Economy and Fair Work Committee

24th Meeting, 2023 (Session 6), Wednesday 27 September 2023

Report by James Withers on the Independent Review of the Skills Delivery Landscape

Introduction

1. The Scottish Government commissioned James Withers to conduct an independent review of the skills delivery landscape.

2. The review commenced in September 2022 and concluded in May 2023. The final report was published on 7 June 2023. It can be accessed here and is included at **Annexe A**.

3. The review focussed on the skills functions of Scotland's national public bodies including Skills Development Scotland (SDS) and the Scottish Funding Council (SFC), including the design and delivery of apprenticeship programmes, regional and sectoral skills planning, and employer engagement.

4. Key recommendations included—

    - a new approach to skills planning at national and regional level;

    - the establishment of a single public body with responsibility for the funding and oversight of delivery of all post-school learning and training provision;

    - a single agency (the new qualifications body) to have responsibility for overseeing development and accreditation of all publicly funded post-school qualifications, including apprenticeship frameworks and the underpinning National Occupational Standards (NOS) and Scottish Vocational Qualifications (SVQs);

    - providing the enterprise agencies with a clearer remit for supporting businesses with workforce planning as an integrated part of business development; and

- substantially reforming the remaining functions of SDS to focus on the development of a national careers service, with a mission to embed careers advice and education within communities, educational settings and workplaces across Scotland.

5. In a letter of 7 June, the Minister for Higher Education, Further Education and Minister for Veterans confirmed that—

   "the case articulated in the Review is persuasive and we are minded to follow the direction of travel that it outlines, Scottish Ministers will now consider the implications of the recommendations, working with partners, before setting out a more detailed response."

6. The Minister's letter is available on the Committee's website and is included at **Annexe B**.

7. The purpose of today's evidence session is to discuss the review and its recommendations in more detail with James Withers.

Clerk to the Committee
22 September 2023

Annexe A: Report of Independent Review of the Skills Delivery Landscape

Annexe B: Letter from the Minister for Higher Education, Further Education and Minister for Veterans

Fit for the Future: developing a post-school learning system to fuel economic transformation

Skills Delivery Landscape Review – Final Report

Submitted to Scottish Ministers, May 2023

May 2023

Scottish Government
Riaghaltas na h-Alba

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Foreword

I was delighted to be asked by Scottish Ministers to lead this Independent Review of the Skills Delivery Landscape. It comes at an opportune moment, as Scotland reaches a crossroads in the choices it makes about its future. The transformation facing our economy and society is enormous as changing technology, changing demographics, and a changing climate act as catalysts for the emergence of new industries and the reinvention of others. The opportunity is unique. Our choice is either to presume that what has gone before will continue to serve us or, as I advocate in this report, to invest now in reshaping the critical, national infrastructure that is our learning system so that it can equip our population with the skills and knowledge needed to fuel transformation; ensuring Scotland can capitalise on the opportunities ahead.

In taking forward this Review, I was clear that it should be evidence-led. It was important for me to understand the range of views and perspectives on what is working well in the current landscape, and what might need to change. This is why I put in place a call for written evidence at an early stage. This was supported by conversations with key stakeholders, businesses, users of the system and the national public bodies operating in the landscape. Through these discussions, webinars and submissions, I feel confident that those who wished to have their say have had the opportunity to do so and I want to thank all those who contributed and gave their views so freely and openly.

Before I started the work, I believed I knew the skills delivery landscape well having engaged with it in my posts as Chief Executive of Scotland Food & Drink and the National Farmers Union of Scotland. However, I quickly realised that the system was more complex and richer than I had experienced. After seven months of engagement, conversations and call for evidence submissions, I now have a deeper understanding of this multi-faceted landscape and its various actors and users. My eyes have been opened, for example, to the broad and pivotal role that colleges play in their regions and the critical importance of careers education in ensuring learners can make informed choices about their futures.

I have seen that there is much that is good in the current system and heard how it has served Scotland's needs well over the past fifteen years. However, this was never to be a Review with a rear-view mirror, nor an appraisal of past performance. My Terms of Reference were clear about the need for recommendations to be guided by future need and it is with that intent – to create a system that meets the needs of the opportunities and challenges ahead – that I submit these recommendations to Ministers. The scale of change I am proposing reflects the scale of transformation facing us and the magnitude of the opportunity for both success and failure in how Scotland chooses to respond.

The lack of consensus in the system means that change will not be easy. It may be uncomfortable for many people. My strong advice to Ministers is not to shape change based on the views of those with current delivery responsibilities. Instead, this change requires a ruthless focus on the users of the system; the people of Scotland for whom world-class lifelong learning can be the catalyst to unlock their potential and shape Scotland's economy and communities.

In the face of the challenges ahead, this may be the most important element of national infrastructure investment that Ministers could make over the next decade. Our skills delivery landscape should aspire to be world-class. It should be an area of distinct competitive advantage for Scotland. The recommendations in this report are developed to make a significant further step forward on that journey.

James Withers
Independent Advisor

Chapter 1: Context

The purpose of the Review

1.1 I was asked by Scottish Ministers to undertake a Review of the Skills Delivery Landscape in August 2022. The purpose of the Review was set out for me in Terms of Reference (ToR) published by the Scottish Government on its website[1]. This asked that I make recommendations on how the skills delivery public body and advisory landscape should be adapted to drive forward the Scottish Government's ambitions for a skilled workforce as set out in its National Strategy for Economic Transformation (NSET)[2] and the work it is undertaking to respond to the Scottish Funding Council's (SFC) Review of Coherence and Sustainability[3] – namely, the development of a Purpose and Principles for the Post-School skills and education system. There is also a specific requirement for me, within those recommendations, to be clear about what I think should be the future functions, remit and status of the national, public body that is currently Skills Development Scotland (SDS).

1.02 It is clear from the ToR that my focus was not to be on the past performance of public bodies, but instead on how the landscape needs to change in order to give Scotland the best chance of delivering on its ambitions. This is a structural question about what we need in the future, not how we improve the individual processes or organisations that we have now. As such, I have not started my considerations from the basis of merely tinkering with what is here, but on a vision of what success could look like and the pillars that would need to be in place to deliver that. As a result, the recommendations that I am making in this report principally address the questions of 'who' and 'what' rather than the 'how' of future delivery. Where I think there is a need for the processes underpinning delivery to also be refreshed or adapted, I am signalling this in my recommendations but do not consider, given the timescales for the Review and the scope of my remit, that I have the information to make specific, detailed recommendations in this respect.

The scope of the Review – what is the landscape?

1.03 Although the focus of the Review has been on the 'skills functions' of national public bodies and related advisory groups, to inform my perspectives on this I have had to build an understanding of the system or wider landscape in which those bodies operate. It might be helpful for me to define my interpretation of the 'landscape' in this context, which I use in this report to talk about the system of actors, structures and processes that are in place to enable the smooth

[1] Scottish Government, 'Skills delivery independent review: terms of reference'
[2] Scottish Government, 'Scotland's National Strategy for Economic Transformation'
[3] Scottish Funding Council, 'Coherence and Sustainability: A Review of Tertiary Education and Research'

operation of Scotland's post-school learning and training provision. I am purposefully taking a wider view here than just the specific aspects traditionally associated with 'skills development' on the basis that it is a fundamental tenet of this report that there is no separate 'skills system' and 'education system', just a single post-school learning system within which skills and knowledge are developed through the learning experiences that take place throughout our lives.

1.04 I should caveat the above by noting that, although the focus of my ToR is on 'post-school' (defined as learning and training for learners who are no longer members of the school community), this, in itself, isn't a simple division and there are parts of the existing landscape that currently or naturally stretch into schools. For the purposes of this Review, in particular, I have considered Foundation Apprenticeships (FAs) within scope on the basis that they are currently considered to be part of the 'apprenticeship family' and their current funding and delivery structures involve post-school agencies. This is despite FAs being a senior phase qualification that is only available to learners who are enrolled members of a school community. Similarly, careers services which don't happen exclusively in schools, but where schools comprise an important, formative setting, are within the scope of this Review, given the considerable resources within SDS dedicated to them and their key role in informing learner choices at all stages of their lives.

1.05 This is undoubtedly a complex system, more so than I had anticipated when I commenced my work. There are a lot of different stakeholders, groups and interests involved in the development and delivery of post-school learning, and there are multiple users of the system whose needs and wants are diverse. It is also a system that is highly vulnerable to external pressures from changes in the social, political or economic contexts as well as technological and societal advances.

1.06 The ToR includes a set of specific functional areas on which I have been asked to make recommendations in relation to agency roles and responsibilities. I believe that my recommendations fulfil this aspect of the ToR, but it has been challenging, at times, to reconcile the level of detail required to settle on a specific action with the information that has been available. This is because there are areas where I struggled to find any individual or organisation with a complete, objective picture of the activity or structures that are already in place. Indeed, there were often conflicting views on the current roles, responsibilities and purposes of different organisations and activities.

1.07 Organisations and individuals have, perhaps naturally, tended to focus on their own role in delivery or part of the landscape rather than looking across the system for solutions or opportunities. This approach can be indicative of

systems that are fractured or have gaps in the clarity of roles, processes or individual parts. This means that, whilst the engagement process and evidence gathered have been critical to developing my recommendations, I am mindful there is no overwhelming consensus as to what should change, only that change is required. On the one hand, the complexity of the system creates a sense of confusion for many and a consensus for change. On the other hand, the same complexity makes it difficult for stakeholders to identify remedies. As such, what follows is very much my interpretation of what I have seen and heard, and my judgement on the – sometimes significant – changes that I believe are required if the skills delivery landscape is to be optimised and its impact maximised.

How the Review was carried out

1.08 Since the inception of the Review in September 2022, over 80 engagement meetings have been carried out, with many hundreds of individuals and organisations from across the system – all of which have greatly aided my understanding and the subsequent development of my recommendations. This included engagement with key delivery bodies such as SDS, SFC, and the Scottish Qualifications Authority (SQA) to understand their existing roles and responsibilities, but also with further and higher education providers, businesses, enterprise agencies, other public bodies and individuals with a keen interest, and expertise, in post-school learning.

1.09 I wanted to ensure that the report and recommendations could have, as much as is possible, consensus or buy-in across the political spectrum. As such, I wrote separately to the relevant parliamentary committees, and all of the political parties, and was particularly grateful to those representatives who met with me to share their views.

1.10 Additionally, a Call for Evidence process went live in October until December 2022 asking for views on the specific areas identified in my ToR. This has provided a solid evidence base across the different functional areas and the delivery landscape more widely. Alongside this, I also asked my Secretariat to host eleven webinars, aimed at specific audiences, that looked for views on what was working well within the current system and what needs to change. I greatly valued the number and breadth of people and organisations who contributed and the thoughtful way in which views were outlined.

1.11 Of course, I was particularly mindful that the future skills landscape must work for the people of Scotland and, therefore, I also connected with users of the system who provided invaluable insight into what works well, what could improve, their own aspirations for the system and other key areas to consider.

1.12 To help understand and collate the findings from the Call for Evidence and in accordance with the Scottish Government's Procurement Strategy[4], Craigforth Consultancy and Research were contracted to analyse the 164 call for evidence submissions and the online notes of the webinars. Their full analytical report and the responses to the call for evidence are being submitted to Ministers alongside this report.

1.13 Everyone with whom I engaged during the course of the Review knew that they were participating and, in doing so, have been deemed to have provided informed consent to my drawing on the content of our discussions to inform my recommendations. However, to protect identities and ensure anonymity, the analysis and report do not attribute views to specific individuals or organisations. Submissions to the call for evidence were asked to identify if they were happy for their responses to be published, and the analysts were asked to ensure that direct quotes were only used from those who had indicated this permission.

1.14 Furthermore, I have read a variety of written documents including papers, strategies and reports directly relating to the operation and purpose of the key public bodies falling within the scope of the Review. Many of these are referenced throughout this document and have been pivotal in aiding my understanding of the challenges and opportunities facing Scotland's post-school learning system, linkages to other reviews and reforms, and the learning we can take from systems in other countries.

1.15 In this latter respect, it is clear that Scotland is not alone in its considerations of how to address the challenges facing the economy and labour market. There are examples of post-school education and skills reforms already underway in other UK nations which reflect the desire to adapt systems to better respond to the evolving needs and demographic and industrial challenges. Beyond the UK there are many countries that have long-established philosophies and principles that support post-school learning pathways into the labour market. In particular, countries like Germany and Switzerland where there is a much clearer focus on vocational offers or Singapore which looks to support 'skills mastery' - a continual mindset to strive towards greater excellence through knowledge, application and experience[5].

[4] Scottish Government, 'Procurement strategy: April 2021 to March 2023'
[5] Government of Singapore, 'About SkillsFuture'

1.16 While it has been important to learn about these varying approaches, I have remained conscious that Scotland has its own unique structures and culture that have determined how its post-school learning system has evolved and which mean I am wary of the feasibility to 'lift and shift' approaches from elsewhere. As such, I have focused my recommendations on what I think is right for Scotland, rather than seeking to replicate international examples.

1.17 Further detail on my methodology can be found in Appendix A.

What does good look like for Scotland's skills delivery landscape?

1.18 The task I was set, in conducting this Review, was to ensure that the delivery landscape is fit for purpose for meeting Scottish Government ambitions for a skilled workforce to support the NSET and the development of the Purpose and Principles for Post-School Education, Research and Skills[6]. Given the forward-looking nature of these strategies, I have taken a long-term perspective. I have asked myself the following questions: in ten years' time, how will we know that we have a successful skills delivery landscape? What will it look and feel like to government, delivery agents and, most importantly, users?

1.19 In order to build any system, a vision is essential; the 'north star' for which we should be aiming. The vision in the NSET is 'to create a wellbeing economy: a society that is thriving across economic, social and environmental dimensions, and that delivers prosperity for all Scotland's people and places'[7]. The Interim Purpose and Principles translates this into a vision for the post-school learning system 'to ensure that people, at every stage in life, have the opportunity and means to develop the skills, knowledge, values and attributes to fulfil their potential and to make a meaningful contribution to society.'[8]

1.20 Both visions recognise the importance of individual outcomes within the context of wider societal outcomes. To that end, my interpretation of success is that: Every individual in Scotland has equitable access to the learning opportunities required to reach a positive destination in their working life, collectively ensuring Scotland's economy and society can flourish.

1.21 It is important to note that I am using a wide conception of what a working life might be. This is not solely focussed on paid employment but also embraces activities such as volunteering in the community, child-rearing and unpaid caring responsibilities; in short, all the ways in which individuals contribute to society.

[6] Scottish Government, 'Post-school education, research and skills: interim purpose and principles'
[7] Scottish Government, 'Scotland's National Strategy for Economic Transformation', pg 4
[8] Scottish Government, 'Post-school education, research and skills: interim purpose and principles' (Section: Interim purpose and principles)

1.22 Likewise, by a positive destination I do not mean the set of destinations considered as positive by government[9]. Rather, it will mean different things to each individual and should not be defined by government or by societal attitudes or norms, no matter how engrained. However, there are certain fundamentals which may be common to many peoples' interpretations of success; fair reward for fair work, opportunities to apply a current skillset and develop others, a sense of achievement and impact.

1.23 A commitment to equitable access to opportunities requires a post-school learning system that enables universal access to the information or support needed for any individual to make informed choices. This includes information to help them to assess what success means to them, whilst also understanding what it means for local communities and economies, and support to help individuals identify their strengths and understand how these might be used on their journeys to, and through, work.

1.24 To achieve such a vision, we also need a revolution in how we think about learning. Learning is not just a process that happens at a specific point in our lives. It is the lifelong journey of acquiring skills and knowledge. At various points in our lives, we will need to access a formal learning system to support our personal and professional development. This formal learning will take place for us all in a school, and then in a variety of settings throughout our lives – in a college or university, in a workplace or community setting, or online. Wherever the learning takes place, it must be delivered with the core purpose of equipping the individual with the skills and knowledge required to help them reach a positive destination in their working life.

1.25 As our economy and society continue to transform, as we respond to changing technology, a changing climate, and changing demographics, a diversity of roles will both be created and continue to exist, all of which will need to be fulfilled. Businesses and government will need to be key partners in ensuring that the workforce needs and opportunities of the economy are clearly identified and widely understood. If improved productivity is a key goal, then we need to know and communicate where the development opportunities and possible destinations are, and, critically, ensure the learning system delivers the broad range of learning opportunities and pathways that will make those journeys a reality.

[9] Scottish Government, 'School leaver attainment and destinations'

1.26 This means a culture founded on a core principle: all learning that contributes to a positive destination has parity of esteem. This culture must pervade every facet of our post-school learning system. There is no ‘golden pathway’; no learning journey that is more worthy than another. For too long, we have fostered a culture in which going to university is seen as the ultimate post-school achievement with all other options being considered varying degrees of second-best. It is possible both to recognise the extraordinary value of our university sector in Scotland whilst at the same time stating that that culture must now end.

1.27 Culture does not shift easily. But government, education providers and businesses must work collectively to embrace this way of thinking and support the development of a post-school learning system which reflects this vision for success. It will be pivotal to Scotland and its population in achieving its potential and critical to developing the diversity of workforce that will fuel our future economy and communities.

Structure of the Report

1.28 The following section of the report, Chapter 2, sets out my analysis of the system as it is against the vision above of ‘what good looks like’. Following that, in Chapter 3, I set out my take on the ‘pillars for a successful landscape’. These are essentially the components that I think are critical if the Scottish Government and its partners are to be able to get the best from its post-school learning system.

1.29 I have used these pillars to develop and inform my recommendations which are set out together with their rationale in Chapter 4. It is important to re-emphasise that these represent my interpretation of the best solutions and that, through the call for evidence and insight gathering, there is no overall consensus on how change can be achieved, only that change is an imperative. This reform is about making the current system fit for the future and, given the transformation in Scotland’s economy that will transpire over the next decade, it can be of no surprise that the delivery landscape must transform too.

1.30 Finally, Chapter 5, is my attempt to set my recommendations in the context of the other reviews and reforms that are underway to evidence how I have considered those aspects and to add weight to the case I am making for structural reform as well as helping to inform the potential next steps for implementation.

