee at a later date, once this afternoon's announcement had been made. The Scottish Enterprise witnesses could have come and indicated what the Cabinet Secretary for Finance and Sustainable Growth is likely to say this afternoon, but they seemed a little reluctant to do that. Obviously, they did not want to steal the minister's thunder.

I welcome our first panel: Howard McKenzie, the acting chief executive of the Association of Scotland's Colleges, and David Caldwell, the director of Universities Scotland. Members are keen to get started. Elizabeth Smith will open our questioning

Elizabeth Smith: First, thank you for coming to committee today. I am extremely interested in what you have to say. My first question is on vocational training and the links between colleges and schools. A fundamental issue is the increasing number of youngsters who are in need of the long-term vocational training that leads to full-time employment. What are your views on that?

Howard McKenzie (Association of Scotland's Colleges): The links between schools and colleges are remarkably effective, as all members will know from their constituency work. However, I agree that we could involve more people and that we could do more.

One of the key issues for colleges is that for the past six years our funding has been capped: our income has not grown for six years, yet the economy has grown by 12 per cent. I could easily take on another 100 or 200 school kids, but I would have nowhere for them to go. I have only a certain number of courses and places on those courses and at the next stage up. All that I would achieve by taking them on would be to raise expectations, only to dash them. We need to address that.

We have increased quite effectively the numbers of school leavers who are going through college and improved what we are doing with them, for example we are doing more impact stuff with them, but the process works best when schools and colleges work together in partnership. That does not require a whole group of people to orchestrate it. Often, it is about one of my staff

talking to the teacher who is dealing with an individual to discover the best way of placing them in the college or learning environment.

Every year at Christmas time, I have the joy of giving out the prizes at the prizegiving for our winter leavers, who are the most at risk of becoming NEET—not in education, employment or training—or whatever we are supposed to call it these days. Although their general attendance and academic record may have been appalling, they pull themselves round by never missing a day and getting an apprenticeship. Every year, 200 or 300 people manage to do that, which is great. Any principal will tell you that.

Elizabeth Smith: What are the best practices in terms of the links between schools and colleges? In other words, which work most effectively to give youngsters focus and motivation in working towards their future career?

Howard McKenzie: Those that make it clear where the youngster is going in the long term. We are talking not about simply dumping them into college for a year because people cannot deal with them, but about finding that a particular student has, for example, a desire to pursue a manual construction skill of some sort. They come into college, try out different skills and go on to specialise. That enables them to look ahead and see that, perhaps in two or three years, they will complete an apprenticeship and become a plumber or electrician. The greatest skill lies in schools and colleges working together to try to motivate youngsters. Once they are motivated, which is really great, you cannot stop them, which is brilliant.

11:15

Elizabeth Smith: Are local businesses involved?

Howard McKenzie: They are involved further on in the process. The best practice starts where school and college staff talk about tailoring qualifications for individuals, and then individuals start to aim for those qualifications. Employers come in at that point. Someone going through an apprenticeship needs an employer to give them a placement.

Elizabeth Smith: How much time do you and your colleagues spend in schools trying to develop links? Is it a large part of the curriculum for the youngsters or is it still relatively small?

Howard McKenzie: In most cases, for those who are taking part it is the curriculum—all they are getting in the way of education is their college activity, although they have tasters before then. Schools and colleges have to spend a huge

amount of time making the system work in the first place.

Other principals say that they rarely teach in schools—it is the exception, not the rule. Mostly, school kids come into an adult environment, and that is what works.

The Convener: I see that Mr Caldwell is anxious to answer some of those questions.

David Caldwell (Universities Scotland): Yes. I appreciate that we are talking primarily about the relationship between schools and colleges, and I support Howard McKenzie's views, but there is a lot of muddled thinking and confusion about what are academic and what are vocational courses. One point that we were keen to emphasise in the paper that we have presented to the committee is that more than 85 per cent of the students who are going through university degree programmes are undertaking vocational courses, which are producing doctors, nurses, lawyers, teachers, other health professionals, architects, and so on. Even some of the disciplines that are thought of as non-vocational provide key people to populate the creative industries, which form the most rapidly growing and successful sector of our economy.

I take extremely seriously the connections between schools and universities, and I strongly endorse the point that we have to be aspirational and to encourage people to reach the pinnacle of their capability, because we desperately need young people—and mature students—to achieve the highest level of which they are capable. The future of the Scottish economy depends on it.

Ken Macintosh: I will start with David. The skills strategy makes little mention of universities. Were you disappointed by that?

David Caldwell: Yes, a little. Perhaps I should summarise my reaction to the strategy. First, I am extremely grateful to the committee for giving me this opportunity to give a view on the Scottish Government's recently published skills strategy. It is an important development, and we welcome some of its specific features, which we list in our paper; I am not going to waste the committee's time by reiterating them.

However, I have one point to highlight for particular condemnation—I am sorry, I mean commendation.

Ken Macintosh: I prefer the first one.

David Caldwell: I hope that the record will show that I said commendation.

The skills strategy is placed in the context of lifelong learning, which is hugely important, because crucially it recognises that learning is the fundamental concept, that the development of the individual is central, and that skills acquisition is

not simply a mechanical and impersonal process; it is a human process in which learning is central.

Another way of putting it is to say that the skills strategy must not be too narrow—it has to be inspirational and aspirational. My reservation about the strategy is that it seems to be short on inspiration and aspiration. It misses the fact that the net increase in skilled people—and these are Futureskills Scotland's predictions, not ours—in the next 10 years will be among those at graduate and postgraduate level. The demand at other levels will be either flat or declining. We need the net increase at that highest level—a point that does not emerge as strongly as it might from the strategy, although I do not want that to colour the fact that, in general, I warmly welcome it.

Ken Macintosh: When we debated the issue two weeks ago, all members agreed that a skills strategy is vital. It is not that there is anything wrong with the strategy; it is just that it is perhaps missing something

I have a question for Howard McKenzie. I must correct myself. I called David Caldwell just by his first name, but we have been given strict orders not to talk in familiar terms. I am not being less familiar with Howard McKenzie.

Unlike universities, colleges have been singled out in the strategy for a central role, although I found little to support that. Perhaps you could talk about what the strategy expects of colleges. In particular, I ask for your comments on the importance of addressing funding for part-time students, or part-time education generally. I was disappointed by the lack of focus on part-time learners, given how crucial they are to developing a skilled work force.

Howard McKenzie: I reiterate what Mr Caldwell said. We welcome the strategy. As colleges, we are given a pivotal role. It may not be awfully clear from the strategy what that role is, but we are clear what our role is, and we are clear about what we are going to achieve.

One of the issues for the colleges is how we sit within all the other organisations and how they interface with us. In our submission to the skills strategy, and to this committee, we said that we could spend the money more wisely. One of the key issues is to get everything facing in the right direction. The strategy at least starts to say what that direction might be.

Ken Macintosh: In your submission, you specifically ask for the majority of the budget for modern apprenticeships to be transferred directly to the colleges. We will ask the minister about that later, but will you expand on that? How much are we talking about, and who currently controls that budget? Is that one of the recommendations of the review of modern apprenticeship programmes?

Howard McKenzie: I do not think that the review is that explicit on the matter. The issue has moved on since then. According to Scottish Enterprise, colleges contract for half of all modern apprenticeships in Scotland. At my college, we do not have any; we do everything through intermediaries. If you add them in, we are already delivering about 70 to 80 per cent of all modern apprenticeships, yet, because the money goes through Scottish Enterprise, a huge audit and administrative trail goes with it. One of the reasons why I do not have contracts is that I was spending about 70 or 80 man days on audit for about £4 million of income, whereas with the Scottish Further and Higher Education Funding Council, which gives me £12 million, I spend only 20 days on audit. The money can be used a lot more effectively by pointing it where it is needed.

One idea that has been raised is business bursaries. I have run several small businesses in my life. Finding the time or the inclination to train when you are running a small business is terribly difficult. Our idea is that if somebody has signed up to train someone over a period, they could get paid a dollop of money for each day that that person turns up. That gives a small business a real incentive, first to take somebody else on, and secondly to train them and send them to college. That is going back 30 years, I might add, but it is a highly effective way of engaging with small and medium-sized businesses.

Ken Macintosh: The general perception is still that undergraduates are young people who have just left school, whereas the reality in colleges and universities is quite different. Given the importance to the university sector of part-time education and of general funding to promote skills, I ask David Caldwell whether the strategy addresses any of those issues sufficiently.

David Caldwell: It begins the discussion, but I suspect that its authors would admit that it does not take us all the way to a conclusion. It suggests a broad direction in which to go, but a great deal is still to be worked out. If we accept that as the basis for the strategy, perhaps we are not in too bad a position. However, we must recognise that an enormous amount of work remains to be done and that one issue that needs a great deal of attention is part-time students.

We have given a lot of attention to financial support for full-time students in recent years. It has always been acknowledged that the part-time situation has not been sorted and still needs to be looked at carefully. Perhaps the most obvious illustration of that involves tuition fees: a full-time undergraduate domiciled in Scotland will not pay tuition fees, although most part-time students will have to. There are various useful schemes, such as partial waivers of part-time fees, but there is no

convincing holistic picture. There is work to be done.

Aileen Campbell: What are your thoughts on parity of esteem and how the strategy's focus on vocational subjects will impact on entry to degree courses?

David Caldwell: I return to my theme of muddled thinking. "Parity of esteem" is a well-meaning phrase, and I know what is being got at, but one of the problems is that esteem, like beauty, is in the eye of the beholder. You cannot legislate for esteem; all you can do is try to be the best.

When I remarked earlier about the vocational content in university courses, one of the issues that I had in mind was the prevalent misunderstanding that what colleges do is vocational and what universities do is academic. It is not helpful to think in such terms, because there is no simple divide between the two. Most university courses are vocational, and some of what happens in colleges is non-vocational. There is absolutely no harm in that. Some of the non-vocational stuff that the colleges do is tremendous and serves an extremely important social function.

We need to get away from the false dichotomy—the false association—of one sector being academic and the other vocational. The biggest step towards achieving genuine parity of esteem would be if we avoided talking of those two categories as if they were totally distinct. In my view, few programmes in universities or colleges are either entirely academic or entirely vocational—in almost every case, there is a combination of the two, although the proportions vary from one programme to another. We need to engage in a more thoughtful way with the question of what is vocational and what is academic and with where such programmes are offered. If we do that, we will begin to move towards genuine parity of esteem.

11:30

Rob Gibson: I turn to the proposal to expand the Scottish credit and qualifications framework. Can you give us a sense of the range of courses that are available in colleges and universities? Is there a need for more courses or fewer courses?

David Caldwell: I begin by declaring a non-pecuniary interest: I am a director of the Scottish Credit and Qualifications Framework Partnership Company. It is only fair that I point that out to the committee, even though it is not a remunerated post and I derive no financial benefit from it.

