The Scottish Parliament
Pàrlamaid na h-Alba

Official Report

EDUCATION AND CULTURE COMMITTEE

Tuesday 1 April 2014

Session 4

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EDUCATION AND CULTURE COMMITTEE
10th Meeting 2014, Session 4

CONVENER

*Stewart Maxwell (West Scotland) (SNP)

DEPUTY CONVENER

*Neil Bibby (West Scotland) (Lab)

COMMITTEE MEMBERS

*George Adam (Paisley) (SNP)
*Clare Adamson (Central Scotland) (SNP)
*Jayne Baxter (Mid Scotland and Fife) (Lab)
*Colin Beattie (Midlothian North and Musselburgh) (SNP)
*Joan McAlpine (South Scotland) (SNP)
*Liam McArthur (Orkney Islands) (LD)
*Mary Scanlon (Highlands and Islands) (Con)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Carol Ball (Unison)
Jackie Brock (Children in Scotland)
Garry Clark (Scottish Chambers of Commerce)
Iain McCaskey (Federation for Industry Sector Skills and Standards)
Maggie Morrison (CGI Scotland)
Jim Murphy (Scottish Training Federation)
Clare Simpson (Parenting Across Scotland)
Emily Thomson (Glasgow Caledonian University)

CLERK TO THE COMMITTEE

Terry Shevlin

LOCATION

Committee Room 6

Scottish Parliament

Education and Culture Committee

Tuesday 1 April 2014

[The Convener *opened the meeting at 10:02*]

Scotland's Educational and Cultural Future

The Convener (Stewart Maxwell): Good morning and welcome to the 10th meeting in 2014 of the Education and Culture Committee. I remind everyone that electronic devices should be switched off at all times because they interfere with the broadcasting system.

Today is the second evidence session of our inquiry. We shall cover the topics of the early years, childcare and employability. I welcome our first panel of witnesses, who are here to discuss the early years and childcare. They are Jackie Brock from Children in Scotland, Carol Ball from Unison, Clare Simpson from parenting across Scotland, and Emily Thomson from the women in Scotland's economy research centre at Glasgow Caledonian University. Thank you for coming along and for your written submissions.

I shall start the ball rolling with a general question. How important do you consider childcare to be not only for employability opportunities but for children's welfare?

Emily Thomson (Glasgow Caledonian University): Childcare is incredibly important, not least because of the labour market issues that you have flagged up. In the short term, there are employability and productivity issues, where jobs can be created and money spent in the local economy. However, a lot of evidence indicates that, in the longer term, children who are well cared for and have consistent and reliable childcare opportunities, particularly in their early years, grow up to be more civically engaged and are less likely to engage in risky behaviours or crime. Therefore, key long-term investments can have social and productivity benefits.

Clare Simpson (Parenting Across Scotland): I totally agree. Childcare is important on a number of fronts, both for the economy and for children themselves. We need to put children right at the forefront. As Emily Thomson has said, there are huge benefits for children from childcare, particularly in terms of tackling inequalities, and Scotland is unfortunately riven by huge inequalities in society.

A lot of the information from the growing up in Scotland study shows that, when there is a gap at the age of three, by the age of five, when children get to school, they are far behind their peers in cognitive development. With good-quality childcare, some of that inequality is ironed out and children have a better chance, and that benefit can still be shown at the age of 15.

If vulnerable parents are finding life difficult, nurseries can often identify that and provide the support that parents need to be able to give good-quality care to their children. The importance of childcare on a number of fronts should not be underestimated. At the women's employment summit, Nicola Sturgeon called it an infrastructure issue, and it certainly is that. It is the glue that holds our society together and we need to give it its due importance.

Carol Ball (Unison): I could not agree more with what Emily Thomson said and with the fact that we should put children first. They have to be foremost in the provision of childcare. I have some concerns, but it can be in children's best interests for them to be in a childcare setting for up to 10 hours a day, five days a week, as long as they have the correct resources. By that I mean the correct staffing ratios for the provision of valuable, quality-driven childcare, which must be absolutely at the forefront.

Employers also have a role to play. It is not all about childcare provision; it is about employers recognising that families and having a work-life balance are important. They invest in and train their employees, but a lot of those who are already in work then have to leave because the childcare provision is not flexible enough or because their employer does not provide for childcare. There is a wide balance to be struck between high-quality, flexible provision, which does not exist at the moment, and employers playing their role in providing flexibility in their working practices to benefit the whole of society.

Jackie Brock (Children in Scotland): I echo those comments, and I will throw in a couple of statistics. You asked about the evidence for child development and welfare in relation to childcare. There is a raft of evidence about the good value to the public purse of early years investment, as I am sure the committee is well aware. For example, research from the University of Melbourne has shown that having a quality early education enables children to score up to 30 points more in literacy and numeracy tests as they progress in primary school.

It is probably no surprise that, in Scotland and the United Kingdom, children from the top income quintile households are two and a half times more likely to attend early years childcare provision and six times more likely to use early years and

childcare provision at a full-time rate. When we think about the huge inequity in children's attainment and achievement when they enter primary 1, we realise that that inequality has begun partly because of the good-quality provision that some children in higher-income households have had compared with those from lower-income households. As you know, the attainment gap is then reinforced throughout their school journey. Childcare must be part of the answer, with effective use of public investment in our children and their development.

The Convener: Thank you. You have raised a number of interesting issues.

Colin Beattie (Midlothian North and Musselburgh) (SNP): I was interested to note that there are huge disparities in the cost of childcare. In particular, the average fee for an hour of childcare in Scotland in 2014 is £4, but there are differences in the cost of childcare for a child under two, which is 80 per cent more costly in the local authorities in which it is most expensive than in those in which it is cheapest. Why is there that huge discrepancy in the cost?

Jackie Brock: There are a number of reasons for that. It is a pretty complex matter, but I will be as brief as I can. We need to take Scotland's geography into account—rurality and remoteness are obviously issues. Given that our childcare market is driven mainly by the private sector, private nurseries are essentially small businesses and they need to charge a rate that will enable them to function effectively as businesses. Where they do not have a significant market or where they need to charge a lot of money because of their rurality and the fact that they do not have a lot of parents available, the market can determine how much the cost is. That is one issue.

A further issue is that money for the local authority provision is passed from the Scottish Government and it is down to each local authority to determine how much it will subsidise its own childcare and how much it will subsidise its childcare provider partners. Those amounts will vary.

Emily Thomson: I emphasise the point that Jackie Brock makes about the market providing the majority of childcare. We have a hybrid system in Scotland at the moment, and the policies of supporting parents to purchase childcare in the market have led to patchy prices for childcare because there are different economic conditions in different local areas, as Jackie outlined. There are variations in local demand for services, and there are issues around the childcare market and the labour market for childcare workers, who are generally paid better for state-provided provision. The price depends on the mix in the local area.

Colin Beattie: I am still finding this difficult to understand. If an hour of childcare in Scotland in 2014 costs £4 but the highest price in 2013 was £9.40, there is a huge discrepancy. If, because of local economic conditions, the number of people who were available and so on, a cost of £4 an hour had to go up by something like 25 per cent, I could understand that. However, a disparity between £4 and £9.40 does not make sense.

Jackie Brock: The survey hides the extent to which providers are able to charge more. For example, children aged two and under require a certain staff ratio, which is more costly, and providers are able to charge more for children whose families need childcare outside the usual hours of 9 to 3. Children who have additional support needs will require a more intensive staff ratio, which also enables the providers to charge more.

We share your concern about the "lottery" of childcare costs in Scotland, as it has been called by the Family and Childcare Trust. That exists, to a certain extent, because the market in childcare is determined by who can pay and by what providers believe can help them to run an economical small business as opposed to a public good. That relates to the transformation in how childcare is provided that we are all arguing that we need.

10:15

Clare Simpson: I agree with both of those points. You are talking about averages, Mr Beattie, and even my poor grasp of mathematics allows me to realise that, if those are averages, there is probably an even greater disparity. Those figures will hide higher costs, in particular.

All our written submissions reflect the fact that we would like to see things move from a demand-led to a supply-led model. Evidence from other countries shows that, if parents or people who use childcare are given vouchers or if other ways of subsiding childcare are found, that model quite often allows providers to put up their prices to account for that. They know that parents are getting more, so they charge them more. There are many different reasons for having a supply-side model, one of which is to cut down that price disparity, which parents are bearing the brunt of.

Carol Ball: I represent Unison, which is a public sector union, and we want universal provision that is provided by the public sector and the third sector, and not for profit. Universal provision that is not for profit can equalise the payment for childcare. A few years ago, my own local authority started to charge for the childcare element. The education part was free at the point of delivery, but because of funding gaps it was—and remains—

more economical for parents to have that provision made by the public sector. We need to look at such issues.

Colin Beattie: Let us return to pricing. Although many of the statistics from south of the border mirror what is happening north of the border, childcare seems to be cheaper south of the border than it is in Scotland. I do not understand that either. I understand that there are pockets in rural areas where there is a higher per-unit price for the service—that is economics. However, one would expect there to be more or less parity in urban areas. Why should childcare be more expensive up here?

Jackie Brock: The larger population south of the border allows larger-scale provision, as there is more demand. There is more of a market for nurseries and, therefore, more choice, which enables a more competitive approach to pricing. Also, the reliance on grandparent care is greater in Scotland than in many parts of England. The make-up of families and the way in which they support their children is different, although I would not want to overstate that.

Colin Beattie: Is it not cheaper if grandparents provide the childcare?

Emily Thomson: It reduces demand.

Jackie Brock: Yes, it reduces demand and providers are able to charge a bit more.

Clare Simpson: As Jackie Brock said, there are a number of big corporate providers in England who operate on economies of scale. I do not know whether this is definitely the case, but private providers generally pay lower wages, and that probably has an effect on quality.

Although we have some answers for you, we are as puzzled as you are by some of the disparities. It would be very useful if the committee were to recommend an investigation—not another parliamentary inquiry, but a look at what is happening in childcare costs and why that disparity exists.

Liam McArthur (Orkney Islands) (LD): Before I go back to the question that I was going to ask, I want to ask Clare Simpson about the switch from a demand-led to a supply-side model. Given what Jackie Brock said about rural areas, in which the population of parents and therefore children likely to take up these services is smaller, how would the supply-side model that you have talked about recognise those higher costs? Would you see it simply as an exercise in factoring in a rural weighting, for example, so that that model would work?