Chapter 2: The current landscape: themes

2.01 This chapter sets out my analysis of the existing landscape against the vision I have articulated in the previous chapter of 'what good looks like'. It has been based on my wide engagement with different stakeholders in the post-school learning system, the public webinar sessions that my Secretariat ran as part of the Review, and the formal, independent analysis of the call for evidence submissions and webinar notes.

A landscape of tensions

2.02 It is important to state at the outset that there are many positive areas of work in the skills delivery landscape. At its core, it is driven by motivated individuals and organisations with good intent. However, it has become clear in the process of this Review that the system must improve and change if it is to rise to the challenges facing Scotland's future economy and society. If a good system is one that understands what success looks like and can clearly demonstrate its impact, uses its resources efficiently and to best effect, is designed with its users at its heart, responds to local circumstance and is built on effective partnership working, then the current skills delivery landscape is falling short. Very few people I spoke to thought that the status quo was optimal and most were calling for a fundamental refocusing and repurposing of the system.

2.03 I attribute this to significant tensions that exist, with agencies battling to secure their roles and advocate for their distinct parts of the system rather than working in collaboration, with a focus on the user, to deliver effective, efficient and joined-up public services. There are tensions between the remits and philosophies of national agencies, between national and local level delivery, between different pathways and programmes, and between the needs and demands of different system 'users'. Institutions and sectors, public agencies and providers are often jostling for responsibility, funding and recognition when they should be working collectively towards shared goals for the benefit of the existing and future workforce of Scotland.

Lack of strategic direction, shared narrative and measures of success

2.04 My frustration at the current landscape stems from the fact there are a lot of good intentions, good ideas, knowledge and expertise and successful initiatives or partnerships. However, the whole is not greater than the sum of these parts. Despite all these attributes of the system, there is a lack of cohesive approach, common purpose or strategic narrative joining them together. This extends to the use of basic aspects such as language where often there is no common interpretation about what is meant by frequently-used terms leading to a lack of

understanding of intent which, in turn, impacts on how interventions are designed and delivered.

2.05 Since Skills Development Scotland (SDS) was established in 2008, the landscape has been largely left to evolve, with the Scottish Government responding to issues or problems with adjustments, rather than wholesale reform, despite navigating through some significant changes and challenges in the social, economic and political environment. Many of the issues we face now have been apparent for some time. In the absence of structural reform, the remits of public bodies, groups and actors have also evolved - sometimes entirely independently of their own accord and sometimes stretching into the same areas of work. This has resulted in competing narratives and approaches and duplication of efforts and resources. Consequently, there is a lack of clarity about who does what and why, the parameters of success and who is ultimately accountable – all of which, in the context of skills planning, were identified recently by Audit Scotland[10] and attributed, at least in part, to a lack of leadership and effective governance.

2.06 Users trying to access or navigate the system – whether individuals or employers – struggle to know which of the many entry points to use or which narrative to adopt. They expend effort engaging with multiple bodies at different levels to try to find the advice they need. I consistently heard that the landscape is cluttered and complex. I would contend that it is not necessarily complexity that is the problem, it is confusion. Complexity itself isn't a sign of system failure and indeed there are advantages to having diversity of choice and voice within a system, particularly when its users are so diverse with a multiplicity of needs and desires. However, a lack of clarity is problematic as it means we don't have a whole-system view which impedes the ability to construct and implement a coherent strategy. This lack of clarity extends not just to the roles and expectations of different actors, but the process for prioritising and agreeing finance, the terminology and language that is used, the scope and esteem given to different qualifications and pathways, and the data that informs decision-making or measures impact.

Complex and fragmented funding environment

2.07 There is currently around £3.2 billion (based on 23/24 Scottish budget[11]) invested annually in post-school Education and Skills by the Scottish Government, which does not include skills and education initiatives in other portfolio budgets. This is a substantial sum, a large portion of which supports free tuition for higher education and student living costs. I did hear concerns, during the course of my engagement, about where and how funding is allocated

[10] Audit Scotland, 'Planning for Skills'
[11] Scottish Government, 'Scottish Budget: 2023-24', Table 7.01

and, in particular, the balance of funding between different institutions, programmes and provision. It was clear to me when commencing this Review that, although it is not being driven by efficiency savings, recommending changes which would require substantial new public investment would not take account of the current fiscal environment and public service reform commitments set out in the Scottish Government's Resource Spending Review (RSR)[12]. The Scottish Government's policy on tuition fees is well established and represents a significant investment in policy and financial terms. Many of the conversations I heard reflected the view that there are other interventions, beyond first degrees in universities, that equally support learner and economic outcomes. However, as long as free tuition continues to be a core policy of Ministers in Scotland, extending the scope of financial support beyond those pursuing first degrees in universities or to those who already have benefitted from free provision, would be challenging. This makes rebalancing the current investment in post-school education and skills more difficult.

2.08 However, the main message that I took from conversations with stakeholders is that funding is too fragmented, ultimately impeding the ability of providers to be flexible to respond to user needs. It seems that there is money flowing through the system that could be used to better effect. At present there is a good deal of funding from central government arising from project or programme-level initiatives, attempting to address different sectoral, place-based, or user challenges. Most of these are not long-term programmes and this leads to uncertainty, makes forward planning difficult and can create a competitive environment within and between delivery agents. Representatives from colleges, for example, told me that there were multiple pots of funding available to them each with different criteria, aims and reporting requirements. While programmes like the National Transition Training Fund (NTTF) or elements of the Young Person's Guarantee (YPG) have helped to fund additional short sharp provision to support upskilling and retraining outcomes, this was as a 'bolt on' to core provision and has only been available short-term. As such, when these funds have been withdrawn, the gap in core provision remains. There is a strong view from institutions about the need to absorb any additional funding within existing strategies rather than the creation of new initiatives that come with additional, and sometimes overlapping and duplicative reporting requirements.

2.09 Even within the 'core' offer there are different approaches to funding of provision. For example, the funding that flows through colleges and universities compared to the funding allocated to apprenticeships. Yet this division is not simple. Apprenticeships are also often delivered through colleges and universities and, even where the responsibility for funding has shifted between

[12] Scottish Government, 'Investing in Scotland's future: Resource Spending Review'

agencies in recent years, there are still differences in the way funding is allocated to these pathways compared to other provision. Therefore, we have pockets of spending for different provision, some of which are unhelpfully driven by input targets, some by learner behaviours, and all of which appear to run contrary to the calls for institutions to deliver and be responsive to local economic needs.

Incoherent, disjointed pathways and a failure of language

2.10 The fragmented nature of funding is mirrored in the qualifications and pathways within the post-school system. My Terms of Reference (ToR) was not focussed on qualifications and I don't want to cut across the critical work of Professor Louise Hayward who is currently preparing her recommendations for Ministers in relation to qualifications and assessment in the senior phase. However, it is evident from what I have heard that there is no clarity about the different qualifications and pathways available, a view which is reaffirmed by the lack of bodies or individuals I have spoken to who have a complete or comprehensive overview of the post-school qualifications landscape.

2.11 The Scottish Credit and Qualifications Framework (SCQF) is a real asset. It offers the opportunity to think about learning at different levels and to create pathways through those levels. Critically, it maps an often bewildering set of different names for qualifications against a single set of attainment levels. I have found this framing of the different stages easy to understand and accessible. Yet, it appears to be often ignored when thinking strategically on post-school learning. In particular, it is an enormous lost opportunity that this framework doesn't form the backbone of how we talk about qualifications. Instead, we have poor articulation between different qualifications, a lack of clarity about how learners are expected to move in and between the various 'products' on offer, and a disregard for the destination that these pathways are headed towards, which for most (if not all) will be the workplace.

2.12 As a result, although the SCQF would suggest that all pathways are created equal, it can appear that some are still more equal than others. For example, in the senior phase of school, a Level 6 Foundation Apprenticeship (FA) has the same attainment value as a Level 6 Higher. Yet I was told by some headteachers that they are often not viewed as comparable and that there is little consistency in the way that educational institutions will treat them when assessing entry requirements for further and higher education. This was also a finding of Professor Ken Muir's recent report[13]. Parity of esteem, it would seem, still remains an illusion in too many cases.

[13] Muir, 'Putting Learners at the Centre: Towards a Future Vision for Scottish Education', pg 30

2.13 There were numerous calls for more attention, and funding, to be paid to 'vocational' pathways and qualifications as opposed to 'academic' pathways. However, as reflective of Professor Hayward's Independent Review of Qualifications and Assessment in Scotland Interim Report[14] which outlined a common view to reconsider the use of 'academic' and 'vocational' terms, language or terminology is critical. A hugely damaging and, in my view, completely false division has been created in the learning system, somehow suggesting an individual either decides to pursue skills or an education. Terms like vocational are often used to apply to apprenticeships and college courses, but not professional occupation-focused degree programmes like medicine or law. The implication is that skills aren't being delivered through 'academic' pathways, and that individuals will only arise work-ready from a more tailored, vocational course or apprenticeship. Both these views are patently untrue but culturally persist. This false dichotomy between university education and vocational learning is inherently problematic. The Graduate Apprenticeship (GA), a product with a misleading name, but a huge potential, is a case in point as it brings both the world of work and higher education institutions together through a single qualification. Yet, the structure of the agency landscape also reflects this harmful, false division and fuels its persistence, with the Scottish Funding Council (SFC) and SDS each advocating for different parts the system.

2.14 In my view, skills are not something which sit separately to or against higher or further education. They are a product of a good learning system. The majority of jobs can be done with a set of core 'meta skills' (or 'foundational skills' or 'core skills' depending which language we are speaking) with employers needing to be responsible for providing more specialist on-the-job training. Some occupations, however, require a set of more specific technical skills, which necessitate specialist training or professional accreditation. Yet there doesn't seem to be clarity about what we mean by vocational and which subjects might require this more tailored, technical approach to skills development or, indeed, which are better suited to delivery through apprenticeships or work-integrated learning, than in an institutional setting.

Absence of national prioritisation and regional flexibility

2.15 This brings me to skills planning, which was the subject of Audit Scotland's report[15] more than a year ago noting the lack of progress that had been made on skills alignment – the process by which skills are matched to the needs of the economy.

[14] Hayward, 'Independent Review of Qualifications and Assessment in Scotland: interim report'
[15] Audit Scotland, 'Planning for Skills'

2.16 Although Audit Scotland has acknowledged action by the Scottish Government and its key agencies, it cast doubts on whether the current measures would deliver change at the pace and scale required. Trying to match provision to the needs of the economy, both now and in the future, is clearly not an easy task, particularly in a fast-moving socio-political environment. I have seen the progress on some of the pilots that SDS and the SFC are undertaking and it is clear that there is valuable work and thinking going on in this space. However, having conducted this Review, I too am concerned that the processes in place are not optimal.

2.17 Whilst there seems general agreement that skills alignment is necessary to bring about a more responsive system, I am not convinced that there is yet a collective, shared understanding between partners, including the Scottish Government, of what this means and what it entails in practice. At the heart of this appears to be a fundamental question about what and for whom we are planning and, connected to this, uncertainty about data and intelligence – who has it, who collects it, what it can tell us, who is able to access it and how it can be used to inform decision-making.

2.18 At a national level - a scale at which it is significantly challenging to plan for skills - there is an absence of prioritisation. In an effort to satisfy the wants of every sector, we are failing to plan for those which are most integral to Scotland's current and future success. The result is that issues like the imperative to transition to net zero still feel out of reach as no one is able to articulate the specific skills or occupations that will be required to deliver the policies and programmes that are necessary to meet Scotland's emissions reductions targets. There is also confusion about why some sectors or occupations might be a priority. Without clarity from a national level about which sectors or occupations are a priority and why, investment and resources will continue to be spread thinly within the system. At the same time the 'risk' associated with trying to shape the market is also shared out amongst different actors, making it difficult and unlikely to bring about the transformative shift in delivery that is needed.

2.19 This confusion at national level bleeds into regional structures where there is a similar lack of clarity about what is required and from whom, and a potential case of 'too many cooks' as national and local partners bump up against each other in efforts to identify and plan for local need. Without a collective understanding of the ambition for skills planning, it has been difficult for the Scottish Government and its national agencies to provide strategic direction and then, for want of a better expression, let local actors 'get on with it'. The result is that there is a great deal of activity which is attempting to respond to different place-based needs or sector-challenges, but no clear framework for regional planning which is predicated on local intelligence and empowers (and

trusts) providers to work with employers locally to identify and shape provision to meet the needs of the region and to communicate that opportunity to potential learners.

Inconsistency of careers advice and education

2.20 With the complexity of pathways, the lack of understanding of the jobs and occupations of the future and the proliferation of agencies and actors, it is perhaps no great surprise that not all individuals are able to make smart or informed choices about their future careers. This is an opportunity lost. Through a frontline careers service, careers advice and education, decision-making can be shaped and people can be assisted to make choices that can deliver better outcomes for them and for the economy. As directed by Government, there is an emphasis on careers services for those who are at risk of not pursuing education, rather than those who are already on that path. This could imply that those who are headed to college or university, as 'positive destinations', don't need any advice or guidance. However, we know that there are issues of graduate 'overqualification' or skills mismatching[16]. We have large numbers of engaged learners, but we aren't necessarily equipping them with the knowledge they need to get the most out of their education and, as a result, we aren't using the investment that is going into the system to best effect.

2.21 The same could be said for those looking to change careers or retrain, many of whom can and will be willing to put their own investment into their education, were they clearer of their choices and opportunities. There are issues with the type of provision in the system, in that there is still a lack of short-sharp courses which are suitable for those in-work or who have other competing responsibilities, but there is also lack of clear information about the opportunities that do or will soon exist. Despite the proliferation of web pages and initiatives, I didn't find a single place where I could access all the information I might need to show me the pathways towards a potential occupation, across different providers and the support that might be available, depending on my individual needs.

2.22 Much of what I have heard from business has focused on the current labour market pressures of finding people to work in key sectors including a lack of potential workers from the EU[17]. This is a concern, as we know migrants who come to Scotland can help to expand our talent pool, raise our productivity and alleviate both skill shortage issues and challenges associated with demographic changes[18]. On this basis, whilst I understand the focus that

[16] CIPD, 'What is the scale and impact of graduate overqualification in Scotland?'
[17] IoD, 'Staff shortages could undermine recovery'
[18] Scottish Government, 'A Scotland for the future: opportunities and challenges of Scotland's changing population', pg 53

careers services and policies have tended to have on young people, it has become equally apparent that there is a clear need to support all learners, including those seeking entry or re-entry to the labour market or indeed to Scotland, with the right advice to move into and develop their careers.

2.23 The work the Careers Services Collaborative will be leading will, I believe, bring some coherence to careers services. However, if we are to get ahead of the demographic issues facing Scotland, it is important that careers advice and education support everyone to understand their learning needs and the opportunities that exist for them in the labour market. Whether real or not, the perception that careers services are for those outside or at risk of falling out of the labour market, rather than everyone who is trying to navigate it, is problematic and damaging. Users that I heard from during the course of the Review, including young people, were clear that the current support is insufficient.

Complicated business interface and clarity of expectation from employers

2.24 If confusion is the experience for potential learners then it is not too dissimilar a story for businesses who seem equally frustrated by the current landscape. I didn't have to look far to find businesses and sectors who were calling out for a greater role in determining how funding should be spent or asking to influence the shape of the pathways to their profession, but struggling to know who the gatekeepers are and how to influence the system. For example, I heard confusion about the role of Developing the Young Workforce (DYW) school coordinators and SDS careers advisors; uncertainty about the processes to join representative boards such as the Scottish Apprenticeship Advisory Board (SAAB), and a lack of clarity on how to influence qualifications. Rightly, industry needs to be able to have a role in shaping the landscape, whether that is in the standards and qualifications that are being developed, the provision that is needed or the advice that is being provided to learners about opportunities. That doesn't appear to be happening to the benefit of most businesses and the evidence suggests that, despite most of the Scottish economy being SMEs, the system has gravitated towards supporting the bigger and more vocal businesses who have the capacity and resources to engage.

2.25 Businesses similarly are unclear about where to go for assistance with workforce planning and this is disconnected from the advice and support that is available for business development and planning. If you ask a group of businesses who they would go to for advice on workforce planning and development, you will get a mix of answers including local authorities, business gateway, enterprise agencies, the Job Centre and SDS. I know there are examples of good practice, for example, in the energy or manufacturing sectors. However, by and large, the processes for integrating skills planning

and investment into sector and business development are unclear and inconsistent and opportunities are being missed to incentivise and lever investment from businesses, particularly where government prioritisation or ambition is likely to deliver them growth and profit. If the post-school learning system is to have the capacity and capability to support Scotland's ambitions, then more investment from the private sector is going to be needed. It is just not feasible for a national government and its agencies to provide support to all businesses across all sectors. Nor is it realistic to expect a learning system to turn out workers who have everything they need to perform in the workplace from day one. In this respect, there is a clear role for employers in funding the training of employees, their upskilling and attracting talent.

Summary: the case for reform

2.26 Everything I have set out above points to the need for substantive, structural reform of the delivery landscape including a clarification – and in some cases rationalisation – of the remits and roles of national bodies.

2.27 One of my immediate observations was the division in the system between skills for the economy on the one hand and education for the learner on the other. This division exacerbates tensions, harms the journey towards parity of esteem and, at worst, stigmatises certain destinations for further learning and employment. Scotland cannot afford to allow such preventable harm to continue within its post-school learning system. I believe that we cannot continue to present these as two diametrically opposed and competing ideologies. Skills are quite simply the product of a good education and training system. Education doesn't happen in colleges and universities alone, it also happens in workplaces, in communities and in a multitude of other settings across the country. Skills are both technical and occupation focused, and transferrable and foundational. While we continue to conceptualise this as two opposing and competing systems, each spearheaded by a different public agency that often 'lobbies' for its own part in the system, then we will continue to fail to deliver an 'aligned' system, one which has skills development embedded throughout it and which recognises the broad outcomes and benefits of learning.