I am a true believer in the SCQF, which is a tremendously useful device for aiding learners to find their way through the rather complex network

of learning opportunities that are available to them. I acknowledge that we are still at an early stage in the development of the framework, but we ought to be proud of it, because in many ways it is the most advanced such framework anywhere in the world. We have incorporated into it all university qualifications and virtually all college qualifications.

The challenge that we now face is to expand the framework to bring in forms of learning that are offered by other providers, as far as that is possible. That will bring real benefits, not just because it will help learners to find their way to a better learning path than they would otherwise have followed, but because it will be of huge potential value to employers, as it will make it easier for them to evaluate qualifications and how relevant they are to the kind of person they want to recruit.

As I said, I am a true believer in the SCQF, but we face a significant challenge in expanding it and spreading the news about it as quickly as we can. For an initiative that is so central to the lifelong learning strategy, it receives quite modest support from the Government: we are talking about slightly more than £0.5 million a year. It would be of enormous help to the SCQF in making progress if even a fairly modest improvement in that support were achieved.

Rob Gibson: I presume that our discussions will add to the sum of knowledge on how the framework might be rolled out. David Caldwell said that future demand in the economy would be aimed mainly at people with degrees and postgraduate degrees, but I am concerned that we might be missing a point. Many of the jobs that are accessed through modern apprenticeships are vital to the running of society, which is why I asked about the range of courses that are available. Is the plethora of courses that are available the easiest way to attract students and to enable them to see a clear path to suitable qualifications? I invite either of the witnesses to respond.

Howard McKenzie: All bar a few college courses have been benchmarked against the framework. When I first trained, I was an agricultural student, and the route that I could go on took up the whole of an A3 piece of paper—all sorts of things were going on all over the place. Two lecturers had to explain the possibilities that were open to me. Now, the framework makes it relatively simple to work out what the next qualification is. A range of college courses covering intermediate skills, higher national certificates, higher national diplomas, and years 1 and 2 of degrees, lead into the area that David Caldwell is talking about and the jobs that the economy will require in the future. There is strong demand in the colleges for such provision. The number of courses in colleges has gone down

considerably in the past six years, as we have compacted what we are doing to fit the resources that we are given.

The average college student is 31, and two-thirds of college students study part time. That answers some of the questions that I did not answer earlier. However, there is a huge range, going from a school leaver doing skills for work up to someone doing an HND in the same college. Some colleges in Edinburgh and the Lothians, for example, share some of that work. There is a route for progression and there is a support mechanism for someone to go right the way up, if they want to. They can then go on to university, of course.

Rob Gibson: I am interested in that, because I perceive that the public sector skills groups are already able to tap into a large range of courses that are needed, for example, by the health service, social services and child care services. We mostly agree that those courses cover all the bases, but I am concerned about whether private sector training organisations see the need to create more courses. You said that the number of courses is reducing. Is there a false dichotomy? Is there something different about the way in which the public and private sectors work and how you provide courses to them? It is important for us to know.

Howard McKenzie: I will generalise. I am not an expert in the private sector, although I can talk about the public sector really well. The private sector tends to do things in smaller bites and to train to a specific issue, whereas we tend to do things with the individual. Colleges and universities tend to improve the individual's general intelligence, writing, literacy and skills to the level sought by industry. Individuals get qualifications and industry knows that they are at a certain standard.

The private sector tends to do small bits and pieces for specific things. For example, a company might have a problem with the human resources managers and their ability to manage the HR function, so the company gets the private sector in to provide an HR function course. However, if someone wants to study for membership of an institution, they might go to college to do it.

David Caldwell: Perhaps I could add to that. The SCQF has the ambition of bringing in qualifications that are offered by private providers, where they are interested in securing SCQF accreditation. There is an important qualification to add to that: we must assure the quality of the qualifications. Universities and colleges have a rigorous regime that ensures that they maintain the quality of all provision that they offer. As we bring in more providers, we have to ensure that they are subject to just as rigorous tests of quality.

At the moment, the SCQF is seeking to run several pilots to include qualifications from a limited number of other providers, with the objective that that system will be extended progressively and more providers will be brought into it. Obviously, resources are limited, so we can undertake only so much work at a time. However, we can be pleased with the progress that has been made so far, in that a huge range of qualifications is already within the framework and we are in the process of extending that range as quickly as is feasible.

Jeremy Purvis: The skills strategy was launched with the intention of moving towards a single skills agency in Scotland. What is your view of that?

Howard McKenzie: Although we broadly welcome the idea of improving the services that are offered by the two agencies that are to be merged, we do not see the output from Careers Scotland that people seem to think exists. As I said, we usually work with the schools at teacher level, and Careers Scotland does not really come into that equation, although it probably should. Indeed, some money was cut from further education funding to give to Careers Scotland for it to come into that equation, but we do not see it happening.

To a certain extent, learndirect Scotland is a market intermediary in a market that has not failed, in as much as it provides me with about seven leads a year for my college, which I cannot take, because I am overfull. Even if it produced 1,000 leads for me, I could not do anything about it, because I am oversubscribed.

Incidentally, the Executive is doing a piece of work on unmet demand in colleges, which the committee might want to see when it is published in October. It will tell you exactly where the people are going, which is nowhere, really.

On the skills agency, it is a better idea than anyone else has had so far.

David Caldwell: I am agnostic on this subject. When the consultation on the future of Careers Scotland took place, Universities Scotland, like the majority of other respondents, favoured it becoming a freestanding non-departmental public body. I do not think that our view on that has changed. We will be interested to see how the proposed merger with learndirect Scotland works out. However, I am not clear about whether it will constitute a skills agency. We need to know a little bit more about the purpose and aims of the body. As I understand it, it is intended to be the nucleus of a skills agency, but, as yet, the proposal remains relatively vague. We would like to know more.

Jeremy Purvis: We will be hearing from the minister. What do Universities Scotland and the

Association of Scotland's Colleges think would be the value of a national skills agency? What would it do?

Howard McKenzie: You would have to ask the minister. I do not think that I can answer that.

Jeremy Purvis: What would you like the agency to do?

Howard McKenzie: You asked what would be the value of the skills agency. We have to work out what value it would add to what already exists. The universities and the colleges are funded by the funding council: although the funding council has its moments, it is a remarkably effective shovel. One wonders whether a skills agency that would take into account issues around Futureskills Scotland, and pronounce on the amount of skills needed, would work. Such an approach did not work in Singapore, where the body that was set up felt that it could dictate exactly how many plumbers to train, but forgot about emigration and immigration, so the whole thing fell to pieces after about three years. I do not believe that you can predict skills demand.

Ray Harris of Telford College has said that he could run a college on drama students alone, but because there are no jobs for them, he does not. I could run a college on student plumbers and electricians alone, but I do not, because we need a mixed economy. We have to make that local judgment. That is how the process works. Universities are clearly more globally local, if you see what I mean. As a college principal, I have to make decisions all the time about which courses to run and which way the economy is going. I listen to what the business organisations are saying, which enables me to change the curriculum. Because the economy in Midlothian has changed, I am in the process of a £53 million rebuild of a load of buildings that were originally designed to teach miners in.

Jeremy Purvis: Mr Caldwell said that the aspect of the strategy that demands particular commendation is lifelong learning. The approach to that in the strategy is broadly the direction in which we should go. How does the strategy differ from "life through learning; learning through life", the previous strategy?

11:45

David Caldwell: I am inclined to see one as a subset of the other. One of the things in the SPICE briefing that I found interesting was that it suggested that the strategy is a replacement for the previous lifelong learning strategy. If that was the case, I would be concerned.

One of the things that I really like about the lifelong skills strategy and the way in which it was

launched by the Cabinet Secretary for Education and Lifelong Learning at the annual meeting of the lifelong learning forum was her emphasis on the skills strategy's being part of the lifelong learning strategy. I hope that that is genuinely the case.

Every strategy needs to be refreshed from time to time: I am not suggesting that the existing lifelong learning strategy should necessarily be regarded as being set in stone, never to be altered, but if it has been completely replaced by the skills strategy, that does not seem to be adequate. Learning must be the central concept. Skills are a subset of learning—albeit that they are an extremely important subset.

Howard McKenzie: I agree. When we are teaching skills, it is often not the actual vocational skills that we teach. We have just started a new academic year. We screen all our students, and 65 per cent of the students in my college have some sort of reading difficulty. That means that they do not have the right literacy level to do the courses that they are on. We have to plug that gap. By the way, this year's is a smaller gap than last year's.

In many cases, we are teaching people what they already know—we are teaching them to apply the skills that they have. They have learned how to read and write, but they do not use those skills in the way we want. We may class that as illiteracy, but it is actually about inappropriate use of existing skills. We have to brush that up, as part of people's essential learning, and we do so by encouragement. One thing that students must do as part of the process is read a book—it might be the first time some of them have ever read a book. That goes to the deeper aspects of learning that a purely skills strategy will miss. Reading in that way is one of the most essential skills for work.

Jeremy Purvis: I would like to ask about the call to action. I hear what you say about skills being a subset of the lifelong learning strategy, but let us consider areas where a different direction will be taken. Chapter 6 of "Skills for Scotland" is headed "The Call to Action". What are you being asked to do differently under the new strategy?

Howard McKenzie: I do not think that we are being asked to do anything differently; it is more about the focus within the strategy. You can call it what you like, but we need to be given the resources to carry out our tasks. It is more a matter of emphasis than anything else.

David Caldwell: You will see from annex A that the universities are not really being asked to do anything much. Referring back to a previous answer to Ken Macintosh, it is a slight disappointment that some parts of the strategy seem to overlook the fact that demand for people with university-level qualifications will increase.

The figures are quite startling. According to Futureskills Scotland, we are going to need nearly 200,000 extra people with postgraduate qualifications within the next 10 years. That is a hugely ambitious target. We will also need about 150,000 more people with first-degree qualifications. Those are where the net increases in demand will be. I would have liked that to have been presented in a more up-front way.

Jeremy Purvis: One of the differences between the current strategy and the previous one is that there are now no indicators and no baseline data against which improvements can be judged. I appreciate your comments about the broad direction that is being taken, but the introduction to the strategy emphasises the ability to judge the benefits of its content. What criteria would you use to judge whether or not the strategy is successful?

Howard McKenzie: Colleges and universities have hundreds of targets that we meet each year. Information exists on the number of students that take part in courses, their ages, what they achieve, how many qualify and what they do afterwards, including their employment. If you are asking me which targets will prove whether the strategy works, I think that you should ask the cabinet secretary that one.