Clare Simpson: To be honest, I am not entirely sure—perhaps some other panel members may know. However, the model works in the Nordic countries—which people always laud and which we always come back to—and they have huge issues with rurality. I imagine that, as you say, there would be some kind of rural weighting in the subsidy that is given. My fellow panel members may have more answers.

Jackie Brock: There would have to be some sort of weighting. If we want to have a Scottish model of childcare, it has to reflect our population, our circumstances and our context. Compared with other countries—not necessarily only the Scandic model—we are certainly not making the best use of the investment that we have already made in children's development and community development and of our public assets, including our schools and community halls, given that schools, for example, are empty for 13 weeks a year and after hours. We would certainly need to be creative about our use of existing assets, but if we were to move in the direction that you describe—we obviously support Clare Simpson's view about looking at greater supply-side support—there would have to be a model of funding and a resource allocation that reflected demand.

We must also look at the inequities around the ability to pay. We would need to look at some way of subsidising parents who are on low incomes but who need childcare in order to go to work.

Liam McArthur: I think that, in response to the convener's initial question, you all alluded to or referred directly to quality and flexibility. Children in Scotland's submission refers to the fact that more

"requires to be done to enable mothers particularly to use their entitlement more flexibly so that it can cover longer days rather than short daily sessions".

Jackie Brock mentioned that children from households in the upper income quintile have pretty much full-time provision at an earlier age. If I recall what happened correctly, when we took evidence on the Children and Young People (Scotland) Bill there was some dispute about whether the longer days were necessarily advantageous in terms of child development. Could you explain where the balance has to be struck between the flexibility that parents require to take on work or expand the work that they do, and the child development stuff that should drive the childcare policy?

Jackie Brock: You will have heard a lot of discussion and argument about flexibility when you considered the Children and Young People (Scotland) Bill. That is a crucial development that we are seeing in the Government's proposals. The very narrow perspective is that the current provision for children at three, which is essentially two and a half hours in the morning or at another time, is not good enough for any families and

certainly not for parents who need flexible hours to maintain their work.

Like many others, we argued that, for example, the flexibility for people to take their hours entitlement in two and a half days or in two long days a week rather than spread across the five days might better enable parents to balance their commitments to their family and their working life. That is very close to what people will be able to get in Scotland by using the 600 hours of childcare.

We have made progress through the bill, but what we are all arguing for—I hope that it is what the committee will also want to see—is a funding model that is sustainable if we are to achieve what we all aspire to, which is a good-quality childcare system over 52 weeks a year.

Liam McArthur has touched on what is the heart of the issue for us and is a challenge for Children in Scotland and our partners. We know that higher-income households are using full-time childcare more than lower-income households and that those children appear to be seeing the benefits. However, I suggest to you—it will be interesting to hear what you think—that there is some discomfort in Scotland about considering providing childcare for 10 hours a day, five days a week. My personal view is that we are not quite ready for that. We certainly need a lot more engagement and discussion about it.

That is why Children in Scotland has launched its partnership commission for childcare reform and childcare alliance. We have reflected carefully and feel that the Scandic model, which enables those long days—although they are not always taken up by families—for some reason has not captured the passionate commitment of Scotland, or rather of Scottish society and our members. We need to do a lot more work about what is needed in terms of greater flexibility in childcare provision and, as we have heard, greater flexibility from employers. Do we in Scotland really want to enable childcare to be provided 24/7 in order for us to have zero-hours contracting and more families working in that way? Is that our aspiration?

I will shut up now, but I will add only that the benefits of good-quality childcare are clear and evidence based. It has to be high quality, but the evidence shows that the benefit, combined with a stable family life, is absolutely right for children. How we achieve that is a huge challenge. It is a fantastic debate, but we are at an early stage.

Emily Thomson: I have a small point. I agree with what Jackie Brock has said. There is a difference between somewhere to park your children while you work for 10 hours a day and a place where children can be nourished and developed. One of the negative aspects of children being in full-time care relates to the fact that children do better if they are looked after by the same people over a period of time. There are very low rates of pay and there is very high turnover in the childcare labour market at the moment; that does not foster those kinds of relationships between children and carers. We have the idea that more childcare is not necessarily better, but if the quality were to be increased, we could start to see that as a positive benefit.

Clare Simpson: I have two points, both to do with the edges of childcare, which echo what has been said already. As people have correctly identified, some of the issues with childcare concern high quality and the impact on children's learning. However, a lot of parents, in particular mothers and single mothers, use childcare as a way into work and education and a way out of poverty. Quite often, childcare does not achieve those purposes. We need to think about childcare not in isolation but, as people have said, in the context of a very changing labour market—one that involves, for instance, zero-hours contracting—that often is not conducive to the health of anyone, whether families or individual parents.

I have referred before to my time at the women's employment summit a couple of years ago. There was a young woman there who you would take off your hat to, in one way. She was a young parent who was really trying; she wanted to better herself, both for her own sake and for that of her family, so that she could work for her daughter and work her way out of poverty. She said, "I am going out to university at 8 o'clock and finishing at 4 and then I have a job in a call centre till 10 o'clock, so I need childcare from 8 o'clock in the morning till 10 o'clock at night." You can see why she thought that. What she actually needed was better funding for a university place, so that she did not have to do a very difficult job afterwards.

My other point, which is in the written evidence from parenting across Scotland, concerns flexibility in the bill. The possibility of a statutory duty on local authorities to consult parents offers us opportunities that we should not lose. We should ensure that the consultation is well resourced and well funded and that, when local authorities have to do it next year, there are models of good practice that enable us to gather Scotland-wide information about what parents want and what is needed, to inform future development of childcare, particularly out-of-school childcare provision, about which we know less and which is not in legislation.

10:30

Carol Ball: On flexibility, I give the example of a friend who uses a childminder and nursery school provision. Because the nursery does not open until 8.30, she has to drop the child off with the childminder, who takes the child to the nursery. The nursery provision is free, but my friend has to pay the childminder for the whole day, quite rightly. She absolutely respects the quality free nursery provision, where the child gets to mix with more children, but the system is not cost effective and is not saving the family any money, because it is inflexible. We need to look at that.

Jackie Brock talked about the flexibility to take the 600 hours entitlement through provision over two and a half days. We can see the reasoning behind that, because a lot of women choose to job share. However, if we provide that service, we could double the number of children who attend the childcare setting, because there will be children who come at the beginning of the week and children who come at the end of the week. That will have an impact on the workforce that provides the service, because staff will have to work with more children than they currently do. The wider impact needs to be considered if we are to get the correct provision.

The Convener: I want to understand what you mean by that. How will the staff be working with more children? They will work with different children, and the provision might be organised differently, but will the overall number of hours that workers cover not be the same?

Carol Ball: Okay, let me explain. The current staffing ratio for three to five-year-olds who attend nursery for more than four hours is 1:8. If all the children attend full time, the key worker will work with eight children. They must plan for, assess and take forward eight children's learning—everything is planned around having eight children.

In a nursery school that provides only a morning or afternoon place, so children do not attend for more than four hours, the ratio can be 1:10. A worker in a nursery that offers only part-time places might deal with 20 children: 10 in the morning and 10 in the afternoon. They have to plan for and create the learning environment for 20 children; they must also write reports on the progress of 20 children. In some settings, the head of the nursery is included in the staffing ratio, although we think that that is not right. Their 10 children will be divided among the rest of the staff, so someone might have 24 children to plan for.

In one setting, staff might work with eight children; in a purely part-time nursery, a worker might have to deal with 24 children, which increases their workload. If nurseries start to offer provision for parts of the day, staff might have to deal with a lot more children than are dealt with by a teacher in a classroom.

It is important to be careful about the impact of flexibility. Flexibility is fine, as long as the staffing models are provided that can ensure that there is quality and not just quantity.

The Convener: A number of members want to come in, so I ask for brief questions and relatively brief answers.

Jayne Baxter (Mid Scotland and Fife) (Lab): I thank Carol Ball for answering a question that I was going to ask, because Unison members in Fife have often raised that issue with me. Families make decisions based on the flexibility that they need—I should declare an interest, because I am a granny who provides a lot of care.

The private sector provides 28 per cent of childcare. The National Day Nurseries Association said in a press release that the Government's childcare plans are unworkable without more funds. This morning, we have heard a lot about the need for funding and resources. Colin Beattie asked about differences in cost. It looks as if private nurseries are almost subsidising the places that the Government funds. Is that an issue for the whole sector or just for the private sector? What about families who must rely on private nurseries? How can we make the childcare guarantee workable—or is it that the National Day Nurseries Association is wrong or misguided and the guarantee is workable now?

The Convener: Who wants to have a go at answering those questions?

Carol Ball: I can talk only from a public sector perspective, because I am here speaking on behalf of public sector workers. I think that early years education and childcare should be provided by the public sector and should be funded. Children belong to society. Of course they belong to their parents first, but we all have an interest in children, so I think that we all have a responsibility to pay to ensure that they get the highest-quality provision.

Believe it or not, it is coming up to the 10th anniversary of the nursery nurses dispute. We will be having a day to mark that and we have done some initial research into where we are now. We looked at the salaries for nursery nurses and found that the name of that role has changed throughout local authorities and that their pay ranges from £16,500 to £24,500, so there is a 50 per cent gap in the current salaries of childcare workers. That is in the public sector, and I cannot hazard a guess as to what the gap must be in the private sector, so we need to consider the costs of delivering childcare and say, "If you want high quality, you have to pay for it."

We absolutely agree with the requirement for the workforce to be registered with the Scottish Social Services Council and to have a qualification, but that level of responsibility and high quality has to be paid for. Costs should not be cut for profit, and childcare should be provided by the public sector.

Emily Thomson: The price of private childcare provision does not necessarily reflect the cost of delivery; it reflects the cost of delivery plus the profit. With public provision, we would have to pay for quality staff and better-trained staff, but we might be able to benefit from economies of scale with long-term investment. I agree with the idea that if we want the quality, we have to pay for it, but under market conditions the price does not always reflect the actual costs of delivery.

Jackie Brock: In many parts of Scotland, we have a fantastic network, generally spearheaded by the local authority, with an effective patchwork of services that includes the private sector, both in the provision of private nurseries and in childminding. Those, combined with the state providers and the out-of-school clubs, do a lot that is good and can provide the flexibility that we are looking for, but Emily Thomson's earlier points were about the need for reliable and stable provision in the interests of the child and of the family.