2.28 I believe the bringing together of responsibility for skills and education, first under one Minister and now in a Scottish Government directorate is a good first step in addressing this issue, but more is needed if the structures in the system are to be prevented from continuing to feed this divide. In particular, the functions of SDS appeared to be confusing for many people and organisations that I met. I found that it was difficult to characterise or define the body's role as it covered such a wide range of different areas of skills development, including the development of standards and qualifications, delivery and funding of

provision, careers advice and guidance, employer support and regional and sectoral skills planning. While these functions are all essential and integrated parts of a 'skills system', they all have different audiences and purposes which make it more challenging for the agency to set out and communicate its overall purpose and performance objectives. In some areas of responsibility, there is, arguably, even a potential conflict of interest through risk of unconscious bias for an agency that is tasked to provide impartial careers advice while at the same time developing, delivering and championing one specific area of provision (apprenticeships). Furthermore, there is a perception that there is overlap between SDS's role and other national bodies, including SFC in relation to skills planning and apprenticeships, Scottish Qualifications Authority (SQA) in relation to qualifications and standards, and the enterprise agencies in providing business support.

2.29 To its credit, SDS has a strong internal culture. Its relationships with its trade unions are an exemplar and it clearly values its own people; providing them with the platform to help shape the direction of the organisation. That is less common that it should be and must be commended. There are excellent examples of its close partnership with the business community, particularly with larger employers.

2.30 However, this spirit of collaboration is not as evident in how the organisation works with the rest of the public sector, with many other agencies commenting on a lack of partnership working and collaborative culture. I have no evidence that this pattern of behaviour is driven by bad intent. It may well be a symptom of duplication of responsibilities and the resulting lack of clarity as to which agency is in the lead for different areas of work. However, whatever the causes, it has exacerbated the lack of joined-up working across the post-school learning system.

2.31 It seems to me that SDS operates first as a business with a remit for engaging employers and promoting apprenticeships or work-based training initiatives, rather than a public body which has a duty to deliver services in line with Ministers' policy ambitions. As such, it doesn't always appear that it makes decisions or demonstrates behaviours which are focused first on public service delivery or the needs of learners. This dynamic is acting as a blocker for partnership working, joined-up thinking and delivery across the public sector. The changes recommended in this report relating to SDS are designed to give the body a crystal-clear focus, in an area of strategic importance to our future post-school learning system, where I believe it can have a transformational impact.

2.32 To conclude my analysis of the current system, I would again point to a crucial asset it has; a shared passion and energy to deliver amongst the people at its heart. However, without change to the shape of the current agency landscape, even with the right policy intent and a clearer leadership, the system is likely to continue to be challenged by the same issues it currently faces.

Chapter 3: Priorities for the future landscape

Pillars of a successful skills delivery landscape

3.01 Drawing on the analysis of the current landscape and my vision of what we should be aiming to achieve, I have identified the following twelve elements which I believe to be essential pillars of a successful post-school learning landscape. These are essentially the components that I think are required, but which are either currently missing or insufficiently embedded, if the system is to be optimised for delivering the ambitions that the Scottish Government has articulated in the National Strategy for Economic Transformation (NSET) and the Interim Purpose and Principles. They provide a foundation for the set of specific structural recommendations relating to agency roles and responsibilities, set out in the following chapter of this report.

3.02 In determining the specific elements of the landscape, I have worked from the basis that there are principles, and behaviours, that underpin all good public service delivery which I should not need to rearticulate here, but which will absolutely need to be embedded within the DNA of the post-school delivery landscape if we are to successfully bring alive a revitalised and reshaped system. These include a duty from all actors to collaborate and work in partnership, a user-focused mindset, value for money, an obligation to challenge established models, and a non-negotiable commitment to fair work. With those behaviours as a foundation, I identify the following twelve pillars of a successful post-school learning system:

1. **Decisive, national direction and leadership** from the Scottish Government with a single strategic narrative and language on learning underpinned by clarity about the expectations on different actors, clearer remits for national agencies and structures of governance which enable performance management, decision-making, and accountability, to happen at the right level.

2. **Parity of esteem** for the varied post-school learning and training pathways individuals can follow and a refreshed understanding of success which isn't linked to the level of learning undertaken but rather is measured by whether an individual has reached a positive destination, for them, post-school. Removal of performance measures or input targets for providers which incentivise certain pathways over others.

3. A national **needs-based skills planning process** which builds upon Scotland's vision for a wellbeing economy and offers clarity about the sectors and occupations where Scotland has national skills requirements (prioritised based on strategic policy ambitions, and labour market intelligence) and thus where public funding and effort should be focused. Recognition that this will require trade-offs and it won't be possible to prioritise all sectors at a national level.

4. Within the context of national priorities, **clear regional autonomy** for identifying local skills needs based on regional economic strategies, and an established process for planning provision to better meet those needs. Recognition of the role of providers, particularly colleges, local authorities and businesses in shaping and leading this process with minimal, light touch, involvement from national bodies and government.

5. **Streamlined, flexible public funding** which prioritises learners and learning that will best deliver against intended outcomes and a presumption in favour of models of funding delivery that offer best value for public spending. Funding which gives providers the flexibility to identify and respond to local and regional need coupled with performance frameworks and accountability which are based on outcomes and impact, not artificial input targets.

6. The ability for **any learner to access financial support for living costs** – be that a loan, bursary or grant – up to the living wage equivalent, whether they are studying full or part time, to ensure funding isn't a disincentive for those already in employment or with other barriers to access upskilling and retraining opportunities and develop their journey through work.

7. **Clear, coherent and recognisable learning pathways** through the Scottish Credit and Qualifications Framework (SCQF) with articulation between awards at different levels and modularised qualifications that build over time. Learning and training pathways and qualifications that are appropriate to the sector, occupation or profession that they serve with clear, consistent and relevant naming structures which state the level and type of learning.

8. **Qualifications and awards that more deeply embed work-integrated learning or employability-related skills development** in recognition that the destination for most people undertaking learning and training will be the workplace. Coupled with a standard, universally-offered, digital mechanism for learners to evidence and track their development of transferrable, meta-skills through all learning and training, alongside a record of qualifications, course awards and certificates.

9. **Embedded careers education and work experience** within the school and post-school training curriculum enabling all individuals to make more informed choices about subjects, qualifications and careers. Advice services that support people of all ages, from those transitioning from school to post-school destinations to those looking to move or change careers, coupled with simpler, fewer and more effective digital platforms which provide information about pathways to occupations in one place.

10. **Clear consistent opportunities for employer engagement and leadership** that enable all types of businesses and industries to play a central role in shaping and guiding the provision and services in the system at every step – from standards and qualifications development to careers advice and guidance. Solutions and services that respond to the needs of all businesses, including SMEs and start-ups.

11. **Businesses that are active partners in workforce development**, open up opportunities for work experience and apprenticeships and which recognise the benefits of upskilling their employees. Workforce planning which is an embedded part of business development with employers incentivised or required to invest in skills infrastructure to support growth, particularly where they stand to gain financially from public investment or prioritisation.

12. **Simple, well-signposted engagement routes** for both employers and learners to access support relating to post-school learning and training so every business and individual knows where they need to go for advice and can access the information that they need.

Chapter 4: Recommendations

4.01 This chapter sets out my recommendations for the structural and operational changes that I believe are required to deliver on the pillars of success I have identified for the future landscape. These focus on the specific aspects that I was asked to consider in the Terms of Reference (ToR) for the Review i.e. recommendations for how the public body and advisory group landscape should be adapted to deliver on the ambitions for the system including ensuring Scotland's workforce can support the transition to net zero, and that all learners have the opportunities to develop the skills they need to equip them for rewarding careers, and, specifically, my views on the future remit, functions and status of Skills Development Scotland (SDS).

Decisive national direction and leadership

4.02 The passion of individuals within our skills system to deliver for people of all ages should be cherished. It is also clear that there is much good work that is already in place at a national and local level which demonstrates partnership working and innovation in tackling skills and workforce related issues.

4.03 I am keen that my recommendations do not cut across or diminish instances of good practice, but, whilst it is encouraging to see such approaches, it is not clear that the current system facilitates their replication or adaption. Indeed, the system itself often acts as a barrier to collaboration. One of the main issues that emerged through my discussions was the confusion over who does what and who has ultimate responsibility for delivery and performance. I have distinguished between complexity on the one hand (which can reflect the range of interventions to support differing needs) and clarity on the other hand (which is needed to avoid duplication, lack of understanding and overlap).

4.04 In the absence of clarity of purpose for the system and a clear definition of success, good intent can lead to fracturing of activity, with agencies and other actors working at cross purposes. This results in a feeling that the system is sub-optimal, and somehow unable to be agile or flexible enough to respond to short- and medium-term challenges.

4.05 The ability to define success is also hampered by the fact that there is no single agreement on it. Indeed, there are conflicting views, including from national agencies, and no single position on how the system could be redesigned to improve delivery of outcomes to those who use and rely on it. So, while the complexity in the system could be seen as an argument for simplification, it is also a barrier to identifying how that can be best achieved.

4.06 In short, the landscape has become too fragmented and confused. At best, there are overlapping responsibilities, at worst, individual parts of the system work against each other. This has been occasionally evident in my own engagement with SDS and the Scottish Funding Council (SFC), from which I heard very different perspectives on the purpose and vision for the post-school learning system.

4.07 This underlines the requirement for decisive leadership and direction; something that I think has been absent from the system as the Scottish Government has devolved its responsibilities to different agencies, rather than bringing all partners together under one coherent narrative. For the system to work to best effect, I believe what is needed is significant reform of the public body landscape coupled with more decisive leadership from government in establishing and communicating a shared direction of travel with greater coordination and oversight of activities. This could reverse the fragmented culture that has arisen and provide the direction and accountability needed to reflect the significant investment that is being made.

Recommendation 1

The Scottish Government must take a **clearer leadership role in post-school learning** policy and stronger oversight of delivery and performance.

Within the context of this Review's recommendations for reform, it should:

- set out clearly the remits and expectations of its national agencies operating in the post-school landscape thus removing ambiguity and limiting opportunities for duplication or divergent narratives,
- build into the design, statutes and structures of its bodies the expectation of joint working within an integrated post-school learning system, and;
- prepare and publish a clear framework setting out where accountability for different functions lies across the landscape.

Parity of esteem

4.08 I have already indicated my belief that all pathways which support a positive destination for an individual have equal merit and should have equal status and esteem within the system and society.

4.09 Structures and language matter, because, in practice, how systems work and the way we talk about them can reinforce stigma or serve to counteract their intended aims or purpose. Close attention to language and structures are therefore fundamental to achieving parity of esteem, by which I mean a shared acknowledgement that different pathways are simply different: not better, not worse, just different. In other words, and to be blunt, I want to consign to the dustbin the outdated view that studying at university is somehow a "better" kind of success. It is undoubtedly something to be celebrated: we should be proud of Scotland's university sector and for many it is an important part of their post-school journey. However, there are multiple potential pathways available addressing different learning approaches, using different contexts to provide experience, and meeting individual (and economic and societal) needs.

4.10 I have already noted the tensions in the current landscape and the need for reform in the structures of our national agencies. Currently, the distinction made between educational and vocational routes is outdated, has perpetuated a lack of collaboration between key public sector institutions and is hampering the coherence of Scotland's post-school learning system. From my engagements with system users and stakeholders, I believe that it has also contributed to unhelpful and often unspoken assumptions, including, for instance, that wishing to enter the workforce directly after school is somehow a lesser ambition than continued study. National policy should recognise that skills are not an alternative to education, but an essential product of learning and training, and give equal value to the various settings and pathways in and through which skills development can occur.

4.11 As I have set out already, my ambition for the post-school learning system is that every individual is able to gain the knowledge, skills, experience and opportunities to progress through their learning and individual development towards the world of work, where it is possible and appropriate for them to do so. If an individual has equitable access to learning, reaches a destination in the workplace that feels right for them, is fairly rewarded in a role which contributes to them living a fulfilled life, then I think that Scotland's post-school learning system will have succeeded. To achieve this, it is critical that the Scottish Government puts in place, through its Purpose and Principles work, a clearer articulation of the outcomes that it wants to see from the post-school learning system. From the Scottish Government downwards there needs to be more careful consideration and articulation of the measures and performance indicators that we use to determine success and track progress.

4.12 Closely linked with this is the need to establish a shared language. During discussions with stakeholders I heard many times that our use of language perpetuates false divisions (e.g. speaking of education or work; learning or skills) and causes confusion through a lack of clarity in the terms used. There

needs to be an agreed, shared language so that all actors in the system can work together to reinforce a positive, collaborative approach to ensuring that everyone can access the relevant information and all options are understood to be equally valid. Ultimately, we need to consider the entire post-school landscape as a holistic, integrated learning system which recognises that that learning happens in school, colleges, universities, workplaces and elsewhere in communities.

4.13 Together with the specific recommendation below, all the recommendations in this report are aimed at shifting the structures and processes in the landscape towards a single, integrated system which has parity of esteem embedded throughout.

Recommendation 2

Through its Purpose and Principles, the Scottish Government should **establish a single, coherent narrative for what a successful post-school learning system looks like** and how progress towards it will be measured.

This should:

- be accompanied by a shared terminology which sets a common strategic language and intent.
- seek to break down the tensions and false dichotomies in the current system, and;
- ensure that policy development, performance measures and programme initiatives do not inadvertently drive behaviours which run contrary to the need for parity of esteem.

Needs-based skills planning processes

4.14 In my analysis of the current landscape, I identified a fundamental question about what and for whom we are planning which I think is critical to developing successful approaches for skills alignment. It is, I think, the same point that Audit Scotland expressed in its report on the subject in recommending that the Scottish Government set out its strategic intent for skills alignment, the outcomes it aims to achieve, and how it will measure progress. Suffice to say, I don't think we yet have a satisfactory answer.

4.15 We are told alignment is about 'matching available skills to needs' but whose needs? Need is not the same thing as 'demand', yet they are often conflated. Labour market intelligence can only get us so far and when it comes to strategic ambitions, there are niche industries with low levels of demand which might be as critical to delivering policy intentions as sectors looking for high

numbers of new employees. Equally, the market may lag transformation ambitions and will require intervention to drive demand to meet needs.

4.16 Understanding the imperative underpinning skills planning should help us to identify the structures that are required to support it. At a basic level, I think it is very difficult to plan for skills at a national level. Much of the economy operates more locally and it is unrealistic to expect national government or its agencies to have a role in leading the development (or meeting the needs) of every single economic sector or profession. Yet, there are sectors and professions that will be integral to the delivery of national policy ambitions, which face critical shortages or where there isn't currently demand in the market, and where investment is required to drive and incentivise the workforce. I am thinking, in particular, of the changes that might be required to support just transition, where government is seeking to play an active role in changing market and individual behaviours and shaping a green economy.

4.17 To use resources to best effect, and to ensure funding and provision can be aligned to need (not just demand), then there must be a clear articulation of the areas that are a national priority. This goes beyond signalling 'economic transformation' or 'net zero' into a specific articulation, aligned to strategic policy intentions, of the sectors and occupations that will be critical to their delivery and their workforce needs. With this deeper understanding of the requirements of critical sectors and occupations alongside an assessment of their relative importance in the context of strategic outcomes and ambitions, skills action plans will be better placed to more effectively drive delivery and guide investment.

4.18 This requires a clear process for prioritisation and for the resulting priorities to be articulated and communicated to enable delivery bodies responsible for learning and training provision to ensure that their services and parts of the system are delivering against those priorities. It is my view, because of its strategic role in setting policy ambitions, that this is something that can only be done by the Scottish Government, under Scottish Ministers, as it is they who will ultimately take decisions about priorities, how funding is aligned to ambitions, how incentives are built into the system, and can direct and hold agencies to account for their part in delivery.

4.19 Of course, these decisions must not be taken in a vacuum. Good data and intelligence will be critical to support and inform decision-making and to enable the measurement of impact. I would expect the Scottish Government, in developing its approach to national planning to work closely with the National Strategy for Economic Transformation (NSET) Delivery Board and Industry leadership Groups (ILGs) to ensure that the criteria for prioritisation are transparent and well-informed. Although there is currently a reasonable amount

of labour market intelligence flowing through the system, it isn't easily accessible to different stakeholders to interpret for their own needs, and there is a deficit of quality interpretation or analysis connected to strategic ambitions and policy development.

4.20 The intelligence that comes from having oversight will also enable the Scottish Government to better manage expectations, particularly where labour market challenges are related to other drivers, for example, population growth, migration or the political economy. There will, I anticipate, also be efficiencies in bringing these functions into the Government. At present, there are resources in both SFC and SDS which are committed to skills planning together with staff in Scottish Government who are managing the assurance of this work and mediating the relationship between the two bodies.

4.21 It is not my intention to underplay or devalue the work that both agencies are doing, but I believe, going forward, a more centralised, directive approach to national skills planning will enable the prioritisation, direction and accountability that is needed.

Recommendation 3

The **Scottish Government should be responsible for national skills planning and oversight of sector and regional needs**, including the collation and dissemination of relevant labour market intelligence and data.

Government officials, on behalf of Scottish Ministers, should:

- establish a transparent process for identifying and communicating national priorities for workforce and skills linked to strategic policy ambitions;
- develop central oversight of national skills needs across Ministerial portfolios to ensure there is a comprehensive national picture to inform decision-making and prioritisation; and
- urgently articulate the specific skills requirements associated with the policies in the Climate Change Plan and assess these against existing provision in the post-school learning system, taking a whole-system perspective to ensure that there is a cumulative understanding of skills needs of the path to net zero.

The relevant resources, currently in Skills Development Scotland, allocated to skills planning should be transferred to the Scottish Government to provide capacity and expertise to develop this function.

Clear regional autonomy

4.22 Although I have outlined a case for national skills planning to be delivered centrally by Scottish Government, I am strongly of the view that the structures and decisions to better support skills planning and delivery of skills provision in local and regional economies should not need to be taken or controlled nationally. Owing to their place-based nature, partnership approaches that are developed locally are likely to be stronger and, in most cases, should be more effective at securing buy-in from employers and professional bodies to ensure alignment with local skills requirements. A recognition of the need to devolve more decision making is an important feature of NSET which has emphasised the need to work collaboratively with regions to deliver economic goals.