David Caldwell: I am prepared to go a little further than Howard McKenzie—there are some significant measures that can be used. Some are input measures, some are output measures, and some are outcome measures. Given that we will need extra people at graduate and postgraduate level, the rate of participation in higher education is a key measure. Five years ago in Scotland we had one of the best participation rates in the world, but we should consider seriously the fact that the rate has dropped from 51.5 per cent then to just over 47 per cent now. That has happened while other countries have pushed up their participation rates.

Committee members may have seen coverage of the Organisation for Economic Co-operation and Development report last week, which suggested that the United Kingdom is sliding down the international league tables for the proportion of graduates. That is not because the proportion in the UK has reduced significantly but because others have pushed up their rates much faster. The UK has dropped from something like second place internationally to 10th.

Unfortunately, the figures are not disaggregated for Scotland. As we know, the Scottish position tends to be a bit better than the UK position, but given that the UK rate has dropped from more than 51 per cent to 47 per cent, we must be sliding down the table as well. That should give us cause for concern.

Another key indicator is the percentage of graduates in the workforce. The really successful knowledge economies will have the highest proportions of graduates in their workforce. In Scotland, the figure is currently 22 per cent, which is marginally below the figure for the UK as a whole and significantly below the figure in many other developed economies. We have ground to make up, and there are various ways in which realistic targets—or at least indicators—could be set that would help in judging whether the policy was successful.

Mary Mulligan: I wish that we had more time to get into the discussion about the numbers of young people—and older people—entering higher education.

My question has been partly answered—it deals with the witnesses' relationships and partnership working with business and industry. In answering questions from Elizabeth Smith and Rob Gibson, you started to talk a little about that. Feel free to add anything to what you said. What does the skills strategy introduce to the partnership that did not exist already? How does it take the partnership forward?

Howard McKenzie: One thing that the strategy does not do is deal with the role of sector skills councils. Increasingly, we are finding that they cut across what already exists in Scotland in respect of how the Scottish Qualifications Authority looks to industry for guidance on what should be covered by its qualifications. Colleges and universities do exactly the same, with lecturers going out into industry, and we teach people from the industry all the time. Both colleges and universities have a verification system involving people from industry to ensure that we come up to industrial standards. In the case of colleges, that is national, so an HNC in child care gained in Edinburgh is exactly the same standard as one gained in Thurso. We run that process.

The process produces a huge amount of information about how industry is working, and a huge amount of knowledge transfer takes place, particularly in universities at the high level, but also in colleges. For example, techniques in plumbing have changed radically in the past three or four years, so we have changed teaching in colleges to address what is happening in the industry. We are seeing some of that being cut across by the role of the sector skills councils, which are very southern in their views. I do not think that they actually help, because they do not clear the landscape. They do not necessarily add value, although the strategy states that they should not exist unless they do. There are no targets that would show what adding value would mean and by which it could be judged.

David Caldwell: There is nothing novel in the strategy in that respect. It simply urges us to do

what we have been urged to do for a long time, which is to accept that employability is a key issue and that we ought to engage as effectively as we can with employers. Colleges and universities do engage greatly with employers, but I accept that we can become better at it—we need to.

Let us not, though, understate the extent of our achievements. To return briefly to the previous question, another key indicator of success is how employers react to our product. A simple indicator is whether we achieve high employment rates and low unemployment rates for our graduates. Currently, we do achieve high employment rates, and the unemployment rate for graduates is much lower than that for non-graduates. However, we want to do even better.

Beyond that, we can consider how satisfied employers are that graduates and people with college qualifications are ready for work when they arrive, and have the expected skills. Survey results indicate high levels of satisfaction with university graduates among employers—about 85 per cent of graduates are judged to be well prepared for work. The figures are almost as high for those who emerge from colleges.

We need better engagement and we are all determined to work on that. However, much is already happening and we should not underestimate the extent to which we are delivering successfully.

Mary Mulligan: Mr McKenzie spoke about the sector skills councils. How do we redress that imbalance so that you feel more comfortable with them?

Howard McKenzie: The only people who can redress that imbalance are the industries that we serve, to be honest.

Mary Mulligan: Are they receptive to that?

Howard McKenzie: No, they are not, really. In many cases, an industry is not linked to the sector skills council that represents it, which is part of the problem for us. Dumfries and Galloway College, for example, has a particular problem because it is not part of the English set-up, although it nearly is, if you see what I mean. The college has had trouble with the sector skills council in validating its courses in nuclear energy—Sellafield is just down the road from it. The council says that college staff have not been validated by it; the college's reply is that the staff were validated by the Scottish equivalent. However, the council does not accept that that is equivalent to its validation. That is causing real difficulties for the college in delivering its vital nuclear energy courses. We have a similar situation with Torness nuclear power station, in which my college does a lot of training—the same issues emerge because a set of rules or requirements are different. For example, a

teaching qualification from a Scottish university might not be recognised because the rules state that only the English qualification is acceptable.

David Caldwell: I agree with Howard McKenzie. However, using the sector skills councils is not the only way of engaging with employers. If the councils work well, we should engage with them, but performance is patchy among the councils, particularly in respect of how effective some in Scotland are. The question is how successfully they have taken on the Scottish dimension and how well they understand the distinctiveness of Scottish needs.

It is important that we do not regard sector skills councils as the only way in which we can engage with employers—there are other ways. For example, there is a hugely exciting collaboration between universities and the financial services industry in Scotland. That is not being done directly through the sector skills council for that industry, but it is opening up tremendous opportunities. That approach could be constructive and beneficial for Scotland, because the financial services industry is one of our most successful industries, so we need to connect it to learning institutions. We should not feel constrained about how we set about doing that. If the right mechanism is not available, let us try to create one.

12:00

Mary Mulligan: There have been examples throughout Scotland of strong partnership working. You have cited the work that takes place with the financial services sector. How do we build on that good practice to ensure that it happens more often?

Howard McKenzie: Localisation is one of the keys. The various strategies have taught us to value that. Colleges deal with small and medium-sized enterprises, and a couple of big ones here and there. Universities deal with larger enterprises and some small and medium-sized ones as well. There is a mix, but localisation is important because it gives us the ability to change the curriculum to deal with what is happening in Midlothian and East Lothian, for example, in order that we can provide the required skills: colleges can carefully read the barometer of the areas that they serve and shifts of industry can be dealt with.

We do not want to reach the stage at which partnership working can be managed on a national basis—the key is that it has to be managed on a local basis. I could train a lot of people in drama, but there are no jobs in it, so I might as well train them in sound technology, because there are huge numbers of jobs in that field in Edinburgh. I change the emphasis of the offer, and that goes

for every college. Universities do the same, but on a bigger scale.

David Caldwell: Howard McKenzie should demonstrate that the system works: if you can show that it works and provides real benefit for all parties, other industries will be queuing up to engage in the same way.

Aileen Campbell: My points relate to Mary Mulligan's. What is being done for students on campus to match their skills to an appropriate job? If I were a student coming towards the end of my degree course, what could I expect from the university?

David Caldwell: We would need to know what kind of job you were going for. I am unapologetic about the fact that most university courses—or a number of them—do not set out to prepare students for a particular narrow-based occupation. That is valuable and important, especially given the point that Howard McKenzie made earlier about not being able to predict skills demand. What makes learning so valuable is that it develops intellectual capacity and the ability to think. We all know that there are few jobs for life any more—most people will be required to make some sort of significant shift in their career at some stage. In giving people the ability to think and analyse we make a huge contribution to enabling them to make such career shifts. I am unapologetic about not specifically preparing students to go into one narrow slot in which they might see out their career; that is not what education is about. It is, I hope, about nurturing employability, which is the much broader concept of equipping people with skills and learning that will make them attractive to a range of employers.

Some courses channel students in more precise directions. For example, most people who study medicine degrees become doctors. Of course, they still move off into a wide variety of different directions to become general practitioners or consultants in different areas of specialism. There is a wide range even in medicine. Among lawyers, there is even more variation—a significant number of law graduates now do not end up joining law practices, but their law expertise is enormously useful in a wide range of occupations.

Sorry. I have no easy answer to the question.

Aileen Campbell: I wondered whether appropriate careers guidance was offered in universities—

David Caldwell: I misunderstood the question. In a sense, we stood slightly detached from the consultation on Careers Scotland because universities characteristically have highly developed careers services that provide students with a professional service that is targeted specifically at people leaving university with

graduate qualifications, who receive high quality specialist support. The careers services in Scottish universities are particularly well organised because they share knowledge among themselves through the Association of Graduate Careers Advisory Services (Scotland), which is a sort of confederation that allows them all to meet. They seek to offer the highest standard of careers advice. However, that is slightly different from academics seeking to prepare students for a career.

Aileen Campbell: I do not dispute that university should be a place of learning. I just wonder what support is offered to students as they come towards the end of their degree. Reassuringly, you have said that careers guidance is available—

David Caldwell: In the distant past when I was an undergraduate, I got extremely good careers advice from the careers service in the university at which I studied. That was a long time ago and careers services have become better since then.

Howard McKenzie: From the colleges' perspective, we also have effective careers advice services. We tend to train people for specific jobs or specific areas, but we are finding increasingly that people then go off and do other things. For example, we have had a number of beauty therapists go into biomedical work, in which they are involved in testing cosmetics and so on. We also have a large number of people who train in a variety of qualifications but then go into financial services. We do not actually train anyone in an HNC in financial services—that qualification has only just come out—but many business admin people and many who have trained in tourism and as events organisers end up in that big morass that is financial services. We train plumbers for the Royal Bank of Scotland and things like that.

Christina McKelvie: I will target my question at both witnesses. In a previous life as a learning development officer assessor and verifier and as an employment development officer for people with disabilities and mental health issues, I was always struck that people who are preparing for the world of work need the soft learning outcomes such as social skills, interaction, timekeeping and discipline. What is being done in the higher education and further education sectors to meet that holistic need? How has that been embedded in courses so that we target the skills that people need just to function in the workplace? Sometimes when the most brilliant academics and theorists are put in a practical situation, they can talk about the theory but cannot put it into practice. What happens with skills development in that sense?

Howard McKenzie: In most colleges, such skills are not embedded but are seen as a central part of the curriculum—they might be more embedded

in the university curriculum—because those skills are vital. Employers frequently tell college principals that they want people who will turn up on time, behave reasonably, work in a team without destroying it and have a work ethic. They do not necessarily get that with people who come straight out of school. As I mentioned before, most colleges now screen people when they enter to see their skills base: they find that the soft skills are often the least developed. Colleges use various ways to give people those core skills.

In my college, such skills are brought out as a separate process. The best example I can give to show that works is that I send students for work placements to about 450 employers and can guarantee that all but about 20 of the students will get a job where they have their placement. The system works and is a vital part of the process—a year back, we did not have the same output.

Just as the broader education and learning part of university is important, most college students will fall back on those skills when their vocational skills get out of date, which happens quickly. I originally trained as a dairy farmer, which is really useful now as a college principal.