Are we going to get that in a system in which, when it works well, there may be a number of public, private and third sector partners involved, but which is too expensive? You are asking about the cost, but we would argue that the cost is already high, and we must consider whether the sum of just under £1 billion that is currently spent in Scotland alone—which does not include the tax break money that we get via the UK—can be used in a better way. I cannot give you a list of ways in which we could do that, but we are convinced that, given that the current system really works only for families who are relatively well off and who live in the right areas where there is provision, the money could undoubtedly be used better. How much else we might then need to invest to deliver the good quality that we are talking about is a question on which the committee could do a lot of good work in helping us to identify the answers.

Joan McAlpine (South Scotland) (SNP): On the topic of quality, you will be aware that, as we move from the roll-out of 600 hours of childcare to the 1,140 hours, the Minister for Children and Young People has asked Professor Iram Siraj to look at staffing and staff training. Is that something that you welcome?

Jackie Brock: Absolutely. It is a fantastic move by the Government to have such a renowned expert come to look at Scotland's childcare workforce and its needs. We would want that review to build on the success of, for example, the requirement for degree-level qualifications, which is another fantastic step forward for the childcare workforce. Our high standards around registration are also to be celebrated and are something to build on.

It would be really exciting if the workforce review thought about how we can ensure that childcare becomes a high-quality area of work to which people aspire from a range of sectors—not only young people leaving school, but those leaving college and university. Childcare needs to become, as it is in other places, a highly desirable skill and career.

Clare Simpson: I echo that. We already have quality to an extent, although there is probably quite a lot of disparity across the sector. Having talked to a number of people in the childcare workforce, I am incredibly impressed by their dedication. People believe in different models or have different gurus with regard to child-centred education, but I think that Professor—I am sorry, but I have forgotten her name.

Joan McAlpine: Siraj.

Clare Simpson: Professor Siraj has to go and ask not just nursery providers but all childcare providers working on the ground what their beliefs are to ensure that the good work that they are already doing is recognised and some of their thoughts are captured.

On the points that Emily Thomson and Carol Ball made, I add that we held a parliamentary event about flexible working. A number of parents who had worked in the childcare sector attended, and they talked about how they had had to leave their childcare jobs because they could not afford their own childcare. That is a ludicrous situation that we cannot allow to exist. Although it is actually about low wages, it is also about quality. Why would someone who is paid peanuts put in the effort? However, they do put in the effort for children, so remuneration is part of the question of quality. We need to have more men in the childcare sector in order to reflect diversity, but one reason why we do not have more men in the sector is that they would not work for the money that some childcare workers get.

Emily Thomson: That is the point that I wanted to make. Looking at the labour market for childcare gives us an opportunity to think about how we can encourage more men to come into the sector, because it is predominantly a feminised workforce at the moment. I think that, currently, in Scotland, 97 per cent of childcare workers and 100 per cent of childminders are female. Low pay is a key aspect. There are a lot of social barriers to men undertaking jobs in nurseries, for example,

and they do not want to face and overcome such challenges only to earn the minimum wage.

From a wider perspective, encouraging more men to go into the childcare labour market would help to break the social expectation that women are the providers of care and it would give us an opportunity to think more widely about the social aspects of care and the merits of childcare. Increasing the wages and professionalising the childcare labour market is a key way in which at least to help to encourage more men to go into childcare.

Carol Ball: When I became a nursery nurse, which is my job, 32 years ago, I had to have a two-year qualification. Most of our members in the public sector have always been qualified. Our frustration in the past 10 years, since the previous review, has been that we have felt that we are being held back until the private and voluntary sectors catch up, because not everyone in those sectors has had to have a qualification.

I think that we are starting from a good base. Last week, a speaker at a Children in Scotland event noted that 80 per cent of the workforce now have qualifications. However, the qualifications need to be more streamlined, as there are too many routes into the workforce. Unison fully supported the BA qualification, and we support requirements for a higher national diploma at practitioner level and a higher national certificate at support level. The base level of qualifications should be level 3, and not lower.

10:45

Joan McAlpine: That leads me neatly to my next point. The UK Government asked Cathy Nutbrown to make recommendations on the training of childcare workers, but last week it rejected her recommendations, which were for a minimum of 50 per cent of staff to hold level 3 qualifications, increasing to 70 per cent from September 2015 and 100 per cent by 2022. Is it your perception that Scotland is going in a different direction from England?

Carol Ball: I am not sure that we are going in a different direction. Our qualification base has always been higher than the one down south and there has been a greater level of unqualified staff down south—it used to be that 50 per cent were allowed to be unqualified.

I do not buy into the argument that, the higher someone's qualification is, the more children they can deal with. I do not know what evidence there is for that or how that equates to the situation at all. However, I agree that the minimum qualification level should be level 3.

To follow on from something that Emily Thomson said, I point out that, in a lot of schools, if pupils are deemed not to be academic, they have been told that they can go into either hairdressing or childcare. That attitude needs to end. We have to send out the message that childcare is an important job and it is not simply the case that, if you are a woman, you must be good at it. We have a long way to go to change those perceptions. We have to professionalise the workforce and pay people decent salaries, and the high quality that will result from that will improve the lives of the workers and the lives of children.

Joan McAlpine: It seems to me that professionalising the workforce in terms of higher qualifications and higher wages will lead to higher income tax being raised, which will sustain the whole system. Do you agree with that?

Carol Ball: Yes.

Mary Scanlon (Highlands and Islands) (Con): My colleague from the Public Audit Committee, Colin Beattie, is good at figures and he highlighted the fact that, in Scotland, childcare costs are higher than they are in other parts of the United Kingdom. However, the Government's white paper on independence states:

> "Although these costs are currently lower in Scotland than in England ... parents in Scotland still spend around 27 per cent of household income on childcare."

On the one hand, the white paper says that childcare costs are lower in Scotland, but on the other, Colin Beattie, the parenting across Scotland group and various others say that they are higher here. Who is right? [*Laughter*.] That was not meant as a joke.

Jackie Brock: Again, we have to look at the sources that have been used. The Family and Childcare Trust is a good source, but its figures are based on returns by local authorities and others, whereas the evidence that is used elsewhere has measured things differently. We should also remember that averages are being used.

I would not like to say that either position is wrong. As Clare Simpson said earlier, more detailed consideration of the actual costs of childcare—both the provision of childcare and charges to parents—would be helpful. It would be useful to consider that information at a regional level so that we can get at some of the reasons for the disparities.

Mary Scanlon: It is an important point. I am fairly new to the committee, but everything that I have read about childcare—and someone in my family works in childcare, in the private sector—says that the cost is higher in Scotland; only the white paper says that it is lower here. Can that be explained away by using different stats? I really do

not understand your answer. How can you use different figures and averages and suddenly come up with a lower cost, when 99 per cent of sources say that it is higher?

Jackie Brock: I am happy to go back and look at the sources for what is in the white paper. However, I suggest that, although the Family and Childcare Trust's work highlights many issues, it does not—and the trust says that it does not—get underneath some of the real costs. The figures are based on the returns by local authorities, which are based on averages and are not complete. I strongly advise you not to go away thinking that the white paper has got it wrong until we have had a more detailed look.

Mary Scanlon: I listened carefully to the responses to Colin Beattie's questions, and no one disputed the figures that he gave. I happen to know that he is an auditor and I respect his approach to figures.

Jackie Brock: I cannot speak for other witnesses, but I was responding to a specific question about the £9 per hour figure and I gave reasons why things can be more expensive in Scotland. I think that we need to look at the evidence and the bases on which claims are made. It is a complex area—I understand your position.

Mary Scanlon: It is helpful to be able to get accurate information from whatever source.

Clare Simpson mentioned good-quality childcare and Carol Bell talked about having the correct staffing ratio and so on. Every childcare worker must be registered with the Scottish Social Services Council and must either have or be studying for a qualification. Everyone in the private nursery where my family member works has an HNC and more than half of the staff are going for BAs by distance learning.

I get the impression that people think, "Public sector good, private sector bad", but to be fair, there is good and bad practice in both sectors. MSPs get all reports on nurseries, and I certainly read them diligently. If the standards in a nursery are poor and do not meet the standards that the Care Inspectorate sets, it is closed down. How can you say that one sector is good and another is bad? Whether a nursery is in the public, private or voluntary sector, it must aspire to meet the quality standards that are set out, monitored, audited and inspected by the Care Inspectorate.

If nurseries are not meeting the standards across the board, is the Care Inspectorate not doing its job right and allowing nurseries of poorer quality to remain open? The same argument can be made about care homes for the elderly, standards for which have been more rigorously applied in recent years. Is there concern that the Care Inspectorate is turning a blind eye to poor standards and is not doing its job right?

Jackie Brock: I absolutely refute anything that any of us has said that might suggest that the Care Inspectorate is not doing its job properly. It has been a driver for improvement and change. I also regret any impression that I have given—if I have given such an impression; other witnesses can speak for themselves—that I think that public provision is all good and private provision is all bad. That is absolutely not the case.

The point that we are trying to make is that, if we are trying to improve public value from the current investment in childcare and if we are concerned to ensure that we have the best quality childcare service for all our children, the way in which we are funding the system, which leads to an overreliance on the market and parents' ability to pay and to find the right provider, is simply not going to provide the childcare system that will meet those aspirations.

Clare Simpson: The Care Inspectorate has driven up both the professional standards of the people who work in the industry and the quality of nurseries. There is a mix of provision and, as you say, there are examples of good practice and not-so-good practice in both the public and private sectors. We want quality in all sectors.

The Scottish Government extended free nursery provision to vulnerable two-year-olds in the Children and Young People (Scotland) Act 2014, and we must think carefully about how we make that provision, whether it is through full-day nurseries or whatever. Community childminders may sometimes be a much more appropriate way of delivering that support to vulnerable two-year-olds.

I think that the mix of provision is good and that the Care Inspectorate has driven up standards. When we talk about quality, we see the Care Inspectorate as ensuring that.

Emily Thomson: I guess that I am here to give the macroeconomic arguments for childcare. The economic evidence indicates that childcare as a merit good is not likely to provide the socially optimal level of provision if it is provided entirely by the market. All the economic benefits of childcare are increased when there is public provision and when we target provision in disadvantaged areas, where the multiplier effects of investment in childcare services are likely to be greater and to have positive externalities in terms of the local labour market and stimulation of local demand.

From that perspective, I suggest that public provision has benefits over market provision. However, even in the Nordic states, the provision is not entirely public, as there are pockets of market and third sector provision. There is always

a mix, and it is a matter of achieving a balance in that mix.

The Convener: Mary Scanlon can ask another very brief question—a lot of members want to come in, Mary.