4.23 However, to enable regional bodies to be responsive to requirements, they need more autonomy in decision-making. There is currently too much prescription at a national level on post-school skills and learning delivery, constraining the ability of local areas to determine what delivery best suits the needs of their region. It makes no sense to me, for example, for a national agency to be determining how many funded apprenticeship places a local college should be allocated and impeding the ability of the college to transfer places between different frameworks in response to need. If we accept that there are, at a national level, overriding imperatives that the skills system must embrace, then beyond these, local areas need the freedom and flexibility to decide how funding is utilised, to consider the specific needs of their communities, and the planning needed to ultimately support the success of local labour markets.

4.24 As noted by the Regional Economic Policy Advisory Group (REPAG) in its recent Review of Regional Economic Policy[19] there is a local and regional desire to use existing structures and enable regional actors to take responsibility for local ambition and problem-solving. Yet there are currently multiple actors across Scotland with strong local focus in delivering skills development – 32 Local Authorities and associated Local Employability Partnerships and 30 Chambers of Commerce; 26 colleges and 19 universities; multiple local charities and community groups; and local employers large and small. Presently, it is possible for each of these bodies individually or collectively to bid to a myriad of different funding streams and opportunities, each with unique bidding and reporting requirements, to support their skills development plans and provision. Layered on top of this are several regional groupings, often overlapping with each other, which have coalesced or come into being around requirements for Regional Skills Plans or to access specific funding opportunities (such as Region Deal funding).

[19] Regional Economic Policy Advisory Group, 'Regional economic policy review: paper 2 – the regional perspective'

4.25 In my view, Scotland is too small and integrated to have multiple regional skills frameworks. The REPAG Review makes a strong case for adhering to the eight existing Regional Economic Partnerships (Ayrshire; Edinburgh and the South East of Scotland; Forth Valley; Glasgow City Region; Highlands & Islands; North East; South of Scotland; Tay) for regional economic planning. Regional Skills Plans are a crucial tool, but what I have heard is that these need to be more clearly aligned to regional economic strategies and developed not just with quantitative labour market data, but also with local intelligence from employers and industries operating in local areas. As such, to my mind, it is absolutely critical that colleges, business and universities are at the heart of this process.

4.26 While the Scottish Government should maintain oversight of regional skills planning to ensure that national imperatives – such as the just transition – are prioritised and realised, I see Regional Economic Partnerships as the vehicle for driving and coordinating regional skills planning as an integrated part of regional economic strategies. This would complement the devolution that is already happening in how employability support services are delivered through No One Left Behind, with a clear focus on national and local government working with partners to deliver person-centred and place-based approaches. In my engagement with Local Authorities they were clear that there had been teething issues in going from national orientated, often bespoke, delivery programmes to more tailored local solutions but there was a general consensus this was the right way forward to adapt services to local need.

4.27 Several things therefore need to be considered in relation to the local and regional landscape: clear structures to ensure the right bodies are involved; clear national priorities within which to consider local/regional goals; the availability of good, relevant and timely data; simplicity and flexibility of funding; and straightforward mechanisms to ensure proper accountability.

Recommendation 4

Linked to Recommendation 3 above, in recognition of the need for a genuinely place-based approach to regional and local skills planning, the Scottish Government's new skills planning function should **establish a clear template for regional skills planning**, working with providers, employers and regional economic partners and using insights from the Scottish Funding Council Regional Pathfinder projects.

This should:

- be aligned to regional economic strategy and compatible with the recommendations of the Regional Economic Policy Advisory Group Review;
- clearly articulate the roles and expectations of different regional actors in identifying skills needs, and aligning these to provision, funding and careers education;
- recognise the central role of providers, particularly the huge potential of colleges in planning for and addressing skills needs in their regions;
- allow for existing Regional Skills Investment Plans, where appropriate, to see out their existing term and empower Regional Economic Partners comprising key providers, local authorities and employer networks to co-produce future plans;
- provide for light touch oversight and monitoring by the Scottish Government to ensure regional plans are collectively delivering against identified national skills and workforce priorities; and
- ensure that regional planning is underpinned by data, by exploring how regional intelligence hubs, based on the Glasgow City Region model, could be established in each of the eight regional economic planning areas to supply relevant information and analysis to regional and local groups, and coordinate data flows with national and sectoral bodies, including from and to the Scottish Government.

Streamlined, flexible public funding

4.28 Public funding rightly comes with an expectation of accountability and the need to demonstrate best value for money and effectiveness in its use. As such, recommendations on public funding within the post-school learning system must also consider issues of reporting, regulation and quality assurance.

4.29 If we begin by acknowledging that there is unlikely to be a significantly increased amount of funding flowing into the post-school learning system soon, then we need to ensure that what is in the system already is being used to best effect. I am not convinced that this is currently the case. Public investment is currently too focused on programmes and institutions rather than delivering the flexibility across the post-school learning system needed to achieve genuine

agility. There is a lack of coherent measurement of quality and impact across the landscape as a whole, national targets that constrain flexibility and resources that are diverted to managing conflicts or satisfying bureaucratic processes.

4.30 Part of the confusion is that there are multiple agencies involved in the funding and oversight of the delivery of learning and training provision and their processes and requirements, relationships with providers, and measures of success, are fundamentally different.

4.31 SDS is positioned as the national skills agency funding and promoting work-based learning and training, predominantly but not exclusively through apprenticeship provision. It funds delivery largely through public service contracts to independent training providers, colleges and local authorities. Quality assurance in the context of this provision is underpinned by SDS's own quality assurance framework although His Majesty's Inspectors of Education (HMIE), currently based in Education Scotland, undertakes external evaluations of elements of the provision. SDS also plays an active role in managing the flows of information relating to the performance of apprenticeships including employer engagement, promotion of fair work and equalities.

4.32 SFC is legally only able to fund a specific list of post-16 education bodies, colleges and universities, to deliver provision. It provides funding for core running costs for colleges and universities and assigns funding to different institutions for student teaching costs through its credit-based funding model (where funding levels differ depending on the type and subject of the course). Although its founding legislation suggests it should have regard to 'skills needs in Scotland', it is unable to intervene too strongly in the specific mix of courses or curricula that any provider makes available, and the funding, instead, follows the courses and degree programmes chosen by the eligible students. In terms of quality assurance, the SFC has a statutory responsibility for ensuring that there are processes in place to measure, assess and enhance the quality of fundable provision. It uses quality assurance frameworks to deliver this and works closely with the HMIE and the Quality Assurance Agency Scotland to secure external assurance.

4.33 Adding further complexity to this picture, is the funding that flows into the post-school learning system through the Student Awards Agency for Scotland (SAAS). SAAS's functions, which sit outside the scope of this Review as not exclusively linked to the skills functions set out in the ToR, are to establish eligibility for, and administer, living cost loans, bursaries and grants to enable learners to access provision. SAAS is also responsible for calculating each eligible student's tuition fee element covered by the Scottish Government's free tuition policy, and paying these funds directly to institutions.

4.34 Not only do these various funding arrangements increase the risks of inefficiencies, but they often create unnecessary competition between different types of providers, contribute to complex delivery environments and impede parity of esteem between different types of learning and training.

4.35 To give an example, the Scottish Government's Flexible Workforce Development Fund (FWDF) allows businesses to access funding for upskilling their workforce. The Fund is delivered largely through colleges with funding allocated by SFC. However, if a business is unable to secure the provision they need through colleges, they are redirected to SDS to apply for grant support for them to procure the training through an independent training provider. This creates a complex interface for providers and employers. The funding sitting across two bodies with separate accountability structures then means that Scottish Government has to take on overall accountability for the programme, which adds another layer of governance and resources into the mix. These issues are highlighted in a recent evaluation of FWDF[20] which calls for simplicity and a reduction in administrative burdens.

4.36 It is a similar story with Foundation Apprenticeships (FAs) where the complexity and diversity of funding arrangements, and delivery models, was highlighted in the HMIE Review[21] as being less than optimal. During my own Review I received evidence pointing to FA delivery in Aberdeenshire, where the local authority leads delivery with little or no sub-contracting or engagement with external providers, as an exemplar of good practice. Indeed, other councils were asking how they could have the same. Yet, owing to the delivery model, that single local authority receives, through grant funding, almost half of the SDS budget for new FAs in a single year. As such, under that model, if all local authorities and regions were to attract the same numbers of participants, the cost of FA delivery would need to increase significantly. When this is set against the fact that the rationale provided by the Scottish Government for moving funding for FAs to the SFC was to create a sustainable model of funding for the programme, it becomes clear why it is not attainable. Added to this, the complexity of two bodies with different reporting methods and success measures, it becomes clear that something needs to change.

4.37 What is more, these complex funding arrangements make it far more challenging to rebalance investment across the system because it isn't simply a case of realigning budget with one organisation from one line to another. It is a case of moving it across organisational structures and governance and accountability lines. I have heard very clearly and am sympathetic to the calls for more investment in apprenticeships. Work-based learning opportunities

[20] Scottish Government, 'Flexible Workforce Development Fund (FWDF): evaluation', pg 62 - 63
[21] Education Scotland, 'Foundation Apprenticeship Provision in Scotland: Review'

such as apprenticeships are important. They have capacity for growth and deliver on a more work-integrated learning culture we need to embrace. I also recognise that the uncertainty over available levels of funding from year to year makes them vulnerable to declining commitment from businesses and providers. That needs to be avoided. I heard from many stakeholders, for example, that establishing multi-year funding assumptions and commitments, over a three-year horizon, would help with longer-term planning of provision and strategic partnership working. We need more work-integrated learning; apprenticeships are a critical vehicle to achieving this and success will mean they are more widely embraced. However, if I were to simply recommend 'more funding for apprenticeships' I'd be doing so knowing that it would be interpreted as taking funding away from colleges or universities (even though they are often, and should be, involved in delivery) or even from SFC to SDS. I just don't think that this is the answer.

4.38 Instead, it is my contention that we need to start thinking about, and funding, delivery of learning and training provision in the round. The money is ultimately there to support the learner to develop their skills and knowledge, not to benefit the provider, and funding and delivery models and agency structures should be developed with this principle in mind. For example, the process and criteria for allocating teaching and tuition funding for any individual to undertake a degree level apprenticeship (Graduate Apprenticeship (GA)) should be the same as providing teaching and tuition funding for that same individual to undertake the same qualification through an institution-led course of study at university. The attainment level of both types of provision are the same, yet they are not currently treated as such in terms of how they are funded or in who is able to access funding.

4.39 I recognise that there are differences in apprenticeships compared to other types of provision. As well as being learners, apprentices are employees and, given the financial investment that employers make, some will argue that apprenticeship programmes should serve the needs of the employer first. However, while I think there have been benefits in apprenticeships having had a separate agency focus while the concept was developed and incubated, their continued separation from the wider delivery landscape is now impeding their further growth and progression. This is holding them back from becoming an embedded part of the post-school learning system and delivering on their full potential for meeting employer and learner needs. If, for example, within the context of national priorities, we can give freedom for universities to utilise funding to deliver degree-level learning, whether that is through full time learning or learning as part of an apprenticeship, then the 'caps' on GA numbers could be removed and employers could see increased numbers of learners accessing this route.

4.40 At the same time, of course, we need to recognise that there is not an infinite amount of money available and that this means there are difficult decisions to be taken about how funding is prioritised to deliver outcomes, both for learners and for the wider wellbeing economy. Setting out criteria for prioritisation goes beyond my remit, but I do believe that to move forward there should be a fundamental revision of the way public funding for learning and training provision is allocated. Within this, the specific models of funding for different types of provision should be carefully considered, including, critically, Modern Apprenticeships (MAs) on which I received evidence regarding the inadequacy of the current contribution rates and also of the value for money achieved through the contracting model.

4.41 Prioritisation should undoubtedly be informed by performance. However, as noted above, the complex funding processes and the multiple bodies involved in delivery and quality assurance, mean that it is currently difficult to take a holistic view across provision. The measures of success and processes of quality assurance differ depending on the delivery model and type of provision making it challenging to compare outcomes from different investments. Addressing the fragmented funding environment and delivery arrangements thus offer the opportunity to clarify and bring greater coherence to regulatory and quality assurance roles and requirements.

4.42 Prioritisation should also take account of learners, and courses, most in need of government support. In the context of optimising the system for upskilling and reskilling a number of responses called for a more learner-centred approach to funding, for example via a 'skills wallet' which learners could access throughout their working lives. This is the approach being adopted by the UK Government with its Lifelong Loan Entitlement.[22] Yet it is difficult to imagine, within the context of the current funding arrangements, how the Scottish Government, were it minded to develop similar, might begin to explore the costs, feasibility and policy implications of such an approach. As such, to ensure that current structures do not continue to impede ambitions, the agency landscape must be transformed.

[22] Department for Education, 'LifeLong Loan entitlement: Government Consultation Response'

Recommendation 5

Scottish Ministers should identify and **establish a single national funding body** to have responsibility for administering and overseeing the delivery of all publicly funded post-school learning and training provision. This would bring together the responsibility for funding of apprenticeships and training currently remaining in Skills Development Scotland with the functions for dispensing funding to colleges and universities currently carried out by the Scottish Funding Council. Ministers should consider whether this new body should also include responsibilities currently undertaken by the Students Awards Agency for Scotland, which sat outside the remit of this Review.

The new funding body should be responsible for:

- allocating and distributing funding for post-school learning and training provision in line with Ministerial priorities and policies;
- managing relationships with all providers in receipt of funding;
- ensuring that provision is delivering for the needs of learners (including apprentices) through reporting against agreed outcomes and measures;
- embedding commitments to equalities, widening access and fair work within the delivery system; and
- ensuring that any funded provider, whether that is a college, university or independent provider, would have sufficient procedures in place to ensure that provision could meet the agreed definition and standards of quality as determined by a relevant quality assurance framework.

The Scottish Government will need to consider whether it would be appropriate for the new funding body to have a statutory duty for ensuring quality assurance and for governance of higher and further education institutions, as is currently the case with SFC or, to ensure that regulation remains independent, impartial and ensures public accountability, whether those functions should sit separately.

Relevant staff and resources from the Scottish Funding Council and Skills Development Scotland associated with the funding and delivery of learning and training provision, including apprenticeships should move to this new body to support its work and ensure the capacity for delivery.

Recommendation 6

Simply transferring all existing funding mechanisms to one body is unlikely to deliver enhanced efficiencies or streamlined reporting and application requirements. As part of the process for establishing the new body, the Scottish Government should **redesign the process for how funding for all learning and training provision, including apprenticeships, is allocated** to ensure it is prioritised to deliver strategic outcomes and best value for public investment, defined in terms of preventative spend as well as economic return on investment.

The redesigned system of funding should, as a priority:

- not favour any single type of provision (i.e. have regard to parity of esteem);
- ensure it caters to national skills priorities and needs;
- offer flexibility for regional interpretation and empower decision making, in line with Recommendation 4 above;
- simplify the funding streams to providers, meaning they do not compromise delivery as they seek to satisfy the administrative burden of different audit and reporting requirements;
- Provide for a multi-year baseline funding commitment to allow greater certainty in planning (particularly for apprenticeships where employer commitment is essential);
- promote provision which embeds work-integrated learning and skills development, particularly degree-level apprenticeships;
- consider a colleges and universities first approach to ensure best value from public investment; and
- consider the introduction of mechanisms for employer-contributions where provision for certain courses or qualifications hasn't been identified as a priority for public funding but is still considered desirable by industry.

Access to financial support for living costs

4.43 Linking with my statement that all pathways are equally valid, addressing different learner needs, there should be explicit recognition in the system that life and work journeys post-school are not linear. The recent Report by the Royal Society of Edinburgh and Young Academy of Scotland on Tertiary Education Futures[23] sets out that we are expecting learners to want to consume learning differently in the future and that they are likely to make more demands of the system.

[23] The Royal Society of Edinburgh and Young Academy of Scotland, 'Tertiary Education Futures'

4.44 This necessitates us ensuring that funding presents no barrier to those wanting to undertake learning and training in more flexible ways, by reviewing caps on those who can apply for loan support and ensuring expenses cover the real living wage. Although learner support, as a function, wasn't strictly within my remit, it links strongly to the need to optimise the future system for upskilling and retraining given what we know about changes in the economy, and the need to put measures in place to address inactivity and reduce poverty.

4.45 Many of the call for evidence responses sought flexibility in this space, highlighting how systems of support are outdated. The UK Government's response to its recent Lifelong Loan Entitlement consultation[24] indicates a recognition of similar concerns across all parts of the UK. If we are to provide greater opportunity for learners, the funding system needs to have the ability to support those who decide they want to undertake further study at any stage of life and under any circumstances, be that through part time degree or college course, a full-time accelerated retraining programme or other modular provision.

Recommendation 7

As part of the redesigned funding process in Recommendation 6,

- The Scottish Government, should ensure that there is provision in the system for those undertaking part-time learning or pursuing certain approved accelerated retraining programmes to receive the same pro-rata level of funding support for living costs as those in full time education.

Clear, coherent recognisable learning pathways

4.46 In my analysis of the current landscape, I identified the absence of any single individual or organisation who appears to have both a strategic view of post-school qualifications and pathways and the objective ability to influence the shape and scope of this element of the landscape. This has resulted in a very complex and fragmented post-school offer to learners, particularly in terms of what are often considered 'technical' qualifications and awards such as some Higher National qualifications and apprenticeships. Don't get me wrong, diversity is a good thing. Learners should have choice, but the focus on awards or qualifications as individual 'products' and the various actors involved in their development and approvals has led to a melee of qualifications which don't appear, collectively, to constitute clear pathways. The exception is, perhaps, in the university sector where the control that institutions exert over the design

[24] Department for Education, 'Lifelong Loan Entitlement Government Consultation Response'

and awarding of degrees has ensured clear pathways within that part of the system but, arguably, at the expense of integration within the wider landscape.

4.47 As with other parts of the system, I attribute this to both a lack of clear intent and confusion in the roles and responsibilities of national agencies. Without a collective sense of what is trying to be achieved from post-school qualifications and awards, decisions are driven by various different actors based on their own philosophies or interests. This appears to be most clear in the gulf between the desire for employer-led innovation which I understand underpins the approach to apprenticeship development being pioneered by SDS, under the direction of the Scottish Apprenticeship Advisory Board (SAAB), and the more cautious, quality-driven and learner-centred approach taken by the Scottish Qualifications Authority (SQA) in both its awarding and accreditation functions. These divergent approaches have, arguably, impeded Scotland's commitment to important aspects of the system such as the imperative to modernise the National Occupational Standards (NOS) that underpin vocational qualifications and apprenticeship frameworks. It has also led to uncertainty, for example, about who decides which qualifications should be prioritised for development and under what criteria.