David Caldwell: Universities tend not to have separate modules in the soft skills, although some may have. Training in those skills tends to be embedded in courses. The real test of how effectively that is done is in the employer satisfaction data, to which I referred. The issue is complicated by the fact that not all employers look for exactly the same things. Although the majority of employers emphasise the value of soft skills, I have heard one senior executive of a major pharmaceutical company say that he is absolutely not interested in those skills and that he just wants the best trained scientists to do the research in his company—he does not care about the soft skills at all. However, in the great majority of programmes, such skills are taken seriously. University graduates tend to come with those abilities.

Christina McKelvie: In the past few years, there has been a downward trend in participation, from 51 per cent to 47 per cent but, if I picked this up correctly, we are told that we need an extra 200,000 graduates in the next 10 years. How can we encourage people who are more challenged in the soft skills to come into the education system with a view to developing their skills? I am talking not about youngsters coming out of school, but about older people. I am not surprised that the average age of students at college is 31. How can we encourage people who might not necessarily go down that route?

Howard McKenzie: One way in which we can do that is through the SCQF and by getting people to migrate up through it. People who have the original core skills to work from can build on them

and move up. People face barriers such as the need for loans and support mechanisms at various stages as they go through the process, but we can easily iron out those issues. We must strengthen the links between colleges and universities so that progression is seen as something that happens rather than a barrier that people must get over. That is from the colleges' end.

Earlier, Christina McKelvie mentioned discipline. The colleges have an adult environment and, in most cases, the discipline is that of the workplace. The transition for school leavers is difficult—it is a shock for them when they get to 16 and find out that there is no longer a statutory duty to educate them and that colleges can ask them to leave. Colleges are aware that, when they do that, those people go out into the wilderness. That is a serious issue on which colleges spend a lot of time. However, it is essential that people have that discipline and can behave properly in the workplace—it is far more important than reading and writing, because without it, they will simply go out and get the sack.

12:15

David Caldwell: I do not carry in my head the average age of Scottish university students, but I know that it is higher than most people think. There are many mature students in the system and, notwithstanding the problems of part-time support that we have already discussed, many of them study part-time.

I am not pessimistic about the prospect of encouraging more participation, because history indicates that if capacity is made available, demand will follow. In the 1960s, when the participation rate was below 10 per cent, people were extremely sceptical about the Robbins expansion and about whether the rate could be raised significantly. It was achieved easily. Similarly, there was scepticism about the expansion in the early 1990s. There are sceptics around even now; however, if you doubt that such an aim is achievable, you should look at the nine or so other countries—including Finland, which is making huge advances—whose participation rate in higher education is higher than that in the UK. Not only is such a target achievable, we need to achieve it. If we do not, we will fall behind our international competitors.

This is a particular challenge in Scotland, which is about to experience a demographic downturn, and we can secure these extra graduates only by significantly increasing our participation rate. The first step is to get the rate back above 50 per cent as soon as possible but, realistically, we need a 60 per cent rate if we are to keep up with international competition and meet the demand for graduates that a Scottish knowledge economy will need by 2017.

Howard McKenzie: A significant element of the drop in the participation rate is the fact that, in deciding where resources should go, we have had in some cases to cap the numbers of HNC and HND students in colleges. I agree with David Caldwell that the demand is out there; in fact, the report that will be published by the Government will show that. If we had the right environment, my college and other colleges could increase HNC and HND numbers. The fact is that most of the people who take those courses are not the wealthiest people in society and need a great deal of financial support. However, some of that support is very difficult to lever out in a way that they feel comfortable with.

David Caldwell: Howard McKenzie has pointed to the other really important aspect that gives us confidence about potential demand. There is a huge discrepancy in social-class participation in post-school education. It is not quite as marked in colleges, but it is huge in universities.

The difficulty that Howard McKenzie and I face is that colleges and universities cannot solve the problem on their own, because the discrepancies develop at a worryingly early stage in school performance. Universities' admissions procedures do not discriminate in either direction, and social class certainly does not come into the question. The dominant factor is the ability to complete the course. In seeking entry to university, members of different social classes present with very different educational achievements.

The whole country has to address this major issue, and any approach will need to involve multiple agencies. Of course, the colleges and universities have their part to play, but many others have a crucial role.

The Convener: I am aware that I did not allow either of you to make an opening statement, and I am not going to allow you to do so now. However, I have one final question for both of you. Although you have both welcomed "Skills for Scotland", if the minister had consulted you prior to publication and given you an opportunity to add one element to make your job easier, what would you have suggested?

David Caldwell: The strategy is a bit short on inspiration and aspiration, and should have contained a very clear commitment to encouraging every individual to achieve the educational maximum of which they are capable.

Howard McKenzie: The strategy should have made a commitment to resizing the process to ensure that colleges and universities are of the required size to achieve what they want to achieve and to removing artificial caps, and to ensure that they can grow in the way that the market desires.

The Convener: Thank you for your attendance, gentlemen. Your willingness to answer our questions has been very helpful.

I suspend the meeting to allow our witnesses to leave.

12:20

Meeting suspended.

12:22

On resuming—

The Convener: I welcome Grahame Smith, general secretary of the Scottish Trades Union Congress, who has joined us for our session on skills. Let us move straight to questions. I will kick off by asking about the Scottish union academy that is mentioned in the skills strategy. Will you tell us a little about that concept? How have you been involved in its development? How do you see progress being made?

Grahame Smith (Scottish Trades Union Congress): The idea of a Scottish union academy developed about four or five years ago. The trade unions in Scotland recognised that there was a lack of capacity in the trade union movement to deal with skills and learning issues. The STUC, working in co-operation with the previous Executive, put together a resource at the STUC that was designed to support unions in engaging their members in learning and skills and in their work to engage directly with employers and learning providers on learning and skills. That work has evolved over the past few years. The concept behind the academy is simply to brand that union learning activity in a way that is understood by unions, by the members they represent and by others in the learning field.

When the resource comes to fruition, it is unlikely to be called the Scottish union academy. It is somewhat unfortunate that the term “academy” has been used. It is a bit like the Scottish university for industry, in that it is not what it says on the tin. The word “academy” suggests that we are talking about a provider of learning, which is not the case—it will be a facilitator of learning. The academy will be a support mechanism for unions to ensure that they can engage with employers. It will evolve from the STUC’s skills and learning team and will have a separate governance structure, which we are developing. It will be part of the STUC, but it will be owned and governed by the unions. Of course, making it a reality is dependent on our being able to access resources from the Government.

The Convener: The Scottish union learning fund has been seen by many in the trade union movement as critical in helping trade union

members to access training and to develop their skills. How important is it that the Government should give a commitment to resource the fund? Are you disappointed that no such commitment was made in the skills strategy document?

Grahame Smith: The Scottish union learning fund is key to the continuation of union-led learning activity. The evaluation of the first five rounds of the fund, which was undertaken last year, showed how effective it has been in bringing people into learning. One particularly important statistic emerged from the evaluation: 97 per cent of those who participated in union learning through the Scottish union learning fund intended to continue to learn. That suggests that, when we get people back into learning, they develop an appetite for it, on which we can build.

We welcome the strategy’s acknowledgement of the role that unions play in learning. We also welcome the strategy more generally, with its focus on the workplace and its recognition of the role that unions play. We would have welcomed a commitment from the Government to continue to support with financial resources the work that we are doing, but we recognise that that was highly unlikely in the context of the comprehensive spending review. We are working with officials, in consultation with the cabinet secretary, to ensure that resources will be forthcoming once the outcome of the spending review is known. It is unfortunate that the skills strategy was published before we knew the outcome of the spending review and decisions that are to be taken on the future of the enterprise networks, for example. For that reason there are major gaps in the strategy.

Mary Mulligan: You will have heard the answers to earlier questions about the proposed merger of Careers Scotland and learndirect Scotland. What is your view on that issue, generally and in relation to trade union members who work in those organisations?

Grahame Smith: It was unfortunate that the announcement about the coming together of Careers Scotland and learndirect Scotland was made in the context of the skills strategy, before it was known what the wider infrastructure would be.

I was a member of the careers service review committee—the Duffner committee—that looked at the future of the careers service. We were not charged with looking at the structural arrangements, but perhaps we should have been. Had we been given that responsibility, we might not have suggested that Careers Scotland be located within Scottish Enterprise. That is not my view, but an assumption that is based on discussions that took place in the committee. The fact that Careers Scotland was located within Scottish Enterprise was simply a product of the prevailing view at the time that new quangos

should not be established. We welcomed the decision to bring the careers service back into the public sector, as Careers Scotland, in the context of an holistic economic development agency providing a range of services to individuals and companies.

The strategy states that the bringing together of Careers Scotland and learndirect Scotland is the forerunner to the creation of a wider skills agency. In my view, that is a retrograde step. I have taken that view since the idea was mooted by other political parties, before the Scottish elections.

The STUC was very much in favour of the establishment of Scottish Enterprise, which brought together, in an holistic way, the economic development services that were located in the Scottish Development Agency and the training services in the training agency. It is a retrograde step to separate economic development and training, particularly in the context of skills utilisation. One of the welcome aspects of the strategy is a focus not just on the acquisition of skills but on how skills are used. The strategy points out that we need good management and leadership to ensure that skills are used appropriately, but there is much more to it than that; it is also about how skills are used in the context of how businesses develop and meet objectives.

12:30

The strategy mentions state-sponsored arrangements in Scandinavia—there are also arrangements in Ireland—that address the utilisation of skills. We have one in Scotland, the Scottish manufacturing advisory service, which is located in Scottish Enterprise. It provides support to companies on how they can organise and improve their business and how skills link into that. If we have separate agencies that do not connect and, in particular, do not connect with employers in how they use skills, we will not achieve the increases in productivity that we hope will emerge from the strategy.

Mary Mulligan: Are there concerns among members of those organisations about how that will be organised on the ground?

Grahame Smith: Unison, one of our major affiliates, organises people in the careers service. Like the STUC, Unison and its members made a submission to the consultation on the future of the careers service. Unison's concern was that it was announced that Careers Scotland and learndirect Scotland would be brought together without Unison being further consulted. That is unfortunate. I hope that it does not indicate that there will not be future partnership working

between the trade unions and Government over issues on skills and economic development.

Unison's view, with which I have some sympathy, was that the careers service would be better located in local authorities and delivered on a regional basis, particularly because of the democratic accountability that would come from that. The key thing with an all-age service is that we ensure that it does not become focused on schools. If it was located in local authorities—that is hypothetical at the moment of course—we would need to ensure that that all-age aspect of careers advice and guidance was maintained. It should also be properly funded. When the careers service was located in Scottish Enterprise, it was not properly funded, which caused a number of problems that ultimately led to the decision to remove it from Scottish Enterprise.