Mary Scanlon: I just want to make a very brief point. I represent the Highlands and Islands, where the councils tend to provide nurseries where there are economies of scale. It is the private sector that provides the nurseries where there are few economies of scale—in fact, many children would not go to nursery at all if it were not for the private and third sector providers.

The Convener: Colin Beattie can ask a brief supplementary question. I emphasise that it must be brief, Colin.

Colin Beattie: I want to follow up the point that Mary Scanlon highlighted about the costs of childcare in Scotland being higher than in the rest of the UK. The written submission from parenting across Scotland—it starts from page 7 of the written submissions paper, which is paper 3—states:

"In the UK as a whole, childcare costs are the highest for any OECD country with the exception of Switzerland ... and in Scotland, in particular, childcare costs are higher than in other parts of the UK".

There are different ways of producing those figures, covering different segments of the childcare market and so on. That reference to childcare costs was in the 2014 FACT report. We do not know how those costs were measured, but I am keen to ask about the statement in the submission, in view of the high childcare costs that we are seeing in parts of Scotland.

Clare Simpson: The costs that we cited are from the Organisation for Economic Co-operation and Development family database and the Family and Childcare Trust's 2014 report, which had not been written when the white paper was written so there may be some disparity. As you say, the cost argument is complex, and we would appreciate people looking at it further. We were looking at the cost to parents at the point of payment, but the cost could be looked at in other ways. We could have looked at the cost of delivery and how much is spent, but we looked at the cost to parents.

11:00

Neil Bibby (West Scotland) (Lab): I want to ask Jackie Brock a question about the written evidence from Children in Scotland. You have asked for further evidence from the Scottish Government on costings and other details around the childcare policies in the white paper. Can you expand on those issues and on the other details that you have questioned?

Jackie Brock: Greater support from Government has been a significant milestone for those of us in the childcare sector. The white paper is a tremendous step forward. Indeed, the way in which childcare has become such an important issue across the political spectrum is hugely welcome. We look forward to moving further with you on what I hope will be even more radical solutions along the lines of what the committee has heard today.

Following the discussions on the Children and Young People (Scotland) Bill, we wanted to know about the thinking behind the extension of childcare in relation to two year-olds. There is still a need for greater clarity about how workless households and those in need are defined. How will they get that support? What are the definitions? What about those who move into and out of work? Indeed, what about families who get a low income from their work? There is a whole cluster of issues around costing and eligibility.

We are also keen to know more about the workforce review. We are keen to see the remit and how providers—for example, organisations such as ours—can be involved in and contribute to the review. On quality and issues such as the 600-hour entitlement, flexibility and the need for reliable and stable childcare provision, we are hearing a number of concerns from local authorities about whether there will be enough people to provide the extension to 600 hours and beyond in 2014 and 2015. We are keen to know how we can ensure that local authorities can meet those statutory commitments and what the impact will be on the wider market. We have talked about the positive benefits where there is flexibility with providers such as childminders, but where will the additional workforce come from? Given the much better conditions in the public sector than in many, although not all, private providers, there are concerns that the additional workforce may well come from private providers. There are a number of issues around the 600 hours provision—although it is very welcome—and the impact that it will have on the local childcare market in Scotland.

Neil Bibby: There has been a lot of discussion about the economic benefits of childcare and getting more women, in particular, back to the workplace. Is anyone on the panel aware of any modelling that has been done on whether simply providing childcare will lead to an increase in jobs for women, other than in the childcare sector?

Emily Thomson: We refer in our evidence to work in Norway that tries to model the impact on employment after the introduction of more childcare—I shall look it up.

The Convener: It is on page 19 of paper 3.

Emily Thomson: Yes—it is Bryson, 2006.

Neil Bibby: Okay—that is fine. I was talking about the policies that are proposed in the white paper. There is nothing specific on that.

Emily Thomson: Our submission does not refer to any such work, but the Institute for Public Policy Research did a modelling exercise on how much tax revenue would be gained from an increase in employment among women in the UK, and we did a similar analysis for Scotland. I think that the predicted increase in tax revenue from an increase in women's employment in the UK was £10 billion. Relatively, the figure was slightly less for Scotland because, in the data that we worked with, the average wage in Scotland was slightly lower and the cost of childcare was slightly higher, which meant that the impact was slightly smaller.

Neil Bibby: An increase in women's employment would obviously increase taxation, but my question is whether there is modelling that shows that providing childcare increases employment. There is a difference.

Emily Thomson: Yes. That is what the Bryson paper that is referred to in our written evidence refers to. I was just giving you extra background on what I know about the impacts that have been modelled.

Neil Bibby: Clare Simpson mentioned putting out-of-school care for children on a statutory footing. I believe that, in England, such care has been on a statutory footing since the Childcare Act 2006. Why is it important that Scotland should have similar legislation, and why has the Scottish Government shied away from putting out-of-school care on a statutory footing?

Clare Simpson: I cannot speak for the Scottish Government; I speak for parenting across Scotland. However, I can say why out-of-school care is important. There are obvious benefits for children. We are talking about getting parents back into work when their children are two, three or four and, sometimes, lone parents are sanctioned by law to go back to work when their children are that age, anyway. However, children who have started school still need childcare after school. Generally, the school day finishes at half past 3 or 4 o'clock and the working day finishes at 5, and of course people cannot leave a five-year-old from half past 3 to half past 6. Therefore, out-of-school care is absolutely necessary. There are also school holidays and so on. When parents work, they absolutely need somewhere for their children to be looked after.

One important issue is that, in an age of austerity, local authorities do what they have to do. One would think that if they are bound by law to deliver 600 hours, they will deliver 600 hours because, otherwise, they will be subject to certain sanctions. At present, local authorities are being forced into certain decisions that they perhaps do not want to make. If they do not have to provide out-of-school care, it might be the subject of cuts. It does not make sense to get parents back into work while their children are in the early years if, when they get to school, their childcare falls off a cliff.

The Convener: To clarify, how does childcare fall off a cliff when they go to school? To take the white paper as an example, if we had 1,140 hours for all one-year-olds to four or five-year-olds, and they then go to primary school, which they attend for 1,140 hours, where is the cliff?

Clare Simpson: Perhaps I was overdramatising, but I am talking about childcare, and I do not see school education as childcare. I am talking about caring for children and the ability of parents to go to work. That means breakfast clubs, out-of-school clubs or holiday clubs.

In an age when local authorities are struggling for finance, they will provide what they have to provide by law, which does not currently include out-of-school childcare—no statute says that local authorities must provide that. That is why I am concerned for the future of such provision and for parents who go out to work and need to use that provision before or after school. Cuts have been made and there might well be future cuts.

The Convener: Do you accept that there is no cliff? Pre-school children are in childcare for up to 475 hours—that is the current figure, which will increase to 600 hours—and, when they go to school, they have 1,140 hours, although I know that what is provided in school is not childcare. I accept what you say about not having childcare before or after school, but there is no cliff in the way that you described.

Clare Simpson: I am thinking about the parent's perspective. For a parent to feel able to go out to work, not having after-school care feels like a monumental barrier.

Carol Ball: I agree with Clare Simpson that, in some ways, the situation feels like a cliff edge for parents. They might have managed to get a place in a nursery that provides care from 8 in the morning to 6 at night and found a job that they have sustained but, when their child leaves that provision and goes to school, even if they have the same number of hours in a school building, they are there from only 9 to 3 and for only 38 weeks of the year.

Parents must have wraparound care that allows them to sustain employment. That is why a lot of our members who work in education have term-time contracts, which reduce their salaries. The full-time equivalent salary for a classroom assistant is about £17,000 but, by the time that that is applied pro rata for term-time, part-time

working, the average salary for a classroom assistant who chooses to work term time comes down to £12,000.

However, that drop of £5,000 does not create an economic difficulty, because people would otherwise need to pay £5,000 for childcare. People choose to work in that setting because they do not have to pay for childcare, but that keeps women in low-paid jobs. Those workers have no career progression, because they work in term-time, part-time jobs. There is a bit of a cliff edge in moving from one system to the other.

A good model that Glasgow City Council is developing is its pre-12 strategy. In its new buildings and complexes that include school buildings, the council has a pre-12 campus that includes nursery provision and an out-of-school care club. Children who are under 12 can go to those campuses, where education and childcare are provided for children of all ages.

We should look at that model. We should look at using and adapting school and community buildings. When planners develop new school buildings or adapt old school buildings, they should see whether they can provide for nurseries and out-of-school clubs, so that all that is provided in the campus.

Clare Adamson (Central Scotland) (SNP): Clare Simpson started the session by referring to huge inequalities, and the convener talked about how the proposals are about far more than just quality childcare and are about lifting families out of poverty. The ambition in the white paper is that the childcare proposals will create 35,000 jobs.

We have done some comparison of costs and talked a little about the Nordic models, but I am interested in comparing the UK's position with that of the rest of Europe. The UK has the highest childcare costs; a low-pay economy, which is not normal in Europe; zero-hours contracts; and a tax system that includes tax credits, which it could be argued suppress employment and the employment of nursery nurses. Will you give us a bit of detail on why Sweden's female employment rate is 76.8 per cent, in comparison with 68.6 per cent in the UK? In Denmark, the employment rate for mothers of under-fives is 79 per cent, whereas we are hitting only 59 per cent in the UK.

I agree that the proposals and ambitions are challenging. Carol Ball mentioned a change in the whole attitude to childcare. Are the proposals and ambitions reasonable, given the examples of countries in the rest of Europe that do things differently?

11:15

The Convener: I hope that Emily Thomson can help us with some of the comparisons.

Emily Thomson: The Nordic model has much higher rates of female employment, but if we look at the context, we will see that there is much more gender equality in who does the paid work and who does the unpaid work. We do not have a lot of data in Scotland about unpaid work in the home and who does what, but if we look at the UK data at an Organisation for Economic Co-operation and Development level, we see that women do the majority of the unpaid work in the household, even when they work in the labour market—the double-shift idea. That is not as prevalent in the Nordic region. What happens there is still uneven, but it is not as polarised. We have to think about what happens in the household as well as about what happens outside, in paid employment. At the end of the day, if a person is not at work in paid employment and has children and domestic responsibilities or elderly people to look after, they are working without pay in another scenario. We have to keep things in context.

The universal provision of childcare in the Nordic model does away with the high marginal tax rates that are sometimes implicated, particularly in low-wage economies where there is a subsidy system. That might be part of the reason for what happens.