4.48 This is holding us back from ensuring that qualifications and pathways accurately reflect the needs of industries now, and in the future. It is critical that employers are able to hire a workforce with, or with the potential to learn, requisite skills for the occupation or role. This means that relevant industries must be involved in the process of defining the standards that will underpin technical qualifications and apprenticeship frameworks, and also work with providers to ensure all qualifications and awards make the most of opportunities for work-integrated learning and the development of meta-skills. I have heard positive things, in this respect, about the concept of the Technical Expert Group (TEG) approach that SDS has developed for agreeing new standards to underpin apprenticeship frameworks. However, I am clear that the employer role must not come at the expense of the quality of provision to, or experience of, the learner or apprentice. Nor should it create a two-tier system of standards and awards which add further complexity and inconsistency to the landscape, damaging the parity between different pathways.

4.49 For this reason, my view is that there needs to be a single national public body with clear responsibility for overseeing the post-school qualifications landscape including all publicly-funded qualifications and awards; working with the university sector to ensure consistent articulation with the qualifications for which it is responsible, and developing, where appropriate, new technical pathways and apprenticeships clearly underpinned by a single set of NOS. Such an agency must operate in line with Scottish Ministers' strategic ambitions

and offer clarity about the processes for prioritising, developing, approving or accrediting and regulating new qualifications in Scotland.

4.50 Post-school pathways and qualifications must also support the needs of learners who may want to learn at a different pace and by different means to upskill or retrain. Full-time degree courses are undoubtedly beneficial, however, there must be more flexibility to suit learners of all stages in life. Modular courses should now be embraced, allowing for individuals to build and gather qualifications and skills throughout their life. There are opportunities across the system to condense or reformat existing curricula into shorter, sharper courses to facilitate upskilling and reskilling and to ensure that these are a core part of the provision on offer, based on national and regional needs. Equally, modularisation offers opportunities to better link university curricula within the wider provision landscape, especially through use of the Scottish Credit and Qualifications Framework (SCQF), for more effective and consistent recognition of prior learning. This could facilitate more direct entry routes to later stages of degree courses, reducing the risk of individuals re-taking existing learning and saving public money in the process. Success here might include a person who can start their learning at college, but transition into an apprenticeship or into university as they build their skills and qualifications. Finally, modularisation could also ensure that learners who do not wish – or are not able – to complete a four-year degree course could leave earlier with recognised qualifications earned up to that point.

4.51 The need for, and benefits of, modularisation have been recognised already. For example, the SFC Review recommended that SFC pilot a National Micro-credential Framework and delivery plan to develop a comprehensive approach to certifying modular courses, although we are still to see the outputs from this work. As with many system-wide issues, success is currently impeded by a combination of lack of clarity of purpose and flexibility of finance: at present the inflexibility of funding models have constrained course developments, and the impetus to pursue modularisation does not seem to have a clear home within the agency landscape.

4.52 To enable such a flexible system to be created across all learning and training, there needs to be a greater coherence to post-school pathways, and greater parity for equivalent qualifications at the same SCQF attainment levels. I find the current naming structures for qualifications and awards, particularly in relation to apprenticeships, to be varied and confusing and a barrier to achieving parity of esteem. For learners, parents and guardians, and employers they must be bewildering. At best, they place undue emphasis on certain learning routes. At worst, they actively and negatively stigmatise important, valuable routes for learning.

4.53 For example, through my engagement, I have heard how an FA isn't actually an apprenticeship as it doesn't have the critical 'earn as you learn' principle, and that there are negative connotations in the word 'foundation' in a senior phase context. I agree. An FA is essentially a senior phase qualification which includes in-built work experience. Calling it an apprenticeship sets it apart from other senior phase qualifications that are well recognised, like Highers, even though the two sit at the same level on the SCQF. From where I am standing, this has arisen because two separate bodies have had responsibility for the design and development of different parts of the same curriculum and, ultimately, this arrangement has impeded the ambition to embed vocational qualifications into the senior phase. For the philosophy behind FAs to be realised, then, in my view, the processes for design, delivery, and funding – and indeed the name of the qualification – need, as much as possible, to mirror those for the equivalent subject-based senior phase qualifications.

4.54 Similarly, GAs have huge potential in supporting an individual into work whilst providing an alternative way to gain Level 9-11 qualifications. Yet the name suggests they are aimed at individuals who have already graduated, rather than those seeking to study degree-level qualifications. It's not clear if this is the reason why in the academic year 21/22, 57% of enrolments to GAs have been taken up by individuals who are 25 and over and 81.8% of new starts were already in-work with their employer[25], but it certainly would appear to be a barrier in promoting that pathway as an alternative for school leavers or those undertaking first degrees. This is a missed opportunity. I heard compelling evidence that many learners felt societal pressure to enter the workforce quickly after leaving school rather than undertake further study. For these learners, GAs offer a good compromise; a route through which they can combine earning with study towards degree-equivalent qualifications. I therefore believe degree apprenticeships could also play a critical role in widening access to learning.

4.55 The process for developing GAs is likewise not integrated or aligned to that for other university-based qualifications. I heard a lot about the potential of GAs, including from universities, but this was coupled with frustration from providers that they don't have more influence over the early development and shape of the qualifications. To my mind, if we want GAs to be seen as an alternative route to other degree courses, then there needs to be consideration of how universities can take more ownership of their design and development to give them confidence in the product and to build direct relationships with employers.

[25] Skills Development Scotland and Scottish Funding Council, 'Graduate Apprenticeship Report', (Age: Table 4, pg 10; Employee: Figure 5, pg 26)

4.56 The SCQF comprehensively maps qualifications against the various learning levels, enabling clear comparisons of each pathway and, crucially, providing learners a simple way to understand and chose a route that is right for them. It is therefore one of my greatest frustrations that its implementation and articulation is not widespread and that it fails to be the catalyst it could so clearly be in defining a common language to describe each qualification according to the level of learning being delivered. I also believe that it can usefully support the facilitation of modularised and flexible learning which, as I have set out above, I consider to be critical to meeting Ministers' ambitions of a system that supports upskilling and retraining opportunities.

4.57 Additionally, the work that has been undertaken with Skills Recognition Scotland to map the skills and qualifications of migrants within the SCQF is extremely important. There is an ongoing risk that the skills of those who have come to settle in Scotland from elsewhere continue to be both under-recognised and under-utilised. This is a waste of critical human resource for an economy already facing skills shortages. The SCQF provides a solution to this particular need and, importantly, this work goes beyond what many other countries have done to recognise prior learning. The SCQF should be appreciated as the asset that it is.

4.58 It is therefore my view that the SCQF must be comprehensively embraced, and our language adapted to describe all qualifications according to their place on the Framework. A better utilisation of the SCQF in defining post-school qualifications and pathways would enable colleges, universities, employers and parents to better understand the value of the qualifications and the potential learning journeys that are available.

4.59 I am aware that Professor Ken Muir in his report on the future of the reform of school system similarly recognised the potential of the SCQF to play a more central role in the future of education in Scotland. On this basis, he recommended that the SCQF Partnership (SCQFP), the independent charitable body that oversees the framework, should be brought into the proposed national agency for Scottish education in order that its framework and staff could play an enhanced role in planning learner journeys and providing greater parity of esteem.

4.60 In their response, the Scottish Government welcomed the recognition of the value of the SCQF and accepted that the embedding of the Framework within the education system should be further strengthened. However, they rejected the recommendation to merge the SCQFP with the new education agency on the basis that it would present significant risks, particularly through the loss of the Partnership's independent and non-sectoral status which it said was central to its ability to 'broker a holistic approach across the learner journey'[26].

4.61 Given the central role of SCQF to the whole learning system in Scotland from schools to post-school, I can understand why the education body, with its focus on school education, may not have been considered the appropriate home for the Partnership. However, it still stands that if the potential of the SCQF is to be realised with a more central role at the heart of learner pathways, then bringing the functions of the SCQFP more central to the administration of the system, should be considered. To my mind, the body has two central functions which don't easily fit within any single body, but which could, separately, be better embedded within the new landscape that I am proposing.

[26] Scottish Government, 'Putting learners at the centre: response to the independent advisor on education reform's report', section: wider implications.

Recommendation 8

Scottish Ministers should ensure that **the new qualifications body, currently being established, has a clear remit for national oversight of the post-school qualifications landscape** and for the development of all publicly funded post-school qualifications and awards, including Scottish Vocational Qualifications, apprenticeship frameworks and the underpinning National Occupational Standards.

Taking account of outcomes of Recommendation 9 below:

- The existing processes for developing, approving and accrediting all publicly-funded post-school qualifications, and the authorities responsible, should be agreed and set out clearly;
- Where processes require adaptation or enhancement, new end-to-end processes should be established and clearly communicated;
- Where appropriate, for example, in relation to technical qualifications and apprenticeships, processes should build on the employer-centric approach to development pioneered by Skills Development Scotland through the Technical Experts Group process, but incorporate providers and learners to ensure the resulting standards and qualifications or awards meet the needs of all system users; and
- The Apprenticeship Approvals Group should remain as the vehicle for approving apprenticeship frameworks while the Scottish Government considers its composition alongside wider accreditation and approval processes.

Relevant resources in Skills Development Scotland which are associated with standards and frameworks and the development of apprenticeships should move to the new qualifications body to support this work. This should include the secretariat responsibility for the Apprenticeship Approvals Group.

Ministers may also want to consider whether there are functions within the Scottish Credit and Qualifications Framework Partnership which could be merged into the new qualifications body to reduce the potential for duplication, and to reinforce the important role of the Scottish Credit and Qualifications Framework at the centre of Scotland's vision for qualifications and learning pathways.

Recommendation 9

The Scottish Government should carry out a **comprehensive audit of post-school qualifications and pathways** with a view to rationalising and refining publicly funded qualifications to produce clearer articulation between qualifications and awards, and greater clarity about the purpose and opportunities of different options.

This audit should:

- include consideration of how post-school qualifications can be developed into clear pathways which give learners options and flexibility to pursue and transfer between subject-based routes underpinned by meta-skills, or more, occupational-focussed routes underpinned by specific technical skills and knowledge;
- using the Scottish Credit and Qualifications Framework as a foundation, look at how qualifications and pathways are named and communicated to ensure these have respect to the need for parity of esteem and to ensure they accurately reflect the type of opportunity they present;
- identify actions to expedite the modularisation of qualifications and curricula to benefit retraining and upskilling;
- clarify that Foundation Apprenticeships, as a school only senior phase qualification, will no longer be treated as a post-school qualification, and ensure that work to enhance and redesign that qualification results in its design, name, funding and delivery arrangements being treated in the same way as the equivalent subject-based senior phase qualifications;
- explore how the National Occupational Standards Strategy can be prioritised and adequately resourced, so that occupational standards are updated and can be used with confidence to underpin relevant qualifications; and
- consider how existing skills frameworks can be condensed into a single national framework, agreed with providers and industry to ensure that there is a consistent language which captures the common skills and knowledge required for the workplace.

Qualifications and awards that more clearly contain work-integrated learning or employability-related skills development

4.62 I've already set out very clearly that we need to move beyond characterisations of any 'golden pathway', but equally that the current dichotomy between academic and vocational is inherently problematic and false. I've also noted my reluctance to simply recommend more investment in apprenticeships as a solution, given the current culture of a divided learning system alongside the challenges that current structures of funding and delivery, and indeed of qualification design and development, create.

4.63 However, assuming that the agency structures are better defined, that the pathways are clear and well-articulated, then I am comfortable making the clear assertion that we need all qualifications and courses to enable learners to develop relevant skills, as well as knowledge, that they will use when they enter the workplace. Therefore, as many as possible should contain work-integrated learning opportunities.

4.64 This doesn't just mean 'more apprenticeships', which are excellent for the opportunities they offer to 'earn while you learn' but aren't the only form of work-integrated learning out there. These could be modules that are co-developed with businesses, degree programmes or college-courses than include sandwich-years in industry or skills learned through coursework. Whatever the solution, I believe those designing and delivering qualifications need to ensure that the acquisition of knowledge and skills is not taking place without an eye on the purpose that most people will be undertaking that learning – to get a job that represents a positive destination for them. Learning in the workplace will not only assist with current and ongoing workforce shortages, but it will provide experience and learning that simply cannot be replicated in the 'classroom'.

4.65 The greater presence of work-integrated learning opportunities should be coupled with a mechanism for learners to track the development of technical and meta skills, as well as qualifications, throughout their careers. In her interim report on qualifications and assessment in the senior phase Professor Louise Hayward has suggested that there should be a broadening of the evidence collected to include skills and other competencies i.e. that qualifications could comprise three elements – subject, personal pathways and learning in context[27]. She has also suggested digital approaches that enable learners to gather and present achievements consistently regardless of the educational setting within which they were based, and the introduction of a senior phase leaving certificate as a means of drawing together more aspects of learning into a single form. I would fully support these ideas and suggest that the methods developed for school leavers should be expanded to enable people to carry a digital record of their qualifications and skills throughout their working lives.

4.66 In operationalising this, it will be important to ensure that post-school qualifications and their assessment are also designed to capture the breadth of learning across skills and experiences that a person will need to take forward into further learning, or into the workplace. These should be appropriate to the subject and type of qualification, but should be tied to consistent language, including categories of meta-skills and technical skills, to enable learners to evidence their learning towards the competencies for employment. This isn't to

[27] Hayward, 'Independent Review of Qualifications and Assessment in Scotland: interim report', pg 26

say that every person leaving education will be ready for work from day one. Employers will still be expected to train and support new entrants in specific roles, but it should encourage curriculum providers to rebalance the emphasis between theoretical and practical learning in course content, and will enable individuals to demonstrate a more-rounded picture of their experience and skills.

Recommendation 10

Following on from the direction of Professor Hayward's interim report:

- The Scottish Government, with relevant partners, should **scope and commission the design of a digital training record** which learners can use throughout their lives to build and evidence their development of different skills, competences and qualifications gained through learning. In time, with digital capability increasingly expanding, this record could directly link to careers services and highlight career pathways opened by the skills, competencies and qualifications held in the digital record. Developments in this area beyond Scotland, such as the European Digital Credentials for Learning, should be considered in terms of alignment to support labour mobility.

Embedded careers education and work experience

4.67 The importance of having the right information, advice and guidance for learners and the necessity for that advice to be in tune with the needs of the current and future labour market have been constant themes that have arisen in my engagement. Indeed, if we are to have a successful post-school learning system that arms the individual with informed choices and provides the learning opportunities to make those options a reality, then careers advice and education are pivotal. What is more, balanced and high-quality careers services have an important part to play in achieving the parity of esteem between learning choices that I want to see embedded in the fabric of the system.

4.68 With this in mind, I have some reservations about whether the term 'careers' fully represents or captures the varied journeys that individuals will have in their working lives. There can be a perception that, when we refer to a career, we are talking about some linear trajectory of ever-increasing job responsibilities and remuneration; that somehow, a career journey is a description for the "high flyers". In the context of this Review and my perspective on how the future post-school learning system must be built, I want to define 'career' as encapsulating the entirety of a person's working life, irrespective of what form that takes or at what stage it occurs. This is critical to ensure the language used reflects the idea that all learning is of equal value and that Scotland needs a wide diversity of roles fulfilled.

4.69 At present, SDS delivers careers information, advice and guidance nationally in Scotland's secondary schools and through a network of public touchpoints, with more than half of its employees supporting delivery, while colleges and universities largely take responsibility for its delivery in those institutions. The third sector also plays a vital role in specialist provision, particularly for those who face additional barriers to access learning or employment. This includes MCR Pathway Coordinators who support young people who face 'disadvantage', ENABLE Group who help individuals with additional support needs, the Prince's Trust and many more. Sector skills councils also bring their own specific expertise to delivery. This plurality of provision is largely to be welcomed and it is important if we are to reflect the needs of different cohorts of learners. In particular, it is vital that equality, diversity and inclusion continue to be core outcomes of a careers system. It is also worth noting here the steps that have already been taken to make careers advice more coherent most clearly through the focus on career management skills and the development of the Careers Education Standard[28].

4.70 The beginning of an individual's development of skills starts at a young age and can be determined by the advice they receive and their own experiences. Therefore, to achieve more experiential and quality careers services, it is absolutely critical that employers are willing to support the education of potential future workers, whether that is through the provision of work experience and volunteering opportunities or via engagement with local secondary or tertiary education institutions. Industry has a key and unique role to play in shaping the work experiences and career choices of learners. The Developing the Young Workforce (DYW) programme[29], jointly owned by COSLA and the Scottish Government, has been in place since 2014 with a focus on providing support to young learners, and has played a role in connecting industry with education. Building on DYW and the Young Person's Guarantee (YPG), I want to see more work experience and "taster" experiences in schools and colleges and the opportunity for business to be more fully engaged in showcasing the work they do to its future workforce. Although the school curriculum is not strictly within my remit, in the context of careers, I am strongly supportive of learners, including those in early years, building knowledge of different workplaces and work-related experiences and believe that there should be concerted efforts across all institutions and businesses to support this ambition.

4.71 More recently, this has included the introduction of DYW school coordinators aimed at increasing the opportunities for young school learners to be exposed to work experience and employer offers at a local level. Whilst the introduction

[28] Education Scotland et al., 'Developing the Young Workforce Career Education Standard (3-18')
[29] Scottish Government, 'Developing the young workforce: Scotland's youth employment strategy'

of school coordinators is clearly well intended and welcomed by many, I have heard in some cases that there is a lack of clarity in the landscape about the purpose of DYW and, specifically, the distinction between the school coordinators and SDS careers advisor posts. Having spoken to some of those involved I believe that these are distinct, yet complementary, roles. The former focuses on career education and experience and the latter on professional advice and guidance. This interplay will be an important fulcrum of how the system can work together to support young learners in their journeys. As such, to create cohesion, avoid confusion and ensure that there is a holistic approach to careers advice and education, along with, critically, the necessary capacity to deliver it, I believe that both roles should continue to work closely together in individual schools and ultimately, structurally, be part of the same organisation.