Mary Mulligan: Aileen Campbell asked about the advice that is offered to people who are leaving universities and the careers service that universities provide. There is clearly a need to ensure that the younger age group—school or college leavers—also receive adequate careers advice. Will the new set-up add to that? What do you need to do to ensure that it offers the support that is necessary at that stage in a person's life?

Grahame Smith: It is difficult to say, given what is in the strategy. It is unclear how that would fit together with what may well be the functions of a wider skills agency. One of the important things about the skills strategy is that it shifts the focus to the existing workforce. A lot of the debate about skills over the past few years has been on how we upskill the future workforce; much of the policy debate has been about the interface between school, education and work. Too little consideration has been given to the need to upskill the existing workforce. We need to ensure that the focus of the new agency is on that, and on how advice and guidance can be given to people who are currently in the workforce so that they can develop their skills and, if necessary, change their career direction, if that is what meets their needs and the needs of the economy.

Aileen Campbell: Good afternoon, Grahame. What things would you like to be done to address the experience of underemployment and disadvantage in sectors of the community such as black and minority ethnic people and women?

Grahame Smith: One of the comments we made about the strategy was that it does not seem to mainstream equalities. It is not enough to state at the beginning of the strategy that the Government is committed to equal opportunities—as I believe it is—but not to address the specific things that need to be done, as you rightly say, to address the needs of specific sections of the workforce.

We undervalue the skills of women incredibly. How can we ensure that we do not underemploy people who have valuable skills? Indeed, how can we ensure that they are properly rewarded for the skills they have? It would have been good to see an emphasis on how gender stereotyping might be addressed in the modern apprenticeships scheme. We must start to break down the barriers that women face in the workplace.

In relation to black and ethnic minority people, one of the difficulties is that we do not have data on the real barriers that they face in the labour market. Such information must be a starting point in assessing what action is required to overcome the barriers.

Aileen Campbell: A study carried out by the University of Strathclyde in conjunction with Positive Action in Housing contains some good information. I am not sure whether the study is available online, but it targeted the B and E sectors of society.

Grahame Smith: The previous Executive supported a group that addressed issues around black and ethnic minority people in the labour market but, following the election, the recommendations of what was intended to be a wider race strategy have not been published. The new Government could be encouraged to publish those recommendations, as that would enable us to begin to assess the real challenges that are faced by black and ethnic minority people in the workplace.

Ken Macintosh: You touched on modern apprenticeships. Can you please expand on your comments? The cabinet secretary has said that she intends to implement the findings of the review of modern apprenticeships and to get rid of the skillseekers initiative. That will raise modern apprenticeships to level 2, but you seem to have some doubts about that approach.

Grahame Smith: It may suit some employers, but I do not think that it will suit individuals or the economy if modern apprenticeships are at level 2. There is evidence—it is mentioned in the Leitch report, for example—that, increasingly, the minimum skill level that an individual requires to sustain himself or herself in employment is level 3. We need to improve attainment at the intermediate levels. We are currently 20th out of 30 OECD countries in relation to intermediate skills. The Leitch report recommended a change in the balance away from level 2 towards level 3. I have mentioned skills utilisation. If we are to use skills more effectively, people must have those skills in the first place.

One of the key issues for individuals is progression. Having modern apprenticeships at level 2 will, potentially, limit progression for the

individual, which will impact on the individual's productivity, pay prospects and job security. There are also issues around gender segregation. If a lot of the low-paid occupations in which women work were properly evaluated, they would be discovered to be at a higher level than their current rating and pay suggest. Moving towards modern apprenticeships at level 2 gives all the wrong signals in relation to the skills base that will be required in the economy in the future.

Ken Macintosh: That is a fair point, which I hope ministers will take on board when they look at the responses to the strategy. Another concern that was expressed in the debate two weeks ago is the lack of stretching targets across the board, particularly a lack of targets on modern apprenticeships. Do you share that concern?

Grahame Smith: There should have been targets in the strategy—that is a gap. This comes back to my comments about the strategy being published before we know the outcome of the comprehensive spending review. In those circumstances it might be difficult to include targets, but the publication of targets allows transparency. Funding will be allocated and will, in effect, determine what is likely to be achieved. Targets may as well be written down so that we know how far we need to go and how we can judge success.

It is not sufficient to have a global target for modern apprenticeships. For example, we must look specifically at the participation of women and black and ethnic minorities. I have sympathy with those who say that we should not have too many targets, but we should have targets. We must have aspirations. We should set challenging targets to which we can aspire in order to achieve the economy and the skills base that we need in the future.

Ken Macintosh: We await the outcome of the funding review, but do you share my concern that the talk so far about where funding will go in further and higher education has not been encouraging? It seems that it will go on graduate debt rather than on funding for part-time learners, which needs substantial funding if we are to widen access and upskill our current workforce.

Grahame Smith: We have for some time called for the anomaly in the funding regime for part-time study to be addressed. The strategy mentions the issue, but as with a lot of matters it is not followed through. If we intend to focus on upskilling the existing workforce, it would be good to see a stronger commitment to address the issue. A lot of people in the workforce want to develop their skills and take part-time courses, including part-time degree courses, but they are unable to find the finance. They may be able to fund themselves and sometimes, if they are lucky, they get funding from

their employer, but they certainly do not get funding from the state. That is an issue on which state investment should be focused.

Christina McKelvie: Good afternoon, Grahame—we are in the afternoon now.

I will take you back to a point you made about SVQ level 2. I felt that you were not supportive of level 2. About six years ago, in my previous role, we identified a huge gap in the existing workforce as people were not accessing an SVQ level 3 in care. It turned out that there was a specific sector of the workforce—mainly women—who had perhaps worked for 20-odd years in the sector and were brilliant in their role but needed that to be backed up by academic qualifications. One of the projects we ran was a level 2 project, which allowed them to have a taster of what would be expected and to build up to level 3. I am pleased to say that a lot of them have taken it right through the fast-track programme and are now doing a bachelor of arts honours degree in social care and social work. Do you not agree that there is a place for level 2?

Grahame Smith: That is not the point I was making. My point was about suggesting that a modern apprenticeship was achievable at a level 2 qualification. I agree with your point. The point that I was trying to make is that it is about progression. There must be a variety of routes through which people can progress. If the balance of funding is moved towards supporting level 2 modern apprenticeships as opposed to encouraging and supporting people to move to level 3, that could damage such progression. We have a variety of levels so that people can work through them, even beyond level 3, as you said.

12:45

Christina McKelvie: I was delighted that you went on record last week to welcome the skills strategy. Given that I am a member of Unison, I am happy to welcome it, too. What do you think are the main positives and strengths of the strategy?

Grahame Smith: It is something that was missing from the lifelong learning policy in Scotland and we have been calling for it for some time. As I said earlier, the recognition of the need to address the skills of the current workforce is important. I have already mentioned the recognition of the role of the trade unions. There is not yet a financial commitment from the Government to work with us to support trade union learning, but we look forward to it. The emphasis on the utilisation of skills, which has been ignored in previous work, is important. I also welcome the challenge that has been issued to stakeholders, including ourselves—we will meet that challenge.

I hope that you will allow me to set out some of my reservations about the strategy. My fundamental reservation is that the strategy is underpinned by the principle of voluntarism, which we have had for 30 years and which has not worked. It seems to me that the strategy is based on the premise that the market approach works and that if we do enough to encourage employers and individuals to invest in skills and learning, they will do so.

The strategy says that there are some pockets of market failure, but there are more than pockets. About a third of all employers do not train their workers and 60 per cent of workers say that they have not had access to training in the past year. We still have considerable skills discrimination in the workplace. We have considerable market failure—not just pockets of market failure—which we need the Government to address. My biggest disappointment is that although the strategy challenges employers to deliver, it does not say what the Government will do if employers do not deliver.

I know that the strategy was not intended to be a response to the Leitch report, but one of the things that that report said, which the UK Government has picked up, is that if employers do not rise to the challenge, the Government will legislate to give workers the right to time off to achieve their first level 2 qualification. It seems to me that it is important to find out the Scottish Government's view on that issue. It is right to challenge the trade unions, learning providers and employers, but what happens if they do not meet the challenge? That is an important question.

Of course we need a Scottish approach, which is why we need a Scottish skills strategy. The work that Leitch did was about benchmarking where we are, not just in the UK but in Scotland. It is important to know how the strategy fits with the on-going role of sector skills councils, which operate on a UK basis, and the new Commission for Employment and Skills, which will have a UK-wide remit. Although the strategy refers to it, it does not follow through in setting out the implications of our having the strategy in the context of the UK skills strategy.

My final point is that it would be good to know the Scottish Government's view on the possibility that the UK Government will legislate to make it easier for sector skills councils to put in place training levies, which seem to be a way of ensuring that employers invest in the skills training that we need. We are not talking about going back to all the problems of the 1970s with industrial training boards and training levies, of which we are all aware; we are talking about a modern training levy that addresses the needs of industry and of individuals and which builds on existing work, such

as that by Skillset for the film and television industry, which has introduced a levy. There are models to examine.

It would have been good to have the Scottish Government's response to some of those matters in its skills strategy. I have given a list of issues that should perhaps have been covered but, on the whole, the strategy and the focus on the workplace are welcome and we look forward to working with the Government and others to deliver the strategy.

The Convener: That concludes our questions to you. Thank you for attending and for being patient in waiting to appear.

The meeting will be suspended briefly to allow Mr Smith to leave and the minister to join us.

12:51

Meeting suspended.

12:53

On resuming—

The Convener: I welcome to the committee Fiona Hyslop, the Cabinet Secretary for Education and Lifelong Learning, whom I thank for waiting to appear before us. She is joined by Rosemary Winter-Scott, the head of the employability and skills division, and by Peter Beaumont, a skills and staffing team policy analyst in the further and adult education division, who are both from the Scottish Government's lifelong learning directorate.

The minister would like to make a brief statement.

The Cabinet Secretary for Education and Lifelong Learning (Fiona Hyslop): I will be brief, as I am conscious of the time.

Thank you for the invitation to discuss the Government's skills strategy. Since its launch, the strategy has been greatly supported and welcomed by all corners of the business community—by the Confederation of British Industry Scotland, the Federation of Small Businesses and the Scottish Chambers of Commerce—as well as by unions and by educational organisations, as the committee has heard. Educational, business, trade union and community organisations have a keen appetite for developing the policy detail and a clear desire is felt throughout Scotland to grasp the opportunity that the Government's first skills strategy presents to do that.

At today's meeting, I will elaborate on what has been announced to Parliament. I have already announced that we will streamline the structures that support the development and delivery of skills

by merging learndirect Scotland and Careers Scotland. Today I can announce to Parliament that the skills and training responsibilities in the enterprise networks that focus on individuals' employability, skills and training will also be merged into the national skills body. My colleague John Swinney will make a fuller statement on the enterprise networks in the chamber this afternoon. Consideration of local delivery options will be informed by that statement and by further discussions with key partners and stakeholders.