Jackie Brock: We need to take into account the Scandic models and the models in France and other countries when we consider the total amount of paid maternity and paternity leave that individual parents and couples can take. There are significant Government subsidies to enable both parents to take paid parental leave, but that appears to lead to parents going back into the workplace because of the reliable, flexible and stable childcare that is available, which is largely paid for through public subsidy.

We can send the committee handy breakdowns of what happens in other nations and how those divide up. Essentially, the maternity and paternity leave contributions and the percentage of gross domestic product that is paid centrally to support childcare need to be looked at. Employers' contributions, which vary but are more generous not just in the Scandic nations but in most other jurisdictions, need to be looked at, too.

Clare Adamson's question highlights well a range of issues that need to be considered if we are going to look at a form of childcare that really begins to tackle the inequalities and to deliver the high-quality standard of childcare that we want to see.

Emily Thomson: On maternity and paternity leave, that is when gender roles are set. We talked

about the difference between paid and unpaid work. If children's lives start off with an understanding that their father as well as their mother is there to provide care, that will resonate throughout the rest of society and how it is structured in respect of unpaid work in the household. What Jackie Brock said is key to the point about the social context and gender equality within that.

Clare Simpson: On childcare and inequality, at One Parent Families Scotland's conference last year, Naomi Eisenstadt, who set up sure start down in England, said that people often say that childcare is not rocket science, but that it is far more complex than that. I think that one reason why it is so complex is that we want it to achieve different objectives. As Jackie Brock pointed out, it is also about the things that go round it, such as maternity and paternity leave and employers' contributions, perhaps through an extra bit of flexibility. When my son was younger, just being allowed to go into work at half past 9 instead of 9 o'clock meant that I could drop him off. I was allowed that tiny bit of flexibility, although I worked the full hours.

Our submission refers to a piece of work that we have been doing on flexible working. In March, with Working Families down south and with the Fathers Network Scotland, we launched the Scottish awards for the top employers for working families in Scotland. There will be five awards, one of which will be the parenting across Scotland award for childcare, which will be awarded to an employer that does something to do with childcare. People might think that that could be a crèche or direct provision, but there are lots of other ways of providing support, including the provision of vouchers and information. I was at the awards ceremony in London last year, where the childcare award was won by a national health service trust that had some interesting and innovative ways of looking at what employers might do about childcare. We want to use our award to highlight good provision in Scotland so that employers can look at and emulate it.

The Convener: Liam McArthur has a brief question.

Liam McArthur: Jackie Brock has alluded to uncertainties around the figures for the delivery of the provisions in the Children and Young People (Scotland) Act 2014. The witnesses will be aware that concerns have been raised about the lack of a price tag on the childcare element of the white paper, which suggests that it could be paid for by women returning to the workplace, whether or not that is in the caring sector. However, Children in Scotland's submission states that,

"in countries with systems of high quality universal provision, especially 'wrap-around care', these are generally supported by higher levels of taxation."

It goes on to say that

"quality provision of both early learning and childcare cannot be provided on the cheap and this needs to be a dimension to any realistic debate."

That suggests that what is alluded to in the white paper does not face up to the realities of what it will take to deliver something of that magnitude. Is that a fair assessment?

Jackie Brock: The white paper draws on information from the OECD and other reputable sources. We need to take that into account in assessing how it has estimated the costs.

We are not experts on this, but we have no issue with the rationale that is being followed in relation to the possible impact on taxation of the commitment in the white paper to increase the number of hours of free childcare to 1,000-plus over eight years. It seems reasonable to us, although others might be concerned about it. The proposal has a reasonable basis and seems to be very well costed as far as we can see.

However, we state in our submission that although the proposals in the white paper are welcome, we do not feel that they go far enough towards what we think is needed if we are to establish a Scottish model of childcare that provides high-quality childcare, tackles economic inequality and provides a real driver for economic growth and resilience. We are looking for a transformational model, which we think must involve the consideration of different ways of using taxation and subsidising the costs.

Liam McArthur: You pointed earlier to the Scandic models—we have all been guilty of referring to them during this evidence session. You also mentioned France. Those countries tend to be linked, in that they have high levels of personal taxation. Is that what you are driving at in your written submission? Is that a corollary of trying to make the progress that we all aspire to make?

Jackie Brock: We have formed a commission and an alliance. At the UK level, £8 billion-plus is being invested, in addition to tax credits, but Children in Scotland does not think that we are getting good value for that. Could we use that already significant sum better? We need to discuss that, and I am sure that we will come up with much better ways of investing the money that is being made available. What is the gap between what we are achieving with our share of that £8 billion and what we want to achieve? What more might we need? That might involve more taxation, but we would be cautious about that because we are convinced that we can achieve much better

value for money from what we are currently spending.

The Convener: I have a final question for Emily Thomson on her evidence. There was some confusion about Neil Bibby's question. I think that he was trying to suggest that investing in childcare alone would not in itself produce positive increases in employment other than in the childcare sector.

Neil Bibby: That is not what I said when I asked my question. I wanted to know where the modelling is to suggest that an increase in childcare would provide an increase in jobs.

The Convener: I was not trying to say that you did not say that.

I refer to the written evidence that Emily Thomson supplied. This was not clear from her answer, but her written submission says the following about direct investment in childcare:

"In the short run, in the context of a stagnating economy, investment in supporting childcare and early years education serves as a stimulus to growth. The childcare sector is labour intensive and so investment in this sector has a positive impact on employment. In turn those who are employed spend their incomes and have a multiplier effect, creating demand for output in other sectors and stimulating further job creation."

That seems to suggest that the evidence shows that a direct investment in what is called "human capital" in the previous paragraph has the effect of creating employment in not only the childcare sector, but the construction sector and other sectors, as people spend their wages. Is that what the submission is saying?

Emily Thomson: Yes. When more people have jobs, there are more people spending money, and, as we point out later in the submission, in disadvantaged areas people are more likely to spend their money on local services in the local economy, which in turn stimulates demand, which in turn stimulates further employment. There is a multiplier effect, which is stronger in areas of high unemployment and multiple levels of deprivation.

Direct investment creates childcare jobs, which stimulates demand, which then creates spin-off effects of employment in other sectors.

The Convener: Okay. I just wanted to clarify that, and I am very grateful for the clarification. I am sure that members will have read your detailed submission, which includes a discussion of the short-term, medium-term and longer-term impact of such investment.

I thank all the witnesses for the extensive evidence that they have given us, both at and in advance of the meeting.

11:27

Meeting suspended.

11:31

On resuming—

The Convener: This is the second evidence session today of our inquiry. We have just covered childcare and our second panel of witnesses is here to discuss the topic of employability. I welcome Garry Clark from the Scottish Chambers of Commerce; Iain McCaskey from the Federation for Industry Sector Skills and Standards; Maggie Morrison from CGI Scotland; and Jim Murphy from the Scottish Training Federation. Good morning to all of you. I thank you for the written submissions that we have received and for taking the time to come here this morning to give us your evidence. Joan McAlpine will start the questions.

Joan McAlpine: Different policy areas around employability are split between reserved and devolved Administrations. I am interested in your reflections on how that affects our ability to create a streamlined system.

Garry Clark (Scottish Chambers of Commerce): I am happy to start the ball rolling on that. From speaking to our members across the country, I think that they feel that when it comes to areas of employability—particularly when it comes to accessing the right level of support to employ young people—there is a degree of complexity in the system. There is a complexity at the Scottish end and at the UK end and there is a complexity in the interface between the two.

Any division of responsibility creates an element of complexity. The challenge for everyone—no matter what the constitutional status of the country is—is to ensure that we have an easily navigable system that employers of all sizes can access. Ultimately, we are looking for a one-stop shop that will ensure that our members can access the right support for their particular needs. That is easier said than done. Governments north and south of the border have been wrestling with that complexity issue for years, so I do not pretend that there are any easy solutions.

The current complexity is partly due to the division of responsibility but, irrespective of what happens in the referendum, there is a pressing need to ensure that we reduce complexity. Sir Ian Wood's commission, in its interim report, looked at some very sensible ways of addressing some of the areas with particular responsibility for vocational training and education. There are ways of making progress and I think that Sir Ian Wood's commission is a great example of how we might begin to do that, but yes, there is complexity and it needs to be addressed.

Jim Murphy (Scottish Training Federation): I would probably agree with most of that. There is a raft of provisions out there, both UK-wide and locally in Scotland. The youth contract is

mentioned in the committee's briefing paper. Employers do not know where to go to get support for a youth contract—indeed, they do not know what it is. People in the Department for Work and Pensions do not understand the Scottish dimension, because responsibility is devolved to Skills Development Scotland, which manages employability and vocational learning in Scotland.

There is an additional complication in that the Scottish Government managed to secure the youth employment initiative, which creates competition across 32 local authorities. No employer can navigate 32 sets of arrangements for local authority incentives to employers to take on young people.

There is a cluttered landscape in the UK and in Scotland, which is further complicated by the division between younger and older people. In Scotland, because we are responsible for education, 16 to 18-year-olds are cared for locally, whereas the 18-plus age group forms part of DWP provision. There is definitely a need for collaboration or some combining of resources.

Maggie Morrison (CGI Scotland): I worked away from Scotland for some years and came back in 2008. When I was on secondment to the public sector from a previous employer, I was amazed at the complexity of the system. I agree with everything that has been said. It is very difficult for employers and young people to navigate the system. There are the DWP, Jobcentre Plus and Skills Development Scotland, and then there are all the skills councils. Just when I thought that I had got my head round the skills councils, some of them gave themselves new names. Learning the system was very hard.

I, too, commend the Wood interim report for its recommendations on the simplification of the system from both ends of the telescope—for the young person who is looking for help and for the employer who is looking to employ someone.

Iain McCaskey (Federation for Industry Sector Skills and Standards): I echo what colleagues have said about complexity. Skills Development Scotland is trying to develop the My World of Work website to declutter things for the end user. It is difficult for multinational companies to navigate four different systems in the four nations. However, there are ways to get through the system and My World of Work is excellent for people who are trying to navigate their way through it.

Mary Scanlon: I have two questions, the first of which is on modern apprenticeships. In a recent report, Audit Scotland said that—this is off the top of my head—£60 million per year was being spent on providing 10,679 apprenticeships, which works out as an average of £5,663 per apprentice. I welcome the target to provide 25,000 places each year. An additional £15 million has been provided for an additional 15,000 apprenticeships, so that we have 25,000 apprenticeships, but the average cost of one of the additional 15,000 apprenticeships is not £5,663 but £993. Is that value for money? How is it achieved? Were we overpaying in the past, given that we now pay about a sixth of what we used to pay per apprentice? I really do not understand that, so I am asking the panel.