4.72 If, as NSET states, investment in skills over people's lifetimes is critical to our future productivity and success and a 'career' encapsulates the entirety of a person's working life, it is clear that we cannot solely focus on young people or those in school or college. More is needed to ensure all learners, regardless of age - whether that be for those who face additional barriers, the armed forces community and veterans or those looking for a career change –have access to high quality, impartial support to move closer to, and through, the workplace. I believe that this support must extend beyond information or advice received in schools, further and higher education settings. Instead, it should become a structural part of the learning system, and an embedded resource within local communities. Indeed, through my engagement, I heard the important role communities can play in supporting those removed from educational settings and beyond. The Community Learning and Development sector (CLD) is an important aspect of this. By supporting all individuals to make positive changes in their lives and in their communities[30], CLD can help support the lifelong journey of acquiring skills and knowledge.

4.73 It is encouraging to see the changing nature of careers advice, and how it will be delivered in the future, acknowledged within the Careers Review[31]. That work has brought together the range of partners who are involved in delivery of careers services into the Careers Services Collaborative and has recently set out its plans for implementation alongside a proposed national governance model for careers services. Clearly, the Collaborative will play a key role in the future delivery of careers services, some of which I have already mentioned, and as such, will be pivotal in helping to meet the challenges of the future that I have outlined.

[30] Scottish Government, 'Strategic guidance for community planning partnerships: community learning and development', pg 3
[31] Skills Development Scotland, 'Skills and experiences to grow and succeed in a rapidly changing world'

4.74 Indeed, the representation of so many partners in the Careers Services Collaborative is a welcome recognition that learners will need advice at all stages of their journeys and through a variety of institutions. It also aligns with what I have heard in my engagements – that we must draw upon the full range of people who support learners, including parents and carers. This will continue to be an important area and I hope that the Collaborative will give due consideration to how the all-age offer for different cohorts can be further strengthened to support their individual needs and the skills shortages we are currently facing.

4.75 Similarly, I do see the need for greater consistency of approach on careers development across all organisations and initiatives that has been highlighted by the Careers Review. Only through achieving this will we ensure services are delivering for all users of the system including, critically, those who are already committed to pursuing further study to ensure that they make well-informed choices. However, if services are to expand to capture groups not already receiving routine advice then, in the context of constrained finances, there will need to be consideration to how people access information and advice differently. In my discussions with users, it was clear that the way information was presented and who it was presented by was an important factor in shaping their decision-making.

4.76 One of the ten recommendations (recommendation seven) from the Careers Review outlined the importance of enhanced digital services and online tools being developed that present information about the world of work in an inspiring and accurate way. I think this is critical. My World of Work, developed by SDS, equips learners with some digital tools to support their career progression, but could continue to be adapted to provide impartial information about the pathways towards an intended profession or, what occupations an individual might be able to do with their existing skills set. However, I do not underestimate the importance of 1-1 advice and, as such, in-person support must be a central facet to how services are delivered. I recognise that future services and delivery of information will have an increasing digital focus. That is welcome and it is important that learners are able to access information in a way that suits their own needs and requirements. However, digital vehicles should be seen as tools, not comprehensive delivery solutions.

4.77 In coming to recommendations on careers I have been acutely aware of my ToR, the work of Professor Hayward on a new model for Qualifications and Assessment, and not looking to re-do the detailed work of the Careers Review. However, I have also been asked to make recommendations on the roles of national public bodies, and specifically on the future remit and functions of SDS within the wider delivery landscape, of which careers is an integral part. Such is the importance of getting this right and the potential for embedded careers

education to be instrumental in transforming the prospects of the entire post-school learning system, I believe that there should be a body that has a singular focus on this part of the system with a focus on advice at all stages of a learners journey. Such a body should support the Careers Services Collaborative, working with and across key partners in schools, colleges, universities, workplaces and communities to ensure that careers education and experience (not just advice and guidance) is an integrated part of people's lives; helping them to make informed choices about learning and training.

4.78 My previous recommendations to this point have largely focused on rationalising functions that are currently undertaken by SDS with respect to 'skills' into a landscape of public bodies supporting an integrated post-school learning system which has skills development embedded throughout. This would leave the remainder of the body, currently known as SDS, to take up this important careers mission. Indeed, there are strong foundations from which to build in the organisation's existing services, alongside a real opportunity to drive careers services towards future business needs and equip learners with all the skills they need to develop and thrive. In doing so, it will be critical that services are designed and built around the needs of the individual, the potential learner, and that the advice and services offered are impartial; reflecting the variety of pathways available to that person.

Recommendation 11

Skills Development Scotland should be substantively reformed and recast as the national body for careers education and promotion with a focus on providing impartial advice, guidance and information to people in Scotland of all ages about careers, jobs and learning and training pathways and available support.

Reshaping and broadening the work of the existing Skills Development Scotland's careers services, the body should:

- focus on building high quality local partnerships to support employability and education services, including continuing the Scottish Government's PACE service
- have a core mission to embed careers support and information within communities, educational settings and workplaces to benefit those of all ages and stages seeking to access learning and training opportunities, including those who are in work and looking to upskill or retrain;
- Support the Careers Services Collaborative to improve the quality of careers advice and provision in Scotland;
- Incorporate responsibility for the School Coordinators, currently part of DYW and introduced by the SG under the Young Person's Guarantee, to encourage and boost work-experiential learning; and
- Ensure a continued focus on learners with barriers to the workplace through managing the relationship with third sector organisations, sector skills bodies, and partnerships who support their needs (e.g. MCR Pathways, Lantra, ENABLE, the Princes Trust).

The body should have a status and constitution which is appropriate to retain independence and objectivity in the delivery of careers services, but which offers clear accountability. It is my view that this should be a different status to Skills Development Scotland as presently constituted which does not have any founding legislation and is a Public Company Limited by Guarantee as this would not be the appropriate status for the agency with its redefined focus on careers.

The Scottish Government may also wish to consider, whether there are functions currently undertaken by the Scottish Credit and Qualifications Framework Partnership with respect to promotion of the framework that could be merged into the reformed careers body to reduce the potential for duplication and reinforce the important role of the Scottish Credit and Qualifications at the centre of learner pathways.

Clear, consistent opportunities for employer engagement and leadership

4.79 Throughout my engagement, I have heard that the system is difficult for businesses to access and influence. Businesses have likewise been critical of how "work ready" learners are when they complete their courses of learning and employers feel they are not always getting what they need in terms of skills. I maintain that industry is key to all aspects of skills development from identifying regional and national needs to informing provision, shaping the content of standards and qualifications, investing in workforce development and providing careers advice and opportunities so people can make more informed choices. Industry must have a role to play throughout the system and the Scottish Government should consider and define how best industry can support all these different functions of post-school learning development and incorporate this into the processes and governance structures underpinning the different functions, and into ethos of all of its national bodies.

4.80 There are, of course, already examples of employer leadership in parts of the system. The SAAB, for example, has done excellent work in influencing the shape of apprenticeships in Scotland ensuring that they are valued by employers. However, SAAB has a narrow focus on apprenticeships. There are many more opportunities for this type of employer-centric process and leadership to be embedded more widely as part of our post-school learning system. We need industry to have a clear route to influence provision in every part of the system, not just apprenticeships. I have already highlighted above how I think the work that SAAB has done with SDS to design a process for the development of standards and frameworks through TEGs is a good example of an employer-centric approach developed for apprenticeships that could be widened to encompass all occupational standards and technical qualifications.

4.81 To ensure that there is a consistent vehicle for employer engagement and leadership, and that businesses are able to speak with a collective, representative voice at a national and local level, I think the infrastructure of the DYW employer-led regional groups, who already act as a strong conduit between industry and education, offers an unrealised resource. Given my recommendation on greater flexibility to plan for and invest funds based on regional circumstance and need, the business voice within regional structures is going to be critical. My view is that the DYW groups are a vehicle that could be further strengthened, refocused on wider workforce issues and aligned to Regional Economic Partnership structures, therefore becoming an embedded resource in each region, supporting businesses to connect with providers and learners. These groups already have their own budgets and aligned performance indicators as well as established relationships with business and are well placed to develop truly employer-led activity. With input and direction from their employer boards, they have the potential to provide a conduit for

businesses to input into regional skills planning and careers services, thus driving investment and advice towards areas of need.

4.82 With the regional groups and boards creating important employer-led infrastructure at a local level, the DYW National Employers Forum, using intelligence from its regional boards, could then be positioned to offer a mechanism for employer and industry advice in relation to national skills priorities and strategic policy direction. Responding to the complex nature of existing entry-points and the sometimes duplicative requirements on businesses, there were multiple calls in my engagement for a national Employer and Industry Advisory Group or Workforce Board, which could provide a single vehicle for industries to feed in their views directly to Government. Linked to NSET Delivery structures, it is my view that the DYW National Employers Forum could be repositioned to fulfil this function; taking learning from the experience of SAAB but widening its remit across all aspects of skills and workforce development to strengthen the role of employers in the whole, rather than a single aspect, of the system.

4.83 It will, of course, be important that these groups are representative of the range of employers in the Scottish economy. Like the majority of actors within the landscape, a large proportion of employers remain unaware of who to interact with and how to influence the system. This is a particular challenge for smaller businesses who may not have the capacity or time to engage proactively. It is not feasible nor reflective to rely on a select group of employers, many of whom are large businesses, in a country predominantly made up of SMEs. It is important that a range of business views, including SMEs and start-ups, are able to influence the shape of services to support their needs. A lack of meaningful engagement with a broad sample of Scotland's businesses risks a consistent mismatch between skill and employer needs.

4.84 The evidence I received pointed to the role of representative groups and bodies, including the ILGs, industry boards, Trade Unions and the underutilised, but important role of professional and membership bodies in this respect. These bodies exist to promote and oversee the needs of their professions and are involved in learning and training through continuing professional development, in setting standards for their members, and work with providers with respect to accredited course provision. They seem well placed to act as the collective voice of the businesses that make up their occupations. I would also highlight the importance of Trade Union bodies in ensuring that 'industry' voice takes account of not just the needs of employers, but employees.

Recommendation 12:

Having paved the way for wider employer leadership in the system, the existing Scottish Apprenticeship Advisory Board should be wound down in its current form, and a **network of regional employer boards and a national employers forum should be established** building on the employer-led infrastructure of the Developing the Young Workforce Network, with a refreshed and expanded remit.

At a regional level, the Network should:

- be aligned with the existing Regional Economic Partnership structures, with a remit for providing critical insight into regional skills planning and provision and supporting businesses to connect with education and training providers and learners;
- identify priorities, delivery and performance indicators based on collective challenges and insights, rather than exclusively focussing on young people; and
- be supported by regional groups which should continue to administer budgets provided directly by the Scottish Government to support employer-led activity with autonomy to work independently with local and regional partners.

At a national level, the National Employers Forum should:

- continue to have oversight of the regional structures;
- be constituted to provide an important conduit for feeding employer insights and perspectives into national strategic policy and delivery; and
- be led by a Chair and Vice-Chair appointed by Ministers with explicit responsibility for ensuring that there is a representative voice amongst their members.

The network should be open to employers that adhere to the fair work principles. The secretariat function for the National Employers Forum should be managed by the Scottish Government to ensure that it can adequately influence wider national strategy across all parts of the system.

Businesses as partners in workforce development

4.85 From my own career experience, and indeed from my discussions with industry, it is clear that businesses have a key role to play not just in advising government on current and future workforce needs, but supporting the development of, and investment in, a talented work-pool, particularly as we face demographic and labour market challenges. To do this effectively, it is essential that all businesses, regardless of scale or maturity, are thinking about learning and workforce development as an integrated part of their business planning

processes and committing resources to developing this aspect of their strategies.

4.86 Each year, businesses invest hundreds of millions of pounds into workforce training and development and this has benefits for their own organisations and by extension their workforce. Many large-scale employers are required to pay the UK Government's Apprenticeship Levy. There is no doubt that the Levy has tainted the view of some large businesses in Scotland in relation to post-school learning due to a lack of transparency about where the money goes and how it is utilised. I have sympathy with the Scottish Government in this respect as it is a tax which was imposed upon businesses in Scotland despite the devolved nature of the apprenticeship system. However, I can also see how some businesses feel that they are losing out or paying twice for the costs of training apprentices. In this respect, I would hope that that my proposal at Recommendation 6 with regard to how funding is prioritised across learning provision could deliver reassurance to businesses that the investment that they are making through the UK Levy is being reinvested here in supporting workforce and learner development that will directly benefit them.

4.87 Notwithstanding that, the support from Scotland's business community to the learning agenda is hugely welcome and shows recognition of the benefits of investing in skills development. Businesses have also shown their willingness to commit and support at times of acute need. For example, business support for the YPG outlined a willingness to commit to the creation of job opportunities and training for young people during and beyond the pandemic. Over 800 organisations of all shapes and sizes signed up to deliver the Guarantee[32]. In return, businesses were able to access future talent bringing fresh ideas and innovation to their workforce. It is that partnership approach that I would like to see embedded more widely where Government, its stakeholders and businesses can work towards a common ambition with shared reward.

4.88 Yet, I still believe that that more can be done for industry to play a consistent role alongside the public sector in ensuring that Scotland's people have the skills and experiences that they need to be successful members of the workforce and that the system itself is financially sustainable. This is both about ensuring that there are high-quality opportunities for learners to engage in work-integrated learning, including in Science, Technology, Engineering and Mathematics (STEM) related occupations, as they progress on their journeys to work, and that there is sufficient investment in learning provision that meets national and regional needs.

[32] 'youngpersonsguarantee.scot'

4.89 On the latter, with public funding under enormous strain and the business community facing a more volatile trading environment, now is the time to look again at how funding can be best leveraged into the system to support economic growth ambitions. In my view, we must think creatively about how we secure the sustainability of the system through increased, business investment, in particular from businesses that stand to gain most from prioritisation or direct public investment. For instance, Government grants and contracts now rightly mandate Fair Work practices. This approach could be expanded, requiring relevant grantees or loan recipients to demonstrate how they are actively supporting workforce development through the provision of learning opportunities or match-funding, and how they are building workforce planning into their business plans, in a manner that is proportionate to the size and maturity of the enterprise.

4.90 Going a step further, I would also encourage the Scottish Government to work with the relevant agencies and partners to consider how business investment in the post-school landscape can be culturally embedded into the development and expansion of key sectors and supply chains. I'm also thinking, in particular, of areas like ScotWind where the Scottish Government is hoping to play a major role in the reduction of not just Scottish but also UK and European emissions through the exporting of renewable electricity by leasing Scottish waters. What is to stop those consenting and licensing regimes including a requirement, as through the land-use planning system, for investment to support post-school learning provision to deliver the people that will be needed to make this ambition a reality?

4.91 A barrier to developing approaches like this, in my view, is that the responsibility for supporting the economic growth of key sectors and development of Scotland's businesses sits with the Scottish Government and its three enterprise agencies[33], but the responsibility for engagement with businesses on workforce planning and skills sits with SDS. Given the nature of my ToR, I am coming to this issue through the lens of skills development and the changes that are required to make roles and responsibilities clearer. To my mind, we need to reunite these important issues by bringing those functions together within the same body so that conversations about economic and business development, particularly in areas which are being shaped nationally by government policy and ambition, don't happen in isolation from consideration of the potential workforce requirements, and resulting asks, of the post-school learning system.

[33] Scottish Enterprise (SE); Highlands and Islands Enterprise (HIE); South of Scotland Enterprise (SOSE)

4.92 In more clearly integrating these functions, I believe that there would be scope to better support businesses to feed in their intelligence to inform future requirements (which in turn can ensure that funding is prioritised to support those needs), and for innovation in how we leverage funding back into the learning system to ensure those industries that are profiting from government prioritisation pay that forward to support the next generation of businesses. As the Regional Economic Policy Advisory Group (REPAG) report highlights, NSET sees the enterprise agencies as playing a key role in strategic national development. In this respect, it would make sense for them when providing advice on economic growth and investment, and supporting businesses with their development plans, to also be helping and encouraging those enterprises to plan for their future workforce by identifying their needs, and ensuring that they are aligning investment towards skills development.

4.93 To be clear here, I do not think it would be helpful for the enterprise agencies themselves to have a role in funding skills programmes or interventions as this would cut across and undermine the role of the single national funding agency. Instead, it is my contention that if national and regional skills planning functions are working effectively, there should be little need for sticking plasters. Aligned to this, there is no doubt that current workforce shortages are a huge strain and cause of concern for the business community. The new Skills Recognition Scotland process to validate the skills of migrants to Scotland[34], and the Military Skills and Qualifications tool developed by SDS and SCQFP to help veterans enter the civilian workforce[35], model innovative thinking on how to recognise and value the transferrable skills these groups already possess and can help to alleviate some of the pressures in the current labour market. However there is still much that needs done to consider short term pressures, not least engagement at UK Government level on issues of immigration policy.

4.94 It is also important that we distinguish between labour shortages and skills shortages. The reality is that in a tight labour market, businesses will need to be creative and courageous in building the attractiveness of job offers and conditions in sectors that are struggling to find employees. I have indicated before that this can't always be for national government to do, so how businesses use the employer infrastructure I am recommending at regional and national level to work in partnership with local actors and other employers will be critical to their success.

[34] Skills Recognition Scotland home page, 'https://skillsrecognitionscotland.com/'
[35] My World of Work, 'Support for Armed Forces and Veterans'

Recommendation 13

Responsibility for supporting businesses with skills and workforce planning should clearly sit with the three enterprise agencies as an embedded and integrated part of business and economic development support.

The enterprise agencies should:

- provide a clear message to all businesses looking for help to identify their skills needs that the first point of contact on workforce planning issues is your enterprise agency;
- work closely with the Scottish Government's new skills planning function and Regional Economic Partners including the network of employer-led boards, to ensure that, businesses with identified workforce needs that are not readily being met through existing services, are able to feed these in through national and regional skills planning processes to inform provision; and
- consider how existing programmes like Skills for Growth should be adapted to better support SMEs and start-ups to identify their workforce needs.