The strategy is already engaging Scotland in delivering a lifelong skills policy framework and I am happy to take questions on its development.

Elizabeth Smith: I have a brief question about the curriculum for excellence which, as I said in the chamber, is an impressive initiative. How do you envisage that developing within the skills strategy? It is quite clear how that will happen at the schools level, but I am interested to know your views on it in the context of lifelong learning.

Fiona Hyslop: What happens with colleges and universities is interesting. Universities Scotland's comments about the employability agenda in higher education show that the issue is becoming more acute. In fact, it is one of the challenges that we set in the strategy's two-page call to action for learning providers and universities.

Last Monday, we announced the outcomes of the curriculum for excellence for science and numeracy. We have to address literacy and numeracy skills, and the numeracy aspect of the curriculum for excellence has to be delivered across all subjects. That has been announced in the past two weeks and it is very much part of the skills agenda, which is why it is included in the skills strategy. Elizabeth Smith is correct to raise the issue. Yesterday I discussed with Learning and Teaching Scotland how to progress the curriculum for excellence in areas of education other than schools.

Elizabeth Smith: Is the idea of the responsible citizen, which is one of the core principles of the curriculum for excellence, being developed effectively among those who are beyond school age?

Fiona Hyslop: Yes. The strategy document gives a steer about the importance of the Scottish credit and qualifications framework and how we assess responsible citizenship—the skills and aspects of citizenship that might not be delivered in schools but which are part of learning for life. The Scottish Qualifications Authority is faced with the challenge of capturing and recognising people's other, wider experience and attainment in areas such as citizenship. The SQA can deliver on that. As employers will say—I know this from being an employer—when they are interviewing

young people, it is not just the young people's formal academic qualifications that matter but their role in the wider society and what their experience can contribute. Those attributes have to travel with young people after they have left school, and that is particularly important if we want to develop links between schools and colleges.

Elizabeth Smith: You are confident that the skills strategy will allow that to happen.

Fiona Hyslop: Absolutely. It is one of the steers within the strategy document. It is embedded in the lifelong learning framework and the skills strategy is a subset of the lifelong learning agenda. It is vital that we see it in that context because skills for life and work are embedded in the skills strategy.

Ken Macintosh: I thank the cabinet secretary for joining us today.

The new Administration lost the vote at the skills debate two weeks ago. How do you intend to respond to that position, particularly the call to bring forward further proposals to develop the strategy?

Fiona Hyslop: I have to respect what Parliament says and, unfortunately, Parliament did not say anything. There was no agreed position because all the Opposition amendments fell. The same thing happened with the previous, Labour-inspired debate on skills.

It is incumbent on the Government to progress policy. The skills strategy has had a very positive reception from the business community and education authorities across Scotland, so it is incumbent on us to take it forward, which is what we are doing. We certainly listened to the comments that were made during the debate.

We have to develop the policy framework from the strategy. The strategy provides the vision and we will be taking that forward. Part of that is to listen to and engage with the committee, others in Parliament and various organisations. We have already had meetings about how we can take forward some of the issues. We are starting to arrive at policy decisions that we can make in order to drive the strategy forward.

13:00

Ken Macintosh: During the debate, you mentioned that there is soon to be an announcement on part-time education. Could you expand on that point? All our contributors this morning agreed that further work should be done on that area.

Fiona Hyslop: There is an issue relating to how much I can tell you in advance of decisions that are being made by the Cabinet, or indeed ahead

of the spending review. However, I can say that page 32 of the strategy document says:

"We will stop distinguishing between Earners and Learners."

We say that because, increasingly, as we have an aging population, the age profile of those taking part in education is older than people might imagine—many people in their thirties are in education. That is why we have to consider ways of funding and supporting part-time students. The document says that we are reviewing our support arrangements. I am not in a position to provide you with the detail of that, but the intention is that such support should be seen as a vital part of the lifelong learning agenda. As you heard from Grahame Smith earlier, workplace learning means people undertaking part-time study while they continue to work. That will become an increasing focus in education. Levelling the playing field in that area is something that we feel strongly about and will deliver. I hope to be able to make an announcement about that in due course.

Ken Macintosh: Grahame Smith and others have highlighted some of the gaps in the strategy. Although the strategy has been welcomed—we all want to develop skills in Scotland—it is fair to say that there has been disappointment about things that are missing from the strategy.

Grahame Smith pointed out that, south of the border, if employers and others do not meet challenges that are similar to the ones that you have set, quite rightly, in the strategy, the Government will, for example, legislate to enforce the right of workers to study leave, or support levies to fund skills councils and training. Have you thought about the need to take further governmental action along similar lines to support the skills strategy?

Fiona Hyslop: If you are inviting me to try to expand the powers of the Parliament to cover employment law, the Government would be delighted to have your support in that regard.

There is a serious point to be made about whether we take a carrot approach or a stick approach. We are very much in favour of encouragement. We also have to bear in mind that, in Scotland, we have many small and medium-sized companies—that is the nature of the Scottish economy. We want to ensure that they are competitive and we believe that imposing additional levies on them might not enable them to remain as competitive as they want to be.

I have engaged with people about the agenda that we are discussing. A few weeks ago, I met David Lammy, the UK Parliamentary Under-Secretary of State for Innovation, Universities and Skills, to discuss those points. At that time, the UK Government wanted to consult on levies to provide

that incentive—a stick, rather than a carrot—as part of its proposed employment and skills legislation. Although the Scottish Government has concerns about the levies, we agreed to take part in the consultation. However, in recent days, I have learned that that consultation has been delayed until next year.

We will continue to have active discussions with the UK Government on this issue and, indeed, I have meetings with UK Government ministers scheduled for the October recess. You are right to note that employment legislation is a key part of making sure that our strategy is delivered, as, indeed, is Jobcentre Plus. However, I am afraid that, currently, we do not have the competence over employment law that would allow us to do the things that you are suggesting we might want to do.

Ken Macintosh: I am not suggesting that we need new powers. I am pleased to hear that you are consulting our colleagues south of the border, as it is something that we can take forward together.

There is an awful lot missing from the strategy; in particular, there are no ambitious targets that we could strive to meet or drivers that would push the policy along. The policy is aspirational but a bit too vague to give direction. You might disagree, but I think that there is still a feeling that people are looking for greater purpose and direction from the Government and a little bit more specificity on some of the points.

Clearly, much depends on the spending review. Following the spending review and the allocation of funding streams, when key policy decisions are made, will it be possible for you or one of your ministers to elaborate on the strategy—to beef out some of the targets and tell us where you think the policy gains are to be made?

Fiona Hyslop: The strategy is our vision of where we want to go. This is the first time in eight years of the Scottish Parliament that we have a Government skills strategy. The question is whether I should come to Parliament with a fait accompli, with all the policy detail fully costed and fully targeted, or whether we should say that the strategy is the framework and direction and then have the engagement that we are currently having.

Your point about target setting is interesting. There is a concern that target setting can drive behaviour. My officials have received comments from Professor Ewart Keep, the deputy director of the Economic and Social Research Council's centre on skills, knowledge and organisational performance at the University of Cardiff, who is one of the foremost experts in the area. He says:

"One of Skills for Scotland's great strengths has been its authors' refusal to wade in with a fresh set of arbitrary new

targets and yet another set of eye-catching skills supply initiatives and spending plans ... What Skills for Scotland does do is to outline the blueprint for a new, broader and more integrated skills policy, and establish a set of genuinely strategic objectives that it will need to deliver."

On the overall approach, he says:

"The Scottish government is to be applauded for having produced a document that marks a radical and important break with the past trajectory of skills policies (both in Scotland and across the UK), and which seeks to set a long-term agenda for policy development that offers the promise of putting Scotland in advance of other parts of the UK."

That is an interesting perspective on the shift and change. Yes, we want to have indicators and performance management tools for some of the policy detail, but it is important that we respect that analysis of the direction in which we are going. Last Friday, I attended a business breakfast that was hosted by Microsoft, to which some of the key players were invited. They said that we have done the right thing in not setting detailed targets that could distort policy in the strategy. There was a broad recognition that that is the right direction.

Ken Macintosh: I think that we both agree, albeit from different perspectives, that the strategy is not eye-catching.

Aileen Campbell: Good afternoon, minister. The strategy mentions reviews on several issues, such as support for postgraduates. Can you give us any indication of the timescales for those reviews?

Fiona Hyslop: We are considering both part-time and postgraduate learners in our review. I hope that we will be able to make announcements about part-time learners sooner rather than later. We are also considering how we can support postgraduate students. In Scotland, we support taught postgraduate students far better than such students are supported down south. However, I agree with Universities Scotland that we must expand our efforts in that area to support technical, scientific and innovative efforts if we are to make the most of our knowledge economy. That is a key area. I cannot make immediate announcements on it, but it is something that we are looking at.

Jeremy Purvis: Good afternoon, cabinet secretary. Can you explain why Universities Scotland has got it so wrong in saying that the strategy is a subset of the previous strategy?

Fiona Hyslop: To be fair, Universities Scotland did not say that and neither did I. I think that it was the SPICe briefing to the committee that said that. David Caldwell was there when I launched the strategy document at the lifelong learning and skills forum. I made it clear that I regard skills as part of the lifelong learning agenda, just as I see early intervention as part of the lifelong learning

agenda. It is a new perspective for the Government to see all of this within the lifelong learning agenda.

We have had a lot of support from businesses on that. They have said that the basics of literacy and numeracy matter and that softer skills such as team working and problem solving are very much part of that agenda. That is why in the strategy we focus on the curriculum for excellence and some of the work that is being done in schools. I do not think that Universities Scotland is wrong or that I am wrong; I think that the comment to which you refer was made in the research briefing.

Jeremy Purvis: We will check the *Official Report*, but Mr Caldwell certainly told the committee that he believes that the skills strategy is a subset of the previous strategy.

Fiona Hyslop: I agree with that view.

Jeremy Purvis: Right, so in what areas does it offer a radically different path?

Fiona Hyslop: Our strategy is radically different because, in it, we set out the challenges that we face and respond to each of them. We are saying that stockpiling qualifications at level 2 is not the way in which we want to proceed in Scotland. Scotland has a higher skills base than anywhere else in the UK, apart from London, and we want to expand it. In the specifics of the strategy, we take a position that is quite clearly Scottish.

We also want to ensure that our agenda addresses issues, such as softer skills, that are being developed as part of the schools agenda, which was not available when the lifelong learning strategy was produced. Our strategy makes specific calls to action to employers, the trade unions and the Scottish Further and Higher Education Funding Council. It includes references to the trade union learning fund, which has been mentioned in previous evidence sessions. We have made considerable progress.