Jim Murphy: There are complexities in the modern apprenticeship process. The arbitrary figures that you gave are correct if you simply divide the raw numbers, but—

Mary Scanlon: They are not arbitrary; they are from the Audit Scotland report.

Jim Murphy: The rest of the money is based on 16 to 18-year-olds who are going through apprenticeships, and the cost varies between sectors. An apprenticeship in retail costs £1,500 to £2,000, whereas an engineering apprenticeship costs £8,500. There is quite a flexed apprenticeship application and funding process to navigate.

The Convener: Can I clarify something for my own sake as well as for other committee members? Are you saying that the average figures, which I think are the £5,500 and £1,000 figures that Mary Scanlon has given, are not helpful because of the range of costs and the different types of apprenticeship, and therefore do not give us the clarity that we seek?

Jim Murphy: You would probably have to look at the average for a sector, or by age group.

The Convener: Okay, that is helpful. Sorry, Mary.

Mary Scanlon: You understand what I am saying. The average figure was £5,663 but is much lower for the additional 15,000 apprenticeships. Given that there are variations across sectors, my next question must be whether that means that there are more level 2 apprenticeships than level 3 or 4 apprenticeships. I do not know how you can supply 15,000 apprenticeships for £15 million, yet 10,000 cost £60 million. What has changed in the past couple of years?

Jim Murphy: Level 2 apprenticeships have been introduced as a lower-level qualification and more of them are being delivered than there were previously at level 3, as part of the skillseekers programme, so there has been a lessening of contribution towards the 25,000 apprenticeships.

Mary Scanlon: I will leave it at that. We have had other evidence at the Public Audit Committee.

We quite often talk about the length of a degree and about employability, as Joan McAlpine has mentioned. However, I know that one or two of the witnesses have mentioned soft skills in the past. I heard a UK figure that said that around 40 per cent of graduates today have never worked, even part time in bars and shops. Would there be a similar figure in Scotland and has any research been done on whether fewer graduates have had some employment opportunities, including part-time working, during their degrees?

Garry Clark: We have not done any research on the graduate side, although we have done research on employer attitudes towards skills, including softer skills, in collaboration with Skills Development Scotland. We have picked up a general satisfaction with the level of skills; it has certainly improved, and it increases as you go through the levels of skills. There is some degree of satisfaction with school leavers, a higher degree of satisfaction with college leavers and a still higher degree of satisfaction with university graduates. However, some employers are certainly still expressing disquiet about the perceived lack of softer skills. How we are asking the question might not be the most scientific in terms of marrying up with employers who have recently employed a graduate, so we may just be discovering people's perceptions and may need to dig a bit deeper to identify how robust the data is.

At every level of education, from fairly early in school education right through to university, it is important for young people to have access to the workplace, whether that is working in a part-time job at college or university or work experience at school, college or university. Scottish Chambers of Commerce has been engaged in delivering some of that. A couple of years ago, we were engaged in a project called education into enterprise, where we matched up mainly college students, and some university students, with about 800 work experience opportunities in various parts of the country, mainly on the east coast. Chambers at local level work closely with schools, colleges and, to some extent, universities to ensure that proper work experience is built into the curriculum for excellence.

There are some good examples of work taking place across the country, but we want to ensure that young people have as much exposure to the workplace as possible, not only so that they have the softer skills to make them work ready when they enter full-time employment but so that they have a better understanding, particularly in the early stages of their development, of the world of work, what it is like and what opportunities there are to help them make their choices for further education and skills training.

11:45

Iain McCaskey: I note the changes to the modern apprenticeship programme around soft skills, particularly at levels 4 and 5, where there are now careers skills. That followed a massive review of apprenticeships as a whole. We still have core skills at levels 2 and 3, which are attained either through school or at the workplace. As far as career skills are concerned, the choice about what to follow is between the candidate and the employer. There is a range of career skills, and I think that the softer ones at that level are appropriate. It is too early to say what the outcome will be, but time will tell.

Neil Bibby: On the issue of schools preparing young people for employability and business opportunities, you mentioned the Ian Wood report earlier, and you have spoken about local good practice. The report mentions school business partnerships in areas such as Renfrewshire. Could you explain a wee bit more about what is happening there and say how we ensure that the good work that is happening in areas such as Renfrewshire happens across Scotland?

Garry Clark: We have indeed referred to Sir Ian Wood's interim report. Two of the examples that Sir Ian brought out in that report were Renfrewshire Chamber of Commerce, with its partnership with the local council and schools, and Ayrshire Chamber of Commerce, which has a partnership with the three local authorities in Ayrshire.

Renfrewshire Chamber of Commerce has been working with Renfrewshire Council for a number of years. Every school in Renfrewshire is now a member of the chamber of commerce. In return, the chamber of commerce engages directly with its members and with schools to bring businesses and young people together to give them work experience where they show an interest in the firms concerned and to ensure that they are well equipped to make the right career choices. In that respect, it is particularly important to have direct access to businesspeople, especially young people who have just entered the world of work and are with those businesses, who can go back to schools and explain to the young people there about the opportunities and about what is involved in working day to day. Exposure to the opportunities is massively important.

Ayrshire Chamber of Commerce is working with all three Ayrshire local authorities to deliver work experience for young people across Ayrshire. That is an important example.

Sir Ian Wood mentioned the need for business to step up to the plate and to ensure that work experience opportunities are available. A survey that we did a few years ago threw up the result

that 90 per cent of businesses wanted young people applying to them to have prior work experience, but only 10 per cent of employers actually provided that work experience. That is a number that we want to change. Chambers of commerce across the country are working to ensure that it does change.

As for how we make work experience more mainstreamed across the country, our chambers talk to one another on a regular basis, we share best practice and we can implement delivery models to ensure continuity of service across the country where that is something that local authorities—or indeed the Scottish Government—are prepared to invest in.

There are ways and means of doing that. We can spread best practice across the country. Where we find systems that work, as we have done in Renfrewshire and Ayrshire, our organisation is more than happy to ensure that more of our chambers across the country can deliver the service in that way.

Neil Bibby: I welcome the work that is being done by Renfrewshire Chamber of Commerce and Renfrewshire Council. I hope that it can be replicated in other parts of the country.

I have a more general question. The committee has recently focused a lot on careers advice and preparing young people for future employment and career paths. Do the witnesses think that young people are getting sufficient careers advice? How could the careers advice service be improved with a view to improving the employability of young people?

Maggie Morrison: First, I agree with the comments made on Renfrewshire. My previous employer worked very closely with Renfrewshire Chamber of Commerce and we brought people in at all different levels—those still at school for work experience, school leavers and college or university graduates. We worked very closely and it was a very successful partnership.

The industry that I know best is my own, information and communications technology. I do not think that careers advice for ICT accurately reflects the opportunities that exist in that field or in the science, technology, engineering and mathematics sector generally. Therefore I welcome the recent announcement about the skills investment plan and the provision of £6.5 million for the sector. There are 73,000 IT professionals in Scotland today who contribute £3 billion to the economy.

In a way, the soft skills question would be a luxury for me. We can fix that, but we cannot find the skills that we need. The company that I currently work for is creating 250 software development jobs in Glasgow and we cannot find the skills that we need. We are competing with companies in financial services and with the likes of Amazon and Skyscanner. We are looking for hundreds of people altogether, but the system is not producing kids with the aspiration to work in the industry. Businesses in our industry will definitely step up to the plate, because we feel that we have no choice. We feel that we have to grow our own talent and so we are talking to universities and colleges. In the north of England, Siemens uses that model to produce its future staff.

For the IT industry and for STEM in general it is a really big issue and there is no simple answer. It is not just down to government or to business; parents have a role to play. Perhaps parents still are thinking that they want their children to be lawyers, doctors or accountants. That is great—we need them—but we are producing more lawyers, for example, than we have jobs for. Somehow or other, we need to connect with all the people who influence children—their peers, parents, teachers and careers advisers—so that Scotland can continue to succeed and be at the forefront of what the country has always done superbly well, which is science, technology, engineering and maths. I am from Glasgow and that is what Glasgow was founded on. We are missing a trick.

Neil Bibby: Does anyone else have comments on careers advice in schools?

Garry Clark: I echo much of what has been said. A lot of our members have said that it is just as important to get teachers into businesses for work experience as it is to get young people in. That is one of the aspects that Renfrewshire chamber has been looking at—giving teachers as well as young people practical experience in business.

We cannot tell young people what choices to make; we need to give them the opportunity to make the right decisions for themselves. To do that, they need the right information and the right breadth of information. We believe that businesses provide a great way to supply that and we are working with our members to increase the number of businesses that participate in schemes. We also need to ensure that teachers and parents are educated about the opportunities that are out there—not just the opportunities now, but those in five, six or 10 years' time—to ensure that young people can make the best possible decisions about their careers.

We mentioned in our submission the importance of not railroading young people at too early a stage on subject choices. Subjects should be kept as transferable as possible, right up to college or university, so that young people can reach the decisions that are right for them and, ultimately, right for their future employers and the economy.

This is about provision of information and ensuring that not just young people but everyone involved in the education system is awake to and aware of the opportunities that exist in business in Scotland.

Colin Beattie: I have been looking at the European youth guarantee. The European Union is keen for members to establish their own youth guarantee schemes, which we have done. The Scottish Parliament information centre briefing states:

"While there is funding attached to the EU Youth Guarantee, it is assumed that national budgets will be used to prioritise tackling youth unemployment."

To what extent can we tap into the EU as a funding source?

Maggie Morrison: I know only what I have read.

Jim Murphy: The European social fund and other European funding provide a great opportunity to embed delivery in Scotland. However, it would be better to do that at a national level than to have a competition. Previously, priority 5 grants were ring fenced for Skills Development Scotland, colleges, local authorities, the Scottish Council for Voluntary Organisations and the trade unions, I think—a group could apply for funding to add value to the learner journey. We should be applying for European funding, but we need to take a national perspective and ensure consistent delivery across the country, rather than delivery that depends on postcodes or on which sector can bid for the money.

Garry Clark: I agree. Employers will take support for employing more young people from wherever they can get it. We have been recruiting over the past year. A wealth of opportunities to support employment and particularly the employment of young people can be accessed. In partnership with the Scottish Government, we operate our growing talent initiative, which last year assisted 100 graduates into jobs and this year is assisting just under 300 into jobs. It is only one of many programmes out there.