To deliver on this important remit, the enterprise agencies may need to broaden their approach, which could also require additional resource. Relevant resources currently in Skills Development Scotland involved in supporting new and emerging enterprises with skills planning should be redeployed to the enterprise agencies to support this function.

Recommendation 14

The Scottish Government's new national skills planning function should work with the enterprise agencies and other relevant partners to ensure that public sector growth investment for priority sectors (e.g. through seed investment or licensing and consenting regimes) becomes conditional on business investment in their current and future workforce. This should include a focus on business providing opportunities to embed work-based learning into school, college and university subject courses as well as direct investment back into the system.

Simple, well-signposted engagement routes

4.95 In taking forward my engagement I heard from a range of businesses up and down the country, from multinational companies to SMEs, almost all of which a felt that navigating the range of interventions available and the different stakeholders or potential sources of information, was challenging, overwhelming and disempowering. This uncertainty was also picked up by CIPD in research that indicated most businesses are unaware of what funding options and offers that were available to them[36]. Whilst it was acknowledged that Find Business Support and other similar initiatives had helped signpost the range of interventions available there was still confusion over where to go to for advice and guidance.

4.96 Likewise, from my conversations with learners including young people and apprentices, it is apparent that they there is an abundance of information available - through platforms like My World of Work, Apprenticeship.scot, the YPG website, the Green Jobs Academy, university and college websites - but not a single touch point which could support the navigation and interpretation of the material in a way that is meaningful for each individual. Careers services were not seen as a universal entry point, ultimately creating challenges for learners trying to make informed choices.

4.97 Key to the future success and smooth operation of the delivery landscape is better communication and clarity for users of this system about where they need to go for advice, information or to make their views heard. In my various recommendations I have set out: how new national and regional skills planning processes, supported by a network of employer-led boards, should be underpinned by business intelligence, and strategic policy ambitions, to inform the prioritisation of funding for provision; how the new qualifications body with a clearer focus on post-school qualifications should devise clear processes for employers, alongside providers and learners to shape the development of standards and qualifications; how a new national careers body should act as first point on contract for any potential learner seeking information about available learning pathways and the funding support available to them; and how the businesses looking for workforce planning advice, regardless of size or maturity, should be routed through the enterprise agencies.

4.98 With these processes established, it will be for the Scottish Government to ensure that all learners and businesses looking for advice or information are aware of the different routes into the system. My perspective is that although businesses often say they want a single door or ‘one stop shop’ the reality is that they want to know which door they need to knock on and then they want tailored and high-quality advice to follow. This shouldn’t be difficult to do. Using

[36] CIPD, ‘Gaps and opportunities: employer views on skills policy in Scotland.’

digital platforms, either aligned to the Scottish Government's own website, or through the new careers body, the different entry-points for different system users should be set out clearly and updated regularly.

4.99 Engagement routes are equally important for learners already in the system to ensure that their wellbeing is supported and they can influence the shape and quality of provision. I am particularly conscious of the dual status of apprentices in this system, where they are both student and employee. I heard from apprentices how they struggled to have their voices and opinions listened to within the system. Although there are currently various initiatives for apprentices including the SAAB Apprentice Engagement Group, the National Society for Apprentices and the Apprenticeship Fair Work Coordinator funded by the Scottish Government in Unite, I think there is scope for clearer mechanisms to support the needs of apprentices and to encourage them to share experiences and feed in views.

Recommendation 15

Having set out its plans for reform, the Scottish Government must clearly map, communicate and promote the entry points for different system users.

Chapter 5: Reforming the landscape

5.01 In this Chapter, I draw together how I believe the recommendations that I have set out will deliver on the ambitions of the National Strategy for Economic Transformation (NSET) and Interim Purpose and Principles, in line with my Terms of Reference (ToR), and demonstrate how they will also facilitate the delivery of wider ambitions and recommendations arising from the numerous policy and reform-related reviews which have dependencies with the post-school learning system.

Delivering for the wellbeing economy

5.02 As per the ToR for the Review, I was asked to deliver recommendations that would optimise the landscape for delivering Ministers ambitions for a skilled workforce as set out in the NSET. The Skilled Workforce programme in the NSET is currently focused on three core projects – to adapt the system to make it more agile, to support and incentivise people and employers to invest in skills and training, and to expand Scotland's available talent pool to give employers the pipeline they need[37]. Within this are a number of constituent actions, including commitments to a new Lifetime Skills Offer and to develop a skills guarantee for those in high-carbon sectors, which I believe will be far more challenging and costly to deliver without the changes I have proposed.

5.03 I said at the outset that this was a Review about who and what, rather than the how things are done. I can't emphasise enough the importance of getting the structures and balance of responsibilities within the system right, alongside an agreed vision for success and a shared language. A well-structured and governed agency landscape will ensure that all the different parts of the landscape are working together in pursuit of shared goals, will be able to measure performance more effectively, and respond with evidence-informed action. It's clear to me that the present system isn't serving the interests of businesses, learners or providers. It is not offering best value for public investment, and it needs to change.

5.04 My proposals for Scottish Government to take the lead with respect to national skills planning (Recommendation 3), for greater regional autonomy aligned to regional economic policy (Recommendation 4), underpinned by a new infrastructure for funding and delivery (Recommendations 5 and 6), coherent qualifications pathways (Recommendation 8 and 9), an employer-led infrastructure which can support regional planning and investment, and feed into national policy (Recommendation 12), and a renewed role for the enterprise agencies with respect to workforce planning as an integrated part of

[37] Scottish Government, 'Scotland's National Strategy for Economic Transformation', pg 40-41

business development (Recommendation 13), will, I believe, provide the basis for the system to deliver on its ambitions for responsiveness and agility.

5.05 Next to this, the changes I have recommended in relation to parity of esteem (Recommendation 2), financial support (Recommendation 7), qualifications and pathways development (Recommendations 8 and 9) including a new digital training record that learners can take with them throughout their working lives (Recommendation 10), a single agency focusing on embedding careers advice and education throughout Scotland's communities (Recommendation 11) and close working between the enterprise agencies and businesses to better tie public funding to increased investment in post-school learning (Recommendation 13) will provide a platform for learners and employers alike to invest in skills and training.

5.06 In terms of an expanded talent pool, getting the system right for learners in Scotland has been the principal focus of my work, but the proposals that I am making with respect to regional planning (Recommendation 4), qualifications which recognise prior learning (Recommendation 9), careers services which provide a universal service for all people including those looking to enter or re-enter the labour market in Scotland (Recommendation 11), and employer-led infrastructure (Recommendation 12) should provide a greater basis for understanding the sectors and regions where talent from outside Scotland should be a priority, making targeted intervention more effective and possible.

Supporting wider Reforms

5.07 Throughout the report and recommendations I have been conscious that the work I am taking forward does not stand alone, nor is there a shortage of related Reviews taking place. Indeed, given the structural nature of my Review, I am aware of the particular potential for my recommendations, where appropriate, to positively support the implementation of the recommendations arising from a number of those other reviews. In this respect, I have considered carefully the interaction of my recommendations with the findings developed as part of the Careers Review, Professor Muir's Report on Education Reform and Professor Hayward's Interim Report on Qualifications and Assessment. I have likewise paid close attention to the output from the Fair Work Convention's Inquiries into construction[38] and hospitality[39], the Land-Based Learning Review[40], and the Regional Economic Policy Review.

[38] Fair Work Convention, 'Building Fair Work into the Construction Industry - Fair Work Convention Construction Inquiry Report 2022'
[39] Fair Work Convention, 'Hospitality Industry Inquiry'
[40] Commission for the land-based learning review, 'Commission for the land-based learning review: report to Scottish Ministers'

5.08 As part of my engagement programme I met with the various review leads to discuss synergies and dependencies. In some instances, we worked together in our engagement with stakeholder groups, for example, running a joint session with business organisations which I know was welcomed as enabling them to better see and understand the interconnectivity between the different reviews and the opportunities that a holistic programme of reform could deliver.

5.09 Part of my remit was to ensure that Scotland's workforce can adequately support the just transition to net zero. During my Review the Scottish Government's Energy Strategy and Just Transition Plan[41] was published for consultation, and the recommendations of the Just Transition Commission in response to that Plan[42] highlight some of the critical issues, and opportunities in relation to coherent planning and delivery of the necessary 'green skills'. These chime with the evidence I heard and my recommendations; helping to emphasise the importance of prioritising at a national level the sectors that will be integral to delivering that imperative. I believe that my recommendations on skills planning at both national and regional levels (Recommendations 3 and 4) will allow for a better focus on the development of this crucial area, coupled with new processes for funding (Recommendations 5 and 6) and qualifications (Recommendations 8 and 9) which will ensure that the skills needs of the pathway to net zero are articulated and given sufficient priority.

5.10 On a similar note, the reforms I've proposed to skills planning, and to agency responsibilities and structures, I believe will help to deliver the ambitions in the Commission for the Land-based Learning Review which recommends the adoption of nature-based learning in schools and colleges as well as changes to the development of apprenticeships. Their contention that "you can't be what you can't see" struck a particular chord with my emphasis on embedding work-integrated learning and careers experiences across curricula from early years onwards and the creation of a body with a singular focus on careers advice and education (Recommendation 11) should help to achieve this. The recognition that some of us learn better in nature-based, practical environments is also entirely consistent with parity of esteem for different pathways.

5.11 In the context of wider education reform, whilst my focus has been primarily on post-school learning system, when considering the scope of this Review, there are areas where I have necessarily strayed into school education recognising the importance of continuity between the programme of school-level reform and my own ambitions for a single, integrated learning system. In this respect, it was encouraging to see the depth of user engagement that was part of the national discussion on education and I look forward to seeing the themes and

[41] Scottish Government, 'Draft Energy Strategy and Just Transition Plan'
[42] 'Just Transition Commission - letter to Cabinet Secretaries: 14 April 2023'

findings that emerge. It stands to reason that the future vision for school education should go hand in hand with what a successful post-school learning system looks like. A single careers body working to embed careers advice and education throughout communities could be well-placed to work with schools to take forward relevant points arising from the national discussion.

5.12 Together, the other reports and the recommendations I have suggested will be reliant on a flexible and adaptive careers system that can support learners with the advice they need to make informed choices. I was very clear that I wanted my thinking to build on the Careers Review rather than duplicate any work already delivered. The ten recommendations, made by the Review, for change and the testing of recommendations for the delivery of an all-age service are important steps for the future delivery of careers advice. My recommendation for a single, national body with a sole focus on this critical part of the learning system (Recommendation 11), should, I believe, facilitate the delivery of their recommendations and underpin the work of the Careers Services Collaborative, developed through the Careers Review in bringing to life the required services for the benefit of learners and employers alike.

5.13 Similarly, recognising the important role of a nationally-funded qualifications body that spans both the school-level and post-school qualifications (Recommendation 8) will be critical in developing learner pathways. I have set out already how the Interim report of the Independent Review of Qualifications and Assessment in Scotland being led by Professor Hayward has some clear crossover with my thinking on how the skills landscape can be recast. There are several areas in Professor Hayward's Interim Report, and the outline principles she has set out, where I feel there is an opportunity to meaningfully take forward proposals that can help bring about a user-focused approach to post-school learning.

5.14 The proposed new approach outlined by Professor Hayward that looks at establishing "a better and more clearly defined integration of academic and vocational qualifications"[43] is something that came through strongly in the Call for Evidence. This approach would help to shape the parity of esteem that I think is crucial to the future delivery of the skills system. I have already touched on how the idea of a senior phase leaving certificate that will allow a range of forms of learning to be recognised, valued and articulated could also be extended out to become a component part of a learner's collection of skills and experience (Recommendation 10). Allowing prior learning and experiences to be more clearly valued and articulated has the potential to be an invaluable tool not only for the learner but for employers wanting to better understand the qualities a potential employee has.

[43] Hayward, 'Independent Review of Qualifications and Assessment in Scotland: interim report', pg 26

5.15 Here I want to, again, specifically highlight Foundation Apprenticeships (FAs) which have to date been centred in the post-school delivery landscape, but which I believe for their philosophy to be successful must become an embedded part of the senior phase with equivalent processes for funding and delivery to ensure senior phase learners have options to pursue technical Highers with integrated work experience alongside the more traditional subject-based Highers. I have made this clear in Recommendation 9 in relation to post-school qualifications.

5.16 As I submit my recommendations to Ministers, it will be for the Scottish Government to continue to make the relevant links and synergies between the implementation of my recommendations and wider reforms or reviews that are underway across its different departments and portfolios. I think it will be critically important, in particular, that the public body landscape continues to be conceived as a single, integrated system to ensure there is a network of agencies each with its own well-defined set of responsibilities and a duty to work together in pursuit of Ministerial ambitions for enhancing learners lives, skills and experiences on their journeys to the workplace.

Summary of Proposed Reforms

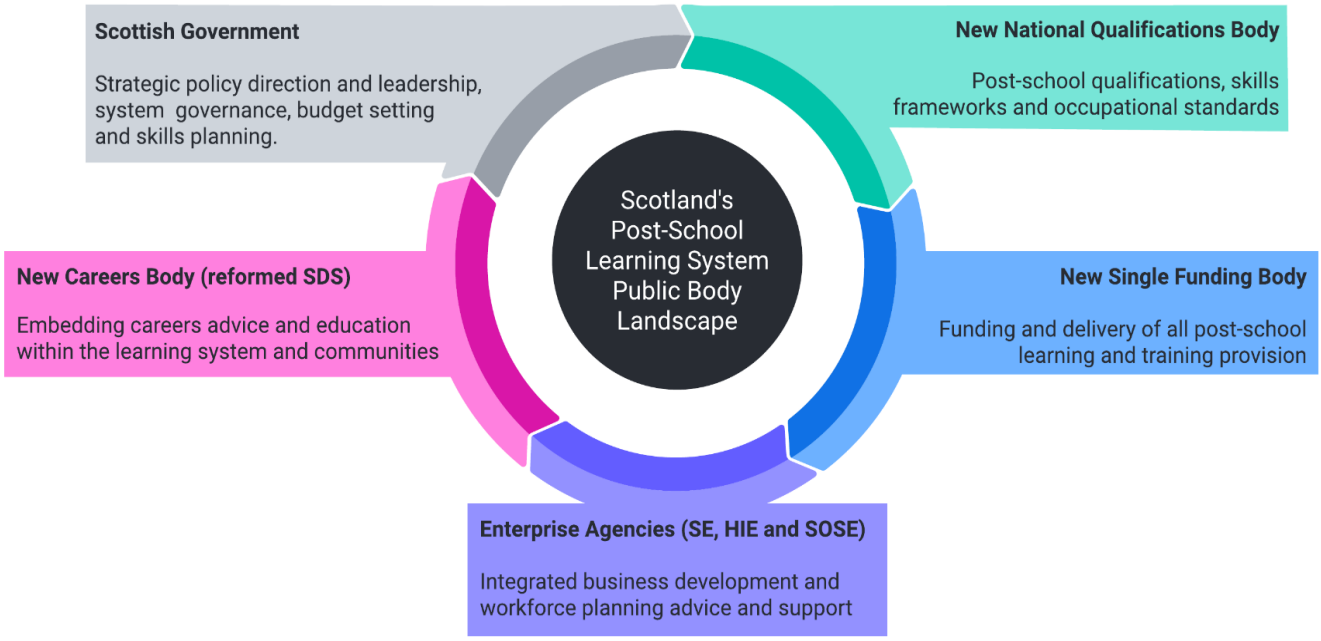
I have set out, in this report, fifteen recommendations to Ministers, five of which are key structural recommendations aimed at rationalising and improving the agency landscape, and the remaining ten of which are operational recommendations which relate to the governance structures and processes which will help, based on that critical agency infrastructure, to build a new integrated post-school learning system which has skills development fully embedded within it.

The five structural recommendations are:

- To move responsibility for national skills planning from Skills Development Scotland (SDS) and Scottish Funding Council (SFC) to the Scottish Government. (Recommendation 3)
- To establish a new single funding body, which brings together responsibility for all post-school learning and training funding functions from SFC, SDS and, potentially, the Student Awards Agency for Scotland (SAAS). (Recommendation 5)
- To give the new qualifications body a clear remit for overseeing development and accreditation of all publicly funded post-school qualifications and the underpinning skills frameworks and occupational standards. (Recommendation 8)
- To substantively reform SDS to focus on the development of a national careers service, with a mission to embed careers advice and education within communities, educational settings and workplaces across Scotland. (Recommendation 11)
- To give the enterprise agencies a clear remit for supporting businesses with workforce planning as an embedded and integrated part of business development and planning. (Recommendation 13).

Together, the implementation of these five recommendations would establish the public body landscape which I think is needed to underpin and enable the changes to governance and processes that are required for the system to deliver on Ministers ambitions. Therefore, although they are separate recommendations, collectively they form a package of public service reform, which, in my view, would need to be implemented in full.

Figure 1: Potential Future Public Bodies Landscape



I have quite purposefully, and in line with my Terms of Reference (ToR), approached the Review with a focus on functions rather than the current remits of existing agencies. This has enabled me to look beyond the status quo and propose what I think is a rational reorganising of the landscape which will reduce confusion and duplication and generate efficiencies. While I have sought to develop a clearer delineation of responsibilities within the public bodies, I am aware of the interrelated nature of the different parts of the post-school learning system. In establishing the public body landscape, it will therefore be critical that collaboration is built into the design of the bodies and that they are all able to operate both in line with their own specific remits, and together towards shared ambitions for the system.

I recognise that the reforms will require structural changes to bodies, including through primary legislation. I am also aware that they will impact on the people working in those organisations. For that reason, they will take time to implement and require careful consideration by Ministers and specialists on the practicalities of bringing them into reality. Without access to legal and HR expertise, this has been beyond the scope of my Review.

These five structural recommendations are supported by my further ten operational recommendations which are focused on the governance and processes that I think need to be improved within the system and which will be critical in establishing the remits and responsibilities, culture and behaviours of this reformed agency landscape and providing clarity to wider actors in the system about their roles and expectations.