We are not saying that everything that was in the previous lifelong learning strategy was wrong—far from it. However, when we considered refreshing it, people said that we were crying out for a skills strategy for Scotland. I am delighted that, in the few months for which this Government has had stewardship, we have managed to produce what people were asking for. Our skills strategy for Scotland has been broadly welcomed.

Jeremy Purvis: I want to ask specifically about the strategy's call to action as it relates to the key sectors of universities and colleges. I am not sure whether you watched the evidence that we took earlier, but Universities Scotland said that the call to action did not ask it to do much and the Association of Scottish Colleges said that the call to action did not ask it to do anything different.

Fiona Hyslop: There are two different issues. Engagement with the colleges will involve much closer working with the new skills agency, which is a new dimension. As far as universities are concerned, the strategy's call to action makes two pages' worth of requests. On page 47 it asks them to

"work with awarding bodies and use SCQF to enable all learning to be recognised"

—that includes prior learning—and to

"ensure that it is easy for individuals to progress from one form of learning to another".

The articulation between colleges and universities is a big challenge. Two pages of the strategy's call to action relate to universities—pages 47 and 48.

Jeremy Purvis: In what way is asking the colleges to work with the university sector on articulation different?

Fiona Hyslop: No—I said that the big challenge with the colleges is to expand their role and the school-college links. Our Government will have a greater focus on strengthening that relationship. We will also consider how we can work with local authorities and colleges to ensure that there is local delivery of the skills agenda.

The fact that we will have a new skills body that brings together Careers Scotland, learndirect Scotland and the skills and training arm of the enterprise networks means that we will have quite a different landscape from the one that we had before.

Jeremy Purvis: The colleges made it clear that their priority was for the skills agenda to be set locally, because they are able to react more quickly to the local economic environment. That is what we were told earlier. You want to take away the skills functions of the local enterprise companies which, through the area learning plans, work in close partnership with local colleges to set local priorities. Why are you making that the responsibility of a national agency?

Fiona Hyslop: Because in the consultations that have been held, particularly with Careers Scotland, the response to people's frustration with skills and training in Scottish Enterprise has been that the natural place for that to sit would be in a national body. I agree entirely that there has to be skills delivery responsiveness at a local level. However, if we look at the employability agenda, aspects of the benefits system and some of the national frameworks, we can see that having an organisation that can relate to Jobcentre Plus, in particular, is critical to delivery on a national scale.

13:15

I agree that local colleges must respond to local needs and that we should have local delivery and

analysis of the skills that are required in a particular locality. In my statement, I made clear that local delivery must happen through partnership between different stakeholders—not just colleges but local authorities. It is not true that everything will be set nationally and that there will not be local responsibility. There will be responsiveness at local level. I will task the new body with cutting away some of the bureaucracy and frustrations that colleges and others encounter when they try to deliver some national programmes. We need national programmes, but we also need to have responsive local delivery agents, in colleges or elsewhere, that can deliver the skills that are needed by different economies. As the member knows, demands in the Borders may not be the same as demands in Edinburgh. One of the strengths of colleges is their responsiveness to local need. The strategy provides a great platform for the college sector to flourish.

Jeremy Purvis: I agree. However, ripping the heart out of the local enterprise network, removing skills functions and local enterprise companies, and replacing them with a regional, Edinburgh-based agenda is a wholly retrograde step. Will you publish the consultation responses that call for skills functions to be removed from local enterprise companies?

Fiona Hyslop: The review of the Scottish Enterprise and Highlands and Islands Enterprise networks is the responsibility of my colleague John Swinney. This afternoon, he will make a statement on the subject in the chamber. I have given the committee the information that I am able to give about the transfer of skills and training aspects to a national body, but I am not in a position to go into detail on the local delivery aspects of the review.

Jeremy Purvis: You said clearly that the consultation responses were in favour of the creation of a national skills agency and of transferring local skills functions to that body. Will you publish those responses?

Fiona Hyslop: The previous Government produced a report, although not a full options appraisal. It asked PA Consulting Group to produce a cost-benefit analysis of local delivery, as compared with national delivery, and we intend to publish that analysis. The analysis suggests that, if we were to deliver Careers Scotland through local authorities, the estimated cost to those authorities would be £100 million. If we asked local authorities to cut other budgets to accommodate that, we would encounter considerable resistance.

Jeremy Purvis: You told the committee that there were consultation responses that favoured the transfer of local skills functions to a national

body, but I sense that you are not in a position to publish those responses. Am I right in saying that there were no consultation responses that favoured the transfer of local enterprise companies' skills functions to a national agency? If there were, why do you not intend to publish them?

Fiona Hyslop: Peter Hughes, the chief executive of Scottish Enterprise, said on the radio this morning:

"We think

skills and training

"can be done very well somewhere like Learn Direct Scotland under Careers Scotland. Taking it away from the day to day things that Scottish Enterprise have got to focus on ... we have got to engage with employers and educators, schools, colleges and universities."

There has been a lot of support for the removal of skills and training functions from Scottish Enterprise. Colleagues will be aware that the subject has been under discussion for some time. The manifestos of all four major parties indicated that they wanted to bring together different agencies. Labour proposed the establishment of a full employment agency, whereas the Conservatives proposed doing exactly what we have done—bringing together learn direct Scotland, Careers Scotland and the skills and training functions of Scottish Enterprise. The Liberal Democrats had a similar proposal, although they would not have removed Scottish Enterprise's skills and training functions. At the previous election, three of the four main parties had policies that were similar to what we propose.

Jeremy Purvis: I wish to press you on this matter. You told the committee that the consultation responses were in favour of transferring skills and training functions to a national body. What was the consultation, and will you publish the responses?

Fiona Hyslop: Well, a number of responses to the Careers Scotland consultation suggested that that would be the best way forward.

Jeremy Purvis: Have you carried out a consultation with regard—

Fiona Hyslop: The consultation was carried out by the previous Government.

Jeremy Purvis: Cabinet secretary, you told the committee that the consultation responses were in favour of that decision. Now you have said that you did not consult; it was the previous Government's consultation.

Fiona Hyslop: There was a consultation on Careers Scotland. It was initiated by Nicol Stephen and it—

Jeremy Purvis: Forgive me for interrupting, but I asked about the transfer of the skills function from local enterprise companies to a national agency, and you said that the consultation responses were in favour of that decision.

Fiona Hyslop: I think that you might be misinterpreting my comments. I said to you that I cannot go into details of the review of the enterprise networks because that will be the subject of a statement by my colleague this afternoon. I said that I cannot and will not provide you with information on that. I suggested to the convener that, because of that, it might have been helpful to have held this question-and-answer session at another time, although I am more than happy to be here today to answer questions.

The Convener: I think that the point that Mr Purvis is making is that, when he specifically asked you about the removal of the skills function from the local enterprise companies, you indicated to the committee that there had been a separate consultation on that decision. If that is what you said, he is asking that those consultation responses be published. However, you now appear to be saying that the consultation was held by the previous Administration. Perhaps, after this meeting, you might review the *Official Report* to see what you actually said so that you are able to substantiate the facts.

Fiona Hyslop: I am more than happy to do that, convener, if I have misunderstood the question. I am more than happy to look at the *Official Report* to see whether there is information that needs to be republished.

As far as separate consultations are concerned, I do not think that I used that phrase. However, as I said, there is a consultation that was conducted by PA Consultants, which I am more than happy to make sure is published.

The Convener: I suggest that you write to the committee to clarify the matter when you have reviewed the statements that you made this morning.

Mr Purvis, if you want to ask another question, be brief, because other members want in.

Jeremy Purvis: I am grateful, convener. My question impacts on part of this afternoon's considerations.

I want to be very clear, cabinet secretary: did you carry out a consultation on the transfer of the skills functions from local enterprise companies to a national agency?

Fiona Hyslop: The review of the Scottish Enterprise network and Highlands and Islands Enterprise network has been carried out by my colleagues John Swinney and Jim Mather. A statement will be made on that this afternoon.

Jeremy Purvis: Convener, I am not sure that it is appropriate for a cabinet secretary to make an announcement to the committee about a decision that has been taken by the Government on the transfer of the skills functions from enterprise companies to a national agency, which the cabinet secretary has done in good faith this morning, and then refuse to answer a question about whether the decision was based on a consultation.

Fiona Hyslop: We drew together a variety of consultations: part was from my colleagues' work on the enterprise networks; part was from the modern apprenticeship review that the previous Government carried out; part was from the lifelong learning refresh that the previous Government started; and part was from the Careers Scotland consultation. There have been a number of consultations in the area, and I was given a clear indication by those who work in the field. Employers, colleges, universities and others said, "Can you just produce the skills strategy? We are fed up with being overconsulted and we want to make sure that we have a skills strategy that can take us forward."

I do not know how many consultations you need but, between the ones that my colleagues have conducted on the enterprise networks and the prior ones, we have been provided with a great wealth of information and consultation on the way forward.

The Convener: I am sure that there will be further consideration of the issue this afternoon.

Mary Mulligan: I apologise for having had to slip out for a few minutes, convener.

Cabinet secretary, I will take you back a step to the announcements that came with the skills strategy regarding the merger of Careers Scotland and learndirect Scotland. Will you put on record the reason why you thought that that was the right thing to do?

Fiona Hyslop: Part of the reason was that, for whatever reason, Careers Scotland had been left in limbo for a long time, although there was a consultation on its future, to which I referred. One of the things that the Government wants to do is rationalise and streamline the variety of learning, training and skills provision to try to reduce the numbers of bodies that offer such provision and to make it simpler for those who want to access learning, training and skills.

It is clear from the responses to the Careers Scotland consultation that the idea of a standalone agency had the most support. Because we are trying to pull together as many skills and training organisations as possible, it is logical that learndirect Scotland comes into the proposed agency. That also applies, as we have announced

today, to the skills and training functions of the enterprise companies in Scotland.

Mary Mulligan: Why do you think it best for the Careers Scotland function not to become a local authority one, which was an idea that received a lot of support?

Fiona Hyslop: It was one of the options. It did not receive the majority of support by any means, although a case can be made for it. However, it is not the best way forward for a variety of reasons, one of which is that we need to have national policies to be able to deal with the employability agenda and Jobcentre Plus. It would be far more difficult for 32 local authorities to engage on that agenda with a large organisation such as Jobcentre Plus, particularly when it is run by a department at Westminster.

The PA Consulting report was an options appraisal—it looked at the cost of the different options. It would have cost £100 million to transfer the Careers Scotland function to local authorities, which was a concern. The responsiveness of a one-stop shop was essential. Our proposal does not preclude co-location, local delivery or working more closely with local government. I have made it clear to the Convention of Scottish Local Authorities in particular that I think that local partnership delivery of the skills and training agenda is really important, particularly in relation to the more choices, more chances agenda for 16 to 19-year-olds who are not in education, employment or training. Synergy with schools on delivering the agenda is very important.