When a company is looking to employ a young person, it looks at what is offered by the Scottish Chambers of Commerce, the Scottish Government, the local authority and the Commonwealth jobs fund. There are loads of programmes out there, which adds to the complexity that was mentioned. If we simplify things and ensure that schemes are accessible to employers, which can go to one place to find the scheme that best suits their needs, we will reach solutions. From our members' perspective, the sources of funding are probably less important than delivery.

Colin Beattie: The point about complexity leads me to my next question. We have said before that it is important to be able to track young people as they move into employment and training. When they hit 18, the DWP, jobcentres and so on have the primary role, which means that those who support them, such as SDS, perhaps have less access to information about them as they move into employability. Is that a major issue?

Jim Murphy: It is an issue for some contracts that are delivered. The onus is on the provider that delivers the service to track clients for a specific period—three months, six months, a year or two years.

It would be good if we had a national opportunity to track clients. SDS does a good job of tracking first and second destinations, but anything beyond that is a bit of an ask for it—it would probably need some sort of additional resource to embed that in delivery.

Another good initiative is community jobs Scotland, under which young people are paid the rate for a job for six months. It would be great if we could find out how many of those six-month jobs led to a real job and whether there was added value from an apprenticeship opportunity thereafter. It would be good to have some joining up of learning and funding that took a person from inactivity into the best possible destination for them. A tracking mechanism to support that would be good.

12:00

Colin Beattie: Can that problem be resolved, or do issues such as data protection create barriers that prevent information from being shared between agencies?

Jim Murphy: Data protection tends to be an excuse rather than a reason for not sharing information. The DWP is now relaxing some of the rules on exchanging information, and local authorities have outcome agreements. There is usually no problem in sharing data, as long as it is done with the person's authority and support.

The Convener: Colin Beattie's first question touched on the youth guarantee. Mr Murphy's submission states that the Scottish training federation welcomes the youth guarantee "as a constitutional right". What is your reason for welcoming that?

Jim Murphy: In Scotland we are already partly there, as 16 to 18-year-olds are offered a guarantee through the opportunities for all scheme. Extending that guarantee to those who are aged up to 25 would be a good thing and would ensure that young people are offered the constitutional guarantee of a place.

The Convener: I am asking about the practical impact. Would embedding that right make a difference to young people's employment prospects?

Jim Murphy: I am sure that it would impact on their ability to contribute to the economy. It would give them bona fide work experience and an opportunity to develop beyond that and see their end job as a career destination rather than just a job for a particular time. Extending the guarantee would offer the opportunity to all young people.

Liam McArthur: I will link back to the questions from Colin Beattie and Joan McAlpine. We operate in a highly integrated market and there are obvious benefits in having skills that are recognised and portable in that market. Different Governments will—understandably—have priorities that they want to achieve, and I do not think that any Government has not jealously guarded the initiatives that it rolls out.

If we leave aside the complexity of individual schemes, which all the witnesses mentioned in response to Joan McAlpine's initial question, do we need to get Governments and the agencies over which they have control to work more seamlessly together? Could aspects of the current division of responsibilities be reassigned to better address some of the complexities?

Garry Clark spoke about the interface between the two elements. Could aspects of that interface be aligned better to reduce the complexity, even if it is not removed entirely?

Garry Clark: That could be done, although I am not sure how easy that would be to achieve. There is a job of work to be done on that.

It is clear to us from our extensive engagement with Skills Development Scotland and from our engagement with the DWP, which is perhaps less extensive, that although SDS and Jobcentre Plus often share a building, for example, that is about as far as the engagement goes. There does not seem to be the engagement between the two organisations that would enable them to know instinctively what the other is doing and to complement each other's work. The issue can be solved, but there is a long way to go to ensure that that happens.

Liam McArthur: There seems to be an issue with the working relationship, as opposed to saying that SDS is not responsible for a particular thing and Jobcentre Plus is. Would it make more sense, would the system work more effectively and would you have a better working relationship if some of the responsibilities were reassigned?

I argue from the perspective of someone who wants Scotland to remain part of the UK, but I recognise that the devolution process has been organic from the outset. If there are ways in which things are not working that could be addressed by better assigning the responsibilities, surely to goodness we should make that case.

Garry Clark: It is a question of organisations and bodies working in silos. The problem is not insurmountable. Regardless of the constitutional framework that we have, solutions still have to be found. Whatever happens, there will be a challenge. If employers are to get the one-stop shop that they all tell us that they want, the organisations in question will have to work together in some way or another.

Liam McArthur: Does anyone else have views on that?

Jim Murphy: There is a Government commitment to such an approach. The Scottish employability forum has been created and it involves the Convention of Scottish Local Authorities, the Scottish Government and the UK Government getting together to look at employability issues.

Garry Clark is correct that things start to flounder on an operational level. Making the relationship between Government departments such as the DWP and the likes of SDS and Jobcentre Plus work is the difficult part.

Iain McCaskey: The apprenticeship systems north and south of the border are completely different, and different qualifications are embedded in them. The changes that the UK Government is making to apprenticeships will only add to the complexity of the differentiation between Scottish and English apprenticeships. Regardless of the outcome of the referendum on 18 September, those challenges will exist.

Liam McArthur: Will that make a difference to the portability of qualifications for apprentices who choose to move from south to north or north to south?

Iain McCaskey: I am not sure that apprentices will have a problem once they have been certificated, but there is a challenge with some of the existing qualifications. That is particularly true of those that relate to Her Majesty's forces. Apprentices who have taken Scottish qualifications and who want to import them into the English system face a difficulty.

Liam McArthur: Is that being looked at? Is it seen as a difficulty that requires a solution, or is it assumed that that is just the way of things?

Iain McCaskey: It is pretty much down to the fact that there are two systems.

The Convener: Surely an obvious solution would be to have a single, integrated system to deal with such problems, instead of trying to bolt

bits of two separate systems together and find artificial fixes. It would be entirely possible to do that, but surely a better way of solving the problem would be to have a single, integrated system.

Iain McCaskey: That would be a better way of doing it.

Maggie Morrison: Yes.

The Convener: I agree.

Jim Murphy: But someone will always say, "Ours is better," so which system should we follow?

The Convener: I think that I know the answer to that question.

Clare Adamson: I am interested in the European youth guarantee. The European Union is looking at workforce planning in some detail and it has just completed a big review of health workers across the EU.

I think that Maggie Morrison stole most of my question. I, too, had a 20-year career in IT and I am very interested in the STEM subjects. I am a member of the cross-party group on science and technology, which has had presentations from the engineering community about the demographic challenges that are coming up, given that most qualified engineers are about to retire. Do you think that we could do better when it comes to the workforce planning element?

We have talked a bit about the responsibility of employers, but retention of women and the pay gap are still big problems in the STEM areas. Are employers addressing those issues properly?

Maggie Morrison: There absolutely is an issue with gender. There is also an issue with age in IT.

I will begin with gender. Some of what we experience is a result of what the previous witnesses talked about when it comes to who does what, which relates to how children grow up, how they perceive what their parents do, and who does the unpaid work and who does the paid work.

The industry in general has to do a much better job in attracting women and then holding on to them. It is not all about women having children, although that is clearly an issue that presents specific challenges, because women are generally the carers, but there is a bigger industry issue to do with how the industry looks and feels, which is something that employers need to deal with better. I do not even think that it is always conscious. There is a tendency in human nature for people to employ people who are like them, so they end up with a sort of boys club.

A lot of studies have been done on what happens when the gender of applicants on CVs is anonymised or when musicians audition for an orchestra and there is a screen so that the listeners do not know whether it is a male or a female musician. What happens is that people make different decisions. That is an issue that we seriously need to address, because IT is a great career that is well paid and which offers lots of opportunities, as you will know, Ms Adamson.

On the age issue, my personal view—I am speaking as an individual now rather than as an employer—is that we let people down when times were good. There was a short-termism when things were booming and the economy was strong. People thought, "Why would I risk giving this to someone in their 20s when I know someone in their 30s who I could absolutely bank on to do a really good job?" Nobody was thinking ahead to what would happen when baby boomers retired. That was true of most of the IT companies as well as the engineering companies. I was at Cisco, where the average age of employees was 42; at IBM, it was 48; and at Hewlett-Packard, it was 47. If we compare those companies with companies such as Wipro, Infosys or IT companies from the developing world, the average age of their employees is 26. That is not because those companies are small—they have tens of thousands of employees.

We are being forced to do something now, whether in engineering, IT or other industries in which that has happened. That is why there is a much greater emphasis on bringing in young people. In a way, the economic crisis might actually be a good thing, particularly for youth employment, because we need to do something now.

Clare Adamson: Does anyone else want to come in on that point?

Garry Clark: I think that Maggie Morrison is right. What she said definitely illustrates the need to get the right information to young people who often make what are, in effect, career choices at a very early stage. Young people who were going through the system five or 10 years ago, even, might have looked at the electronics sector as an area in decline, because they were seeing the lower-skilled assembly jobs going offshore. They would have thought, "Well, that's not much of an industry." Their parents might have been in it when it started to emerge in the 1970s and 1980s, but because they lost their jobs and friends and other family members lost theirs, those young people might have thought that it was not an area that they wanted to be in. However, the truth is that the industry was changing its nature and new, highly skilled and highly paid opportunities were emerging that we now have difficulty filling.

To some extent, that could also be said of the oil and gas sector in the north-east. We were told constantly that it had reached its peak and that it

was in decline, but none of us seriously believed that for a minute. Even if it were true, we would still have the high-skilled, high-quality service sector skills that are anchored in the north-east of Scotland, and we want to retain them there.

It is a question of educating young people and ensuring that they have the right information and that they do not just have a perception either of specific industries or of the wider angle, so that they do not look at various job opportunities and say that they are not for them because of X, Y or Z. If we are to allow young people to make better decisions that best suit their own talents, the information that we provide them with has to be the right information and it has to be good-quality information.

Iain McCaskey: We certificate apprentices in Scotland; in the past two years, we have certificated 31,000. One statistic that I pulled off our system just before I came out was the fact that, on management, from January last year through to this year, there was almost a 50:50 split between male and female. That was probably not the perception. Females were at 49 per cent and males were at 51 per cent. If we look at the traditional spread in different sectors, I think that that has changed.

12:15

Clare Adamson: I have a quick supplementary question. I was interested to see New College Lanarkshire advertising a degree in computing. I was surprised, because that is not something that I had seen the college do before. The college is offering an articulation route through an HNC/HND degree programme with Edinburgh Napier University. The modern apprenticeships also offer those. Do you think that the high-tech, IT and engineering companies are using those opportunities in the right way? Could we be doing more in terms of articulation to specific job targets?