These operational recommendations are:

- New culture of leadership from Scottish Government (Recommendation 1).
- Define success and end the division in language and philosophy (Recommendation 2).
- Establish areas of strategic workforce opportunity and need and empower regional partners to develop their own solutions (Recommendations 3 and 4).
- Build a new model of funding for post-school learning provision, with simplicity and parity of esteem as core values (Recommendation 6).
- Provide funding options for living costs for those who want to study part-time/flexibly (Recommendation 7).
- Review post-school qualifications, using SCQF as a foundation, to create clear learning pathways underpinned by a universal skills framework and occupational standards and to drive further modularisation (Recommendation 9).
- Develop a new, national, lifelong and digital training record to chart skills development through life, connecting into a revitalised careers service (Recommendation 10).
- Expand the remit of the existing DYW network to establish a national employer board and a series of regional employer boards which put employer views at the heart of skills planning, national strategy and the development of post-school learning system. In doing so the Scottish Apprenticeship Advisory Board (SAAB) should be wound up (Recommendation 12).
- Explore greater private sector investment in the post-school learning system and, in particular, in the provision of in-work learning opportunities (Recommendation 14).
- A new, clear map should be developed to direct users into the system (Recommendation 15).

Again, although these are individual recommendations, they are intended to support a holistic vision for the future landscape, and I would encourage Ministers to see them as such. Implementing one recommendation in isolation will be unlikely to deliver the system-wide change that is required.

I have not, during this Report, set out any expectation around the potential timescales for implementing these changes, recognising that many will be contingent on the timetable for the wider reforms of the agency landscape. However, I do want to highlight five of the above recommendations which I consider should be short-term priorities for Ministers and should be developed in parallel to the wider agency reforms. Developing the purpose and principles; establishing new skills planning processes; determining a new model for funding; carrying out an audit of post-school qualifications; and establishing the network of employer boards, although all distinct projects in their own right, collectively will establish the procedural infrastructure under which the new public bodies should operate and enable the implementation of the remaining wider recommendations. Importantly the outcomes of these will also provide much-needed clarity to key stakeholders about how things are going to work in the future and in turn help to create a more accessible and tailored approach to those who rely on the system for their learning needs.

Conclusion

I want to conclude by reiterating and emphasising that there is a lot to celebrate in our post-school learning system. There is good work, good intentions and actors within the existing delivery landscape should feel proud of what they have achieved, particularly in the face of recent significant and unprecedented challenges arising from the UK's exit from the EU, the pandemic and the current cost of living crisis.

However, for too long the different parts of this system have been left to evolve and, for all the reasons I have outlined in this report, I do not believe that the current landscape is working to best effect for those who use and rely on its services. It is my view that substantial change is required to ensure the system is fit for the future. For the reasons I have set out I believe, in the context of wider education reform, the challenges of a tight fiscal environment, rising living costs, and the need to act now to ensure a just transition, that the time is right to make those changes.

My case for substantial change is not the same as saying that the current system, or those involved in its delivery, have failed. This Review wasn't about how well we have done, but about what we need to do now to face the future. I am painfully aware that structural change can be challenging for many people especially when it impacts on the remits of organisations, the jobs that people are doing and the processes we are used to following. It will create uncertainty for individuals, and it will take time to implement. For this reason, it will require strong, decisive leadership from the Scottish Government, a clarity of focus and an unwavering commitment to the north star vision of what we are seeking to achieve.

With that in place, a system could emerge which has clarity of purpose, roles and responsibilities, offers flexibility and accountability and, crucially, gives learners of all ages what they need to define and achieve their own success in the careers path that is right for them. By setting out pillars of a successful future landscape, it is my hope that I have put in place the bones of that vision around which Government and partners can now coalesce to work together to build a new system. This will ensure that the considerable resource that goes into this space can be utilised to best effect, creating a new national infrastructure which delivers for Scotland's people and economy.

Appendix A: Methodology

The Independent Review of the Skills Delivery Landscape was enacted independently of the Scottish Government and all other institutions. However, in accordance with the Terms of Reference, a wide engagement programme was conducted to hear directly from interested stakeholders and inform the recommendations of the Review. The engagement, as determined by the Independent Advisor, has been summarised below.

Principles of Engagement

Throughout all aspects of engagement, the Independent Advisor and supporting secretariat adhered to the Principles of Public Life in Scotland. This included acting with objectivity, openness, honesty and respect, and upholding and acting in accordance with the law and public trust.

Engagement Programme

Individual stakeholder meetings

To ensure an evidence-led approach, a range of stakeholders across the skills system were consulted. Consideration was given to those situated in urban areas, but also to those based across rural areas and islands - recognising the unique experiences and challenges of each.

Over 80 meetings were held between September 2022 and April 2023 to understand elements of the system - and to formulate thinking in line with what was set out in the Terms of Reference. This involved agencies and staff in skills delivery including Skills Development Scotland and the Scottish Funding Council, enterprise agencies, businesses and industry groups, users and those within the post-16 education sector.

The purpose of these conversations was to understand individuals' and organisations' views and perspectives of what is working in the system and what might need to change. Participants understood that the information would be used in the Review to inform my recommendations, but to protect anonymity, views were not attributed to specific individuals or organisations within the Independent Advisor's report.

Public online sessions and engagement with users of the system

Users of the system were also able to contribute to this process via a series of 11 public webinars (hosted November until December 2022) which catered to following audiences:

- Apprentices
- Businesses and Employers
- Equalities / Third Sector Organisations
- Further Education Providers
- Higher Education Providers
- Independent Training Providers
- Local Authorities
- Public Sector Bodies

A separate set of youth engagement meetings were similarly arranged throughout the period of the Review to gain insight from young people who use services.

Call for Evidence

The 'Skills Delivery Landscape Independent Review: call for evidence' ran from 28 October until 23 December 2022, providing a robust process to gather evidence from interested parties. The call for evidence was published on the Scottish Government's consultation hub, Citizen Space, and asked 23 questions revolving around the scope of the Review. The questions can be found in consultation document attached in Appendix B. Respondents were able to answer any question – whether all or part of them.

For those unable to access Citizen Space, submissions were made to the dedicated Skills Delivery Landscape Review mailbox. This included background documents that individuals wished to share for reference.

Each submission required the completion of a respondent information form to determine publication and communication preferences. Only submissions that selected 'publish' (with or without name) were made public alongside this report.

To guarantee an objective and holistic process, and in accordance with the Scottish Government's Procurement Strategy, Craigforth Consultancy and Research were contracted to analyse the 164 call for evidence submissions and the online notes of the public webinars.

To ensure the Independent Review's recommendations were evidence-led, the contractors maintained weekly contact and provided emerging findings. Their full report has been published alongside this document.

Literature Review

In addition to engagements, the Independent Advisor and supporting secretariat perused a variety of reports, insight documents and general publications regarding Scotland and international skills systems and other linked policies - many of which are referenced in Appendix C: Bibliography. Stakeholders across the skills delivery

landscape also provided background documents which were reflected upon. Those shared in confidence as draft reports or personal reflections have not been included in the bibliography.

Considerations

Whilst it was not possible to identify and interact with every party within the skills system, communications were broadcast through various networks to encourage participation of the public webinars and the call for evidence process. The ‘Skills Delivery Landscape Review mailbox’ was also open to individual requests and correspondence.

Appendix B: Call for Evidence Questions

Question 1: If there was one thing you would like to see change in how our skills landscape is structured and delivering, what would it be?

Question 2: Thinking about the vision in the Terms of Reference for a system that is simple, people-focused and built on collaboration, how well are we doing against that vision just now? Can you provide specific examples of:
a) success in the work of public agencies or the private/third sector; or
b) elements that don't work, are confusing or need to be improved?

Question 3: Thinking about the different national agencies and partners involved in skills delivery, are there areas where more clarity is required about roles and responsibilities or where you think the balance of responsibilities should be changed?

Question 4: Thinking about how our economy and society is changing and the Scottish Government's ambitions for a skilled workforce as set out in NSET, do you have any evidence on where the current skills and education landscape needs to adapt or change and how it could be improved? Please provide evidence to support your answer.

Question 5: Can you provide any evidence of skills structures in other places that are delivering outcomes in line with Scotland's ambitions which Scottish Government should look to in achieving its ambitions?

Question 6: Do you have any evidence relating to the outcomes of the current funding and delivery of apprenticeship programmes (Modern Apprenticeships, Foundation Apprenticeships and Graduate Apprenticeships) in terms of either outcomes for learners and/or the needs of employers?

Question 7: The Terms of Reference sets out an ambition for apprenticeship programmes to be an embedded part of the wider education system to ensure that there are a range of different pathways available to learners. Do you have any views or evidence on how changes to the operation of apprenticeship programmes could support this ambition?

Question 8: Apprenticeships are often described as being 'demand-led'. Do you have any evidence about how process for developing and approving apprenticeship frameworks responds to skills priorities? Please include suggestions of how the development process could be enhanced.

Question 9: SAAB and AAG are described as employer-led groups. Do you have evidence on the benefits or risks of employer leadership in apprenticeship development or the impact it has on outcomes for apprentices and/or employers? Please include suggestions for how the governance of apprenticeship design and delivery could be strengthened.

Question 10: Do you have any evidence on how the current arrangements for NOS are delivering against the intended ambitions of the NOS Strategy?

Question 11: The NOS Strategy positions NOS as the foundation of vocational training and learning in Scotland. Do you have any evidence to support how changes to the delivery landscape for developing and championing NOS could support this ambition?

Question 12: Do you have any evidence to demonstrate how the existing delivery arrangements for upskilling and reskilling, including the specific funding programmes, are impacting on intended outcomes for learners and/or industry and sectors?

Question 13: Do you have any evidence about what measures, if any, should be in place to understand the quality of national skills programme delivery funded by public investment through independent training providers?

Question 14: Thinking about the government's ambition to optimise the existing system for upskilling and reskilling throughout life, do you have any evidence to support how changes to the delivery landscape could help to achieve this ambition?

Question 15: Thinking about the overall ambition to ensure that the skills and education system is aligned to local, regional and national skills priorities, what aspects of the current delivery landscape are working well to support this ambition?

Question 16: The Auditor General recommended that the Scottish Government take urgent action to deliver improved governance on skills alignment. Do you have any evidence to support whether the current arrangements are likely to deliver progress?

Question 17: The NSET sets out a vision for a system which is agile and responsive to future needs, where labour market insights can inform strategic provision planning. Do you have any evidence to indicate how changes to the delivery landscape could better deliver this vision?

Question 18: Skills Development Scotland currently leads and coordinates approaches for Skills Investment Plans for sectors and Regional Skills Investment Plans. Do you have any evidence to demonstrate the success of this approach or to support the impacts of SIPs on sector skills outcomes or RSIPs on regional outcomes?

Question 19: One of the major challenges and opportunities facing the economy is the just transition to net zero. Thinking about the current delivery landscape, how well is it structured to deliver this ambition?

Question 20: Do you have any evidence to inform how the new Careers by Design Collaborative could be embedded within the wider education and skills system and delivery landscape to enable the recommendations of the Careers Review to be taken forward to ensure people can access the advice, information and guidance that they need?

Question 21: Alongside Careers information, advice and guidance, do you have any evidence to demonstrate what additional support young people, including those from marginalised groups, might need to develop their skills and experience to prepare them for the world of work? Please include details about who you think should be responsible for providing this support.

Question 22: Do you have any evidence about how the current arrangements for employer engagement in skills and education are supporting delivery of Scottish Government's ambitions and outcomes?

Question 23: Thinking about the different aspects of the system in which employers have an interest, and the existing mechanisms for feeding into policy and delivery, do you have any evidence to support how changes in the delivery landscape could improve the partnership working between Scottish Government, its public bodies and employers?

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Appendix D: Glossary of Terms and List of Abbreviations

Note: in the absence of a shared lexicon this is how I have understood and used these terms.

apprenticeship	A paid work opportunity which combines on-the-job training with study towards a nationally-recognised qualification. Apprentices are both paid employees of the company they work for and students of their training provider.
apprenticeship family	In Scotland 'the apprenticeship family' is used to refer to Foundation Apprenticeships (FAs), Modern Apprenticeships (MAs), and Graduate Apprenticeships (GAs).
career	The entirety of a person's working life, irrespective of what form that takes or at what stage it occurs.
enterprise agencies	Three agencies: Scottish Enterprise (SE); Highlands and Islands Enterprise (HIE); South of Scotland Enterprise (SOSE)
learner	Anyone undertaking any type of study or training, of whatever duration.
lifelong learning	Acquiring skills and/or knowledge by experience, study or being taught throughout a person's life-course.
parity of esteem	The principle that all learner pathways into work should be considered equal.
pathway	A learning route – usually one of many - that an individual takes to achieve a positive destination in their working life.
post-school learning	Any and all learning and training undertaken by learners who are not members of a school community.
positive destination	(in working life)This will mean different things to each individual. Certain fundamentals are likely to be: fair reward for fair work, opportunities to apply a current skillset and develop others, a sense of achievement and impact.
provision	A course of learning.
regional	Applying at a level between local and national.
reskilling	Learning undertaken to change occupation or sector. Used interchangeably with retraining.
senior phase	Scotland's school curriculum from S4 to S6 (from around ages 15 to 18).

skills: meta skills	Attributes or competencies which a learner can develop, the application of which is transferrable to various work or community situations. Often used interchangeably with foundational skills / core skills / transferrable skills.
skills: technical skills	Attributes or competencies which necessitate specialist training or professional accreditation. Often used interchangeably with aspects of meta/core/etc skills noted above.
skills alignment	The alignment of the skills and knowledge of the potential workforce to economic and societal needs.
skills planning	The process by which skills provision is planned to achieve skills alignment.
vocational	Relating to a particular occupation or profession.
work-integrated learning	Learning that enables the student to put into practice in the workplace the skills and knowledge that they are acquiring.
working life	I am using a wide conception of what a working life might be: not solely focussed on paid employment, but also embracing activities such as volunteering in the community, child-rearing, unpaid caring responsibilities, etc. - in short, all the ways in which individuals contribute to society.
upskilling	Learning undertaken to improve or increase skills

List of Abbreviations

CIPD	Chartered Institute of Personnel and Development
CLD	Community Learning and Development
COSLA	Convention of Scottish Local Authorities
DYW	Developing the Young Workforce
EU	European Union
FA/FAs	Foundation Apprenticeship(s)
FWDF	Flexible Workforce Development Fund
GA/GAs	Graduate Apprenticeship(s)
HMIE	His Majesty's Inspectors of Education
HR	Human Resources
ILGs	Industry Leadership Groups
MA/MAs	Modern Apprenticeship(s)
NOS	National Occupational Standards
NSET	National Strategy for Economic Transformation
NTTF	National Transition Training Fund
REPAG	Regional Economic Policy Advisory Group
REPs	Regional Economic Partnerships
RSR	(Scottish Government's) Resource Spending Review
SAAB	Scottish Apprenticeship Advisory Board
SAAS	Student Awards Agency for Scotland
SCQF	Scottish Credit and Qualifications Framework
SCQFP	SCQF Partnership
SDS	Skills Development Scotland
SFC	Scottish funding Council
SMEs	Small or Medium Enterprises
SQA	Scottish Qualifications Authority
STEM	Science, Technology, Engineering and Mathematics
SVQs	Scottish Vocational Qualifications
TEG	Technical Expert Group
ToR	Terms of Reference
UK	United Kingdom
YPG	Young Person's Guarantee

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7 June 2023

Dear Convener

INDEPENDENT REVIEW OF THE SKILLS DELIVERY LANDSCAPE (WITHERS REVIEW)

The Scottish Government initiated the Independent Review of the Skills Delivery Landscape (Withers Review) in August 2022 and Ministers appointed James Withers to lead the Review which commenced in September 2022 and has ended with the submission to Ministers of the final report. A copy of the report is attached and will be published later today.

The scope of the Review was established under the Terms of Reference (ToR) as published on the Scottish Government website. A key purpose for initiating the Withers Review was to look at how the public body landscape should evolve to deliver Ministers ambitions in both the National Strategy for Economic Transformation (NSET) and our response to the Scottish Funding Council's (SFC) Review.

To accompany his report, James Withers has provided an independent analysis of the call for evidence submissions and webinar engagements that he undertook during the course of the Review. The analysis report is being published alongside the Withers Review today.

I have thanked James for this thorough and thoughtful piece of work. It is highly complimentary about the commitment and engagement of the people who work in our education and skills system, but its headline conclusion is that the system as currently configured cannot deliver what Scotland needs for the future. I understand that the need for change was a consistent feature across all submissions and throughout James's engagement. This chimes with what we have heard in developing the Purpose and Principles for post-school education, research and skills and amounts to a strong case for reform of the structures and processes underpinning the post-school education and skills landscape. I agree that change is needed.

Withers' makes 15 recommendations, five of which focus on structural changes to Scotland's public body landscape while the remaining ten are operational and relate to the underpinning processes that, in Withers' view, need to be improved within the system.

The recommendations for significant change to the status and functions of existing public bodies include:

- a new approach to skills planning at national and regional level with the Scottish Government taking lead responsibility for that function, providing stronger leadership in this space and more clearly linking to Ministers strategic priorities for the wellbeing economy.
- establish a single public body with responsibility for the funding and oversight of delivery of all post-school learning and training provision; bringing together functions from SDS, SFC and possibly SAAS.
- appoint a single agency (the new qualifications body) to have responsibility for overseeing development and accreditation of all publicly funded post-school qualifications, including apprenticeship frameworks and the underpinning National Occupational Standards (NOS) and Scottish Vocational Qualifications (SVQs).
- provide the enterprise agencies with a clearer remit for supporting businesses with workforce planning as an integrated part of business development.
- substantially reform the remaining functions of SDS to focus on the development of a national careers service, with a mission to embed careers advice and education within communities, educational settings and workplaces across Scotland.

These recommendations have wide-ranging impacts not least for the bodies and staff working in them which means that decisions cannot be taken lightly. The case articulated in the Review is persuasive and we are minded to follow the direction of travel that it outlines, Scottish Ministers will now consider the implications of the recommendations, working with partners, before setting out a more detailed response.

We have heard loud and clear the calls for reform and won't shy away from decisions which will deliver better services for learners and employers and simplify the operating environment for our colleges, universities and training providers. We intend to work in partnership with the agencies affected, legal and HR professionals and the relevant unions, to consider the practicalities of implementation and will set out our next steps, in the wider context of lifelong education and skills reform, in due course.

Yours sincerely

GRAEME DEY MSP