After the responses were analysed, it was concluded that the Careers Scotland function should not go to local authorities because of the cost implication: there would have been £100 million less in the Scottish budget, or £100 million less for local authorities. The responses also called for national leverage to address the employability agenda, including work with Jobcentre Plus. All that led to our policy decision that a national body for skills and training would be most appropriate. Fragmentation and a postcode lottery that meant different local authorities did different things would not have helped the national agenda. The responses to the skills agenda consultation were clear that we need a cohesive, cross-sector approach that is easier to deal with. Although Mary Mulligan's suggestion was considered, I have explained the rationale for the decision that we made.

Mary Mulligan: Do you think that the merger will save money?

Fiona Hyslop: In the longer term, yes; in the shorter term, bringing the organisations together will incur expenses. It is important to look at how we can work with some of the different agencies,

and it is clear that there will be savings as a result of their coming together. I have written to staff to assure them that there will be no compulsory redundancies. Although there will be initial expenditure, in the longer term, I expect that there will be savings that we will be able to plough back into the provision of skills and training on the front line, which is what we all want.

Mary Mulligan: You mentioned staff. How long will the merger process take?

Fiona Hyslop: I am trying to put a framework in place this year and want things to be up and running by the beginning of the next financial year.

Mary Mulligan: You have decided on a single agency and have made a further announcement about a merger with the enterprise companies' skills and training function. For people who are leaving school, college or university or refocusing their career path, how will you convince them that the new arrangement will provide for them better than they were provided for in the past?

Fiona Hyslop: The idea is to have a one-stop shop. People are concerned because they do not know where they can access information.

I listened to the earlier evidence on Careers Scotland. The previous Government refocused Careers Scotland for 16 to 19-year-olds to make sure that they had an interview in the fourth year of school. If we are considering skills development, a case can be made for providing careers advice and information in school at an earlier age. That is where the points about the curriculum for excellence come in. If employability is part of the school curriculum, teachers will, under guidance from Careers Scotland, carry out some of those other aspects at an earlier stage, which will blend naturally with the curriculum for excellence agenda. That is a good example of something that is changing and of how we will redirect and do things differently.

Young people need more choices and chances in life, so perhaps we should not wait until they are 16 to address that—we must conduct more support work as part of our early intervention agenda. That comes back to the key thrust of the skills strategy document, which is about lifelong learning and skills for life and work.

13:30

Mary Mulligan: I have another question, which is on an issue that I had not thought about until it came up in earlier evidence. The minister is right that many people have welcomed the skills strategy and said that it is fine. However, to use the term that has been used, where are the inspiration and aspiration? With all due respect, the civil service could have written the skills

strategy. Where are the inspiration and aspiration that will encourage people to take opportunities to develop their skills and so benefit them and the economy?

Fiona Hyslop: The inspiration and aspiration are about the need to develop a Scotland that is a learning nation in the future, as we have been a learning nation in the past. That means considering not only school activity. The committee has heard that those who are in work will provide the biggest growth in skills to make Scotland truly world class. We want to be a competitive nation and we must ensure that we have the right skills to achieve that. We have a high level of skills, but are not using them productively. When older generations, such as grandparents, aunts and uncles, have an appetite for lifelong learning and young children see them actively involved in it, that can be an inspiration. That agenda can help to encourage the 20 per cent of young people who underperform academically in schools to take up lifelong learning. That is the trick and the different perspective that the Government has brought to the skills agenda.

The Convener: The Scottish union learning fund is one of the most successful ways of engaging with those who are in work that the previous Executive established. This morning, we heard from the STUC that, although it welcomes the skills strategy, it has concerns that there is no financial commitment to the future of the union learning fund. Can you confirm that you will continue to fund it? Will the funding be similar to that for the union learning fund in England and Wales, where, as the Prime Minister announced at the STUC conference a few weeks ago, the funding is to increase from £10 million to £15 million?

Fiona Hyslop: The strategy document makes supportive comments about the union learning fund. We look forward to working with the STUC and others in developing it. Workplace learning is critical, so it is important that we bring together employers, unions and employees on that agenda. Gordon Brown is in a better position to understand the contents of the comprehensive spending review as it affects Scotland. Yet again, we are in a frustrating place because of the delay in the release of the comprehensive spending review information. I cannot list all the funding, whether it is for part-time learners, the union learning fund or the many other issues on which you might want me to make an announcement. However, I am supportive of the union learning fund and I look forward to working with the STUC on it.

The Convener: I do not expect you to make announcements today, although you have already given us one, which I am sure we appreciated. I

am asking for a guarantee and assurance that you recognise the importance of the work of trade unions in Scotland and that the union learning fund has been vital to ensuring that many workers throughout Scotland can access lifelong learning. I also seek an assurance that, as you make your representations to John Swinney as part of the comprehensive spending review, you will argue for continued funding for the union learning fund.

Fiona Hyslop: Indeed. The skills strategy states:

"The Scottish Union Learning Fund ... has been instrumental in building the capacity of unions to offer learning ... Building on these initiatives, we will look at ways of supporting the STUC in the creation of a Scottish Union Academy, similar to *unionlearn* in England."

I give you the assurance that you seek on support for the union learning fund. We cover that explicitly in the strategy, and I hope that you will take on board what I have said today.

The Convener: In responding to my colleague Mary Mulligan, you said that many of the people whom we want to train and engage in lifelong learning are already in work. I am sure that you are well aware that approximately 100,000 people in Scotland are in work but have difficulties with literacy and numeracy. What does the Scottish Executive intend to do to attempt to address those difficulties? Will you have dialogue with the trade unions about funding a trade union literacy and numeracy programme? Some people who are in work are more responsive and willing to accept advice on embarking on learning from their trade union than from their employer, because they might not want their employer to know that they have difficulties with literacy and numeracy.

Fiona Hyslop: As you know from the skills strategy, improved literacy and numeracy are key components of the developments and improvements that we seek. You are right to address the workplace issues.

The previous literacy and numeracy strategy is about five years old. Part of the call to action that I make in our strategy is about how we can develop the previous strategy, particularly in relation to community learning partnerships. We heard earlier about colleges and local authorities. Local authorities play a lead role in the adult literacy and numeracy policies that are developed in local communities. You are right to suggest that some of that work might best be done in workplaces.

The call to action is not just for other organisations. It is also for the Government. I took early steps to ask officials to look again at some of the adult literacy and numeracy programmes and consider how best we can support them. We acknowledge that times have changed, and we face some considerable challenges. It is important

to make it easier for individuals to access programmes. Sometimes they will access them in colleges and sometimes programmes are best placed in community development settings. However, if we can engender support from employers, the workplace is often the most convenient setting because programmes that are placed there are easy for people to access. Learning in the workplace is a key way to break down barriers.

The Convener: I am sure that you were watching the earlier part of the committee's meeting. Mary Mulligan mentioned something that Universities Scotland said about inspiration and aspiration. Howard McKenzie told us that he would like the cap to be removed on the number of students who enter further education colleges. What is your response to the view that that measure should have been included in the skills strategy?

Fiona Hyslop: One of the interesting things about the response to the skills strategy is the engagement of people throughout Scotland who want to use the strategy as a bridgehead to help develop other policies. The review of Scottish colleges has been published and I will deliver my response to it in the coming months. The review addresses the aspect that you mention, but it is also a matter for the comprehensive spending review. How can we position and fund the FE and HE sectors to ensure that we have the capacity not only to deliver the essentials that we already deliver but to help move Scotland forward?

Howard McKenzie's bid was opportune. If I was him, I would certainly have taken the opportunity to make such a bid, but it is perhaps a bit ambitious to expect me to respond within weeks of the CSR.

Christina McKelvie: You will not be surprised to know that I view the strategy with optimism and hope. Organisations such as the CBI, the Scottish Chambers of Commerce, the Federation of Small Businesses, the Scottish Trades Union Congress and various educational establishments—including, as I know from my visit, Motherwell College—welcome the fact that we have a skills strategy. I am inspired that, in describing the strategy, they use the words “coherence”, “meaningful”, “priority” and “hope”. An excellent group of trade unions, educational organisations and employers have come together with the sole purpose of developing Scotland. How will you develop your new-found relationships with them to continue the good work that you have started?

Fiona Hyslop: Since the launch of the skills strategy, I have engaged with different organisations on how to make progress, and we have talked previously with the STUC about how it wants to make progress.

The skills strategy is on the agenda for the SQA's board meeting in November. Significant demands will be put on the Scottish credit and qualifications framework, and I want to ensure that the SQA and the SCQF can deliver what is required of them.

CBI Scotland and the Scottish Chambers of Commerce have been working together to see what they can do. There will be a real challenge for SMEs in particular. Skills have to be utilised. People will ask what is different between the skills strategy and the Government's response to Leitch. Our emphasis is not on stockpiling on the supply side, but on our belief that skills utilisation will be key to increasing productivity in Scotland. Grahame Smith recognised that point too, as you heard.

We want people to have more skills so that they can find better-paid jobs and improve life for themselves and their families. However, the national point of view is also important. Productivity in Scotland lags behind that in the rest of the UK, not to mention that in other countries in the world. The key test of the success of the skills strategy will be in the way it helps to improve productivity, especially with SMEs.

I have been encouraged over the past few weeks by the reactions. The different organisations have set up the means to develop detailed policy and to respond to the call for action.

The Convener: That concludes our questions. I thank the minister for her attendance.

I will suspend the meeting briefly, but we still have one agenda item to consider. I hope that it will not take long.

13:42

Meeting suspended.

13:42

On resuming—

Subordinate Legislation

Provision of School Education for Children under School Age (Prescribed Children) (Scotland) Amendment Order 2007 (SSI 2007/396)

The Convener: We come to the fourth and final item on our agenda, which is consideration of three Scottish statutory instruments that are subject to the negative procedure. On the first, no motions to annul have been lodged, and the Subordinate Legislation Committee determined that it did not need to draw the Parliament's attention to it. Does the committee agree to make no recommendations on the amendment order?

Members *indicated agreement.*

Regulation of Care (Social Service Workers) (Scotland) Amendment Order 2007 (SSI 2007/407)

The Convener: On the second SSI, no motions to annul have been lodged, and the Subordinate Legislation Committee determined that it did not need to draw the Parliament's attention to it. Does the committee agree to make no recommendations on the amendment order?

Members *indicated agreement.*

Disclosure Scotland (Staff Transfer) Order 2007 (SSI 2007/417)

The Convener: Finally, we come to SSI 2007/417. No motions to annul the order have been lodged, and the Subordinate Legislation Committee determined that it did not need to draw the Parliament's attention to it. Does the committee agree to make no recommendations on the order?

Members *indicated agreement.*

The Convener: I remind committee members that our next meeting is on 3 October.

Meeting closed at 13:45.

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