Iain McCaskey: If you look at the engineering framework, it is not an easy apprenticeship to do. It includes HND and vocational qualifications, plus the core skills and other mandatory qualifications, so it uses the full gamut of what is available. At the technical and professional level, there is a growing need for that level of apprenticeship.

Maggie Morrison: As an employer, I absolutely agree. The company that I work for, CGI Scotland, is going to take on modern apprentices. We are very interested in how there can be a progression. In the UK, we have lost some of the pride in vocational learning. At some point, university became the be-all and end-all. That was for the right reasons, but it had unintended consequences. We are very happy to look at modern apprentices, particularly in the area of open source software development. Bright kids could be designing applications on their mobile devices.

We have a graduate programme and we will probably continue to draw the line at 2:1. However, we are looking at establishing an open source centre in Glasgow and at taking on modern apprentices. We are talking to Motherwell College and to Glasgow Caledonian University about co-creation. They are interested in bringing in people through that route, so we are not talking just about people who go straight from school into university. We need to be much more flexible and supportive in our approach. We need bright graduates, but we do not just need bright graduates.

The Convener: We will have two more brief supplementaries.

George Adam (Paisley) (SNP): Maggie Morrison has nearly stolen my thunder by answering the question before I asked it.

We talked about the STEM subjects. I was at the University of the West of Scotland in Paisley not so long ago. It was, of course, a technical college in the past, and the heart and soul of the university is engineering. The university works closely with Renfrewshire Chamber of Commerce. There was a competition for young people in second year on dealing with engineering problems. The demographic was a politician's dream: there was a 50:50 mix of young men and young women. However, when I asked one of the lecturers about that, he said that that was not the case by the time young people get to university. He said that he sometimes felt that the university should just advertise the potential earnings in a career in engineering, as a way of telling potential students, "You know, kids, this is a good future for you."

Where is the information that Garry Clark mentioned? There are areas of East Renfrewshire where the system is working, but we are still not managing to get young people into the industries that we need them to get into and which would probably give them a very good future. How is it that we are not enthusing them to get into the STEM subjects in particular?

Maggie Morrison: I wish I knew the answer to that. This is tongue in cheek, but when we had parents coming in with kids, we even thought about saying something like, "Worried about your retirement? Send your children in this direction because they will earn well!"

My mum was a teacher, and I would not wish to apportion blame. What Garry Clark said about silicon glen is true, but we are looking at different jobs now. Perhaps teachers and parents have not

done a good enough job of outlining the opportunities to young people.

If we look at the rise of Facebook—which now appears to be used mostly by people of my age rather than the youngsters—we see that that phenomenon has happened within the past five to 10 years, and parents who were at university or teachers who studied long ago have not seen the evolution. I wonder how we can inspire them, keep them up to date and help them to understand what is out there. I graduated in 1983. If I had gone straight into teaching and stayed there, I would not know, unless I made an effort to find out or unless there was some way of keeping me fresh and current with the opportunities that are out there. The same is also true of career advisers.

There are now links on YouTube to videos involving will.i.am and the founders of Facebook and other organisations saying how trendy coding is. We need to get the people who the kids think are hip and cool, and who have demonstrated entrepreneurship, to be more effective role models. As an industry, we need to do a better job.

Garry Clark: That underlines the need to break down barriers between academic and vocational qualifications. I do not want to bash teachers, but a lot of them have gone down the academic route and that is what they know. I remember speaking to someone who said that their son wanted to do an engineering apprenticeship, but the teacher at his school attempted to dissuade him from doing that. They said, "No, you're bright—you go to university," because that was what teachers did and that is their experience.

That is why Sir Ian Wood's report will be so influential and important. It is a question of doing something meaningful to break down those barriers between vocational and academic learning, and not separating out children and telling some to go down one path and some to go down another, in the expectation that they will never see one another again for the rest of their lives. We need to bring vocational education into the main stream, and there are a lot of high-paid opportunities down those routes.

If the child that I mentioned had followed the teacher's advice and gone down the route of the legal profession—I speak as a reformed lawyer myself—rather than taking an engineering apprenticeship, he would probably be in a worse position today.

The Convener: All reformed lawyers are welcome here.

Jayne Baxter: We may have touched on some of the answers to the questions that I am going to ask, but if you want to add anything to what you said before I would be pleased to hear it.

I am looking at two written submissions. The first, from Unison Scotland, which gave evidence at a previous meeting, points out that admission to universities for students from lower socioeconomic backgrounds is lower in Scotland than anywhere else in the UK. In the answers to the last couple of questions witnesses have talked about progression and young people's aspirations. The other submission, from the Scottish Chambers of Commerce, contains some good ideas about reforming the university sector and the structure and timing of courses. I do not know whether Garry Clark or one of his colleagues wrote it. Would such reforms improve participation rates, or are there other barriers that young people from those backgrounds encounter?

Garry Clark: We were trying to illustrate the need to ensure a degree of flexibility and transferability, from the beginning of secondary education right the way through to further and higher education. It is about ensuring that there is always an opportunity for young people who realise that university might not be the career path for them but feel that they have gone too far to change and that there is no route out of that. There must always be forks in the road, so that they can choose to do something more suited to them and to their perception of the opportunities that exist, and we want to improve their perception of those opportunities.

The structure of university education was designed a long time ago. By and large, we have four-year degree courses. Is that necessary? Could we reduce the cost to the young person going through university by shortening the degree course? Could we make it more attractive for overseas students to come in and take up degree courses in this country? Could we make it less expensive for employers to put members of staff through university as part of their career progression? It is about designing the system.

We have a good system, with five universities in the top 200 in the world. Let us make that system more flexible, more adaptive and more reflective of business in the 21st century in Scotland. All that we are looking for is a degree of further flexibility to allow young people who want to go down that path to do so. We should not be railroading everyone towards university, however; we should have a clear, attractive option of vocational training at an earlier stage. The important thing is to open up opportunities for people as they go along the education path, and to make them as flexible as possible.

Iain McCaskey: I agree with that. Our organisation has three graduates working for it who are now undertaking apprenticeships. We also have somebody who came from college who is now undertaking an apprenticeship and

somebody else who has come straight from school. There is flexibility there and there are routes for progression.

Maggie Morrison: Glasgow Caledonian University is moving in that direction. I think that 96 per cent of its graduates are employed within six months of graduating. Like UWS, Glasgow Caledonian takes more people from the more deprived areas and it is having a degree of success in that regard. It is considering bringing people in through college partnerships. It has been very flexible with us. I was saying that my current employer could not find the skill sets and the university asked what we needed and whether we could co-design something. By complete coincidence—this was not deliberate—I went to see my previous employer and it turned out that 17 of the 37 graduates that we had taken on in Erskine were from Glasgow Caledonian, which indicates that they interviewed well and came across as the type of graduate that we would want to employ.

I wonder whether there is something to say about MOOCs, or massive open online courses, which are free. As with the work that other agencies do in helping people to get into employment, the fact that the online content is free is one thing, but people need digital access to get to it and probably also a degree of support to keep motivated. Building on what Garry Clark said, I think that there are lots of things that we can do.

Joan McAlpine: I will steer the discussion back towards employability. Welfare is in the hands of Westminster and the Department for Work and Pensions. The Welfare Reform Committee, which is sitting today, is hearing evidence from a number of charities that are concerned that some of the incentives for getting people into work that are now being used by the Department for Work and Pensions include the use of sanctions to cut people's benefit if they do not reach certain levels of phone calls for looking for jobs and so on. There is a lot of concern about the huge jump in the number of people whose benefits have been cut because of those sanctions, which were toughened up last October. Do you think that that is the best way to incentivise people into work?

Maggie Morrison: No, I do not. Work should be presented as something that is rewarding, not just from a financial perspective but from the perspective of building self-esteem and feeling worthwhile.

I understand, of course—it was alluded to earlier—that there are serious issues with budgets that will only get worse. I am not making a party-political comment—I am sure that people think that such measures are the answer—but I think that people should be incentivised to work for all the right reasons, not almost punished into working.

Garry Clark: If there are people with such attitudes, there has probably been a systemic failure at some point in their lives, which probably happened a lot earlier. I am not sure that there is a simple way to turn the corner. More work needs to be done with that person.

It is more important that we ensure that fewer people emerge like that. The way to ensure that is through better engagement and a better linkage with the world of work at an early stage, so that we do not end up with people in that position. There are other challenges to get those people back into employment and to keep them there. We could be here for another hour talking about that. In essence, we need to do more with people at a far earlier point, before they get to that stage.

Joan McAlpine: In some cases, people are being left destitute as a result of having their benefits cut, so they cannot travel to job centres and so on to find work.

Garry Clark: That is particularly the case in remote and rural areas. It is often not easy to access employment and training opportunities, or indeed to deal with the practicalities. There are big challenges there.

Jim Murphy: The issue is very much about the process by which people are sanctioned. If that was understood better, it would probably be easier for people not to be sanctioned. You are right: the incentive should be for people to do something positive in their lives, rather than the possibility of losing their benefits. It would be better to articulate a positive message, rather than use the word "sanction", which is not a very nice word. It should not be presented as a punishable exercise, as opposed to something a bit more rewarding.

The Convener: I thank everybody for coming along. I appreciate your taking time out of your busy schedules to come along and give us your evidence. We very much appreciate it.

12:31

Meeting suspended.

12:32

On resuming—

Subordinate Legislation

Coatbridge College (Transfer and Closure) (Scotland) Order 2014 (SSI 2014/52)

Teachers' Superannuation (Scotland) (Miscellaneous Amendments) Regulations 2014 (SSI 2014/69)

The Convener: Our next item is consideration of two negative instruments. Members have no comments to make on the instruments. Does the committee agree to make no recommendation to the Parliament on the instruments?

Members *indicated agreement.*

The Convener: This is Joan McAlpine's final meeting with the Education and Culture Committee. She has been with us since the 2011 election—the whole session so far. She is moving on to the Economy, Energy and Tourism Committee, I believe—once the Parliament agrees to that, obviously.

I put on record my thanks for Joan's effort and support over the past nearly three years on this committee. I am sure that I speak for all members in thanking her very much for all her input, particularly into the proposed legislation that we have considered, and especially on the inquiries that we undertook into looked-after children. Thank you very much, Joan, for your work and effort over the past three years.

Joan McAlpine: Thank you.

The Convener: We previously agreed to take our final agenda item in private.

12:34

Meeting continued in private until 12:47.

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