

# Skills for Scotland:

Accelerating the Recovery and Increasing Sustainable Economic Growth

WEALTHIER & FAIRER

SMARTER

HEALTHIER

SAFER & STRONGER

GREENER

# **Skills for Scotland:**

## **Accelerating the Recovery and Increasing Sustainable Economic Growth**

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# FOREWORD

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In 2007 the Scottish Government set out its core Purpose in the Government Economic Strategy of creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth. This Economic Strategy recognises the challenge faced across the key components of economic success – productivity, participation and population – and identifies the actions necessary to achieve a step change in our performance. It was published against the backdrop of historically high levels of employment and participation in the Scottish labour market. While the strategy has not changed, the scale of the challenge has clearly increased as a result of the recession.

The economic turmoil witnessed since 2008 has affected all parts of the economy and society and severely tested the resilience of Scotland's people and businesses. Official data show a return to growth for the economy at the end of 2009 but the combination of constrained trading conditions in the private sector, weakening labour market conditions and an uncertain outlook for the public sector means that the impacts of recession are likely to be felt for some time. The recent decisions taken by the UK Government mean that Scotland faces an even tougher financial outlook at a national and local level. These deep public sector spending cuts will weaken the recovery by taking vital resources out of the Scottish economy – resources that could have been used to nurture growth, keep people in work, help the unemployed back into work and support the aspirations of young people. Within these restrictions the public sector in Scotland must align behind the task of accelerating recovery and do what it can to provide the most supportive environment for economic renewal.

The actions taken on skills by the Scottish Government, local government and other partners across the country to manage the impacts of recession have been decisive, bringing not only help and support through the recovery period but also serving to develop the expertise necessary to respond to the opportunities that will emerge in post-recession Scotland and deliver long-term benefits to the economy. Internationalisation, new technologies and the transition to a low carbon economy brings particular opportunities. Scotland's ability to capitalise on these must not be constrained by a lack of individuals with the right skills. This refreshed skills strategy places a renewed focus on the skills needed to accelerate recovery and to deliver sustainable economic growth with opportunities for all of Scotland to flourish over the long term.

Increasing the opportunities for individuals to develop and use their skills as best they can is not just as a strategy for increased efficiency and improved economic performance. It is also an effective way of improving the satisfaction and security of work and promoting the health and well-being of individuals and the fabric of communities. This refresh of the skills strategy positions Scotland for the long-term. To accelerate growth and create a more successful country Scotland must make more of the skills and talent that is available across the country. Future success is dependent on Scotland's people and with this strategy we look forward with optimism to a smarter Scotland with better jobs for people, increased productivity for businesses and more cohesive, engaged communities.

A handwritten signature in black ink, appearing to read 'Keith Brown'.

**Keith Brown MSP**

Minister for Skills and Lifelong Learning

# OUR VISION

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Our vision is for a successful, globally competitive economy based on high skilled and better paid jobs, high productivity, fairness, and high quality public services. This sits strongly within the National Performance Framework, the overarching Purpose for government and public services to increase sustainable economic growth with opportunities for all of Scotland to flourish, and the Scottish Government-COSLA Concordat with its Single Outcome Agreements agreed within Community Planning Partnerships across Scotland. To help realise this vision a smarter, more ambitious Scotland is required where:

- creative, innovative, enterprising people:
  - are aware of the skills they possess and can use them effectively; and
  - are engaged in competitive public and private sector organisations with ambitious, progressive and innovative leadership and management.
- high skill, high productivity, healthy workplaces enable people to perform at their best.
- a cohesive and efficient learning and careers system centred on the individual that anticipates and responds to employers' needs:
  - supports the lifelong development and use of skills;
  - provides high quality learning opportunities and continually improves; and
  - recognises and credits the learning individuals have undertaken and enables them to progress through the learning system seamlessly.
- national and local government policies for investment, enterprise, skills, innovation and competition support the development and best use of skills in the workplace.
- the nation is a model of best practice in tackling climate change with businesses capitalising on the opportunities that a low carbon economy will bring, creating new employment for a skilled workforce and driving the adaptation of existing jobs.

To achieve this vision skills policy will focus on four priority themes – empowering people, supporting employers, simplifying the skills system and strengthening partnerships.

This strategy aims to promote equal access to and participation in skills, career information, advice and guidance and learning activities for everyone. It is intended to promote equality of opportunity to those who face persistent disadvantage and to improve the numbers of people economically active across all groups within society.

# EXECUTIVE SUMMARY

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Three years ago in *Skills for Scotland: A Lifelong Skills Strategy* the Scottish Government set out our ambitions for skills in a lifelong learning context. It focused on three main areas: individual development, responding to economic and employer need and creating cohesive structures. In 2007 the economic outlook both in Scotland and around the world was very different to the conditions now faced. This refreshed skills strategy has a renewed focus around the skills required to accelerate economic recovery and to sustain a growing, successful country with opportunities for all of Scotland to flourish. It has a clear focus on providing the opportunities for skills to be developed and for these skills to be used effectively.

This strategy establishes high-level targets for the National Training Programmes in 2010-11. Individually these targets are for 15,000 Modern Apprenticeship starts, 14,500 training places to support the unemployed and 5,000 new flexible training opportunities to meet the needs of businesses. On top of these targets new European Social Funding provision has been secured for an additional 5,000 all-age Modern Apprenticeships, and 800 targeted pathway places for 16 and 17 year olds, taking the total allocation to over 40,000 training places in 2010-11.

Despite the clear progress that has been made it is acknowledged that some key challenges remain. As identified in *Towards Ambition 2020: skills, jobs, growth for Scotland*, a report invited from the UK Commission for Employment and Skills (UKCES), Scotland's skills base has improved considerably but this has not translated into higher productivity and economic growth. More must be done to better anticipate and deliver the strategic skills requirements to respond to future economic challenges and opportunities. More can also be done to encourage greater employer demand for skills and for these skills to be utilised effectively to capture the gains in productivity and competitiveness.

The strategy is structured around four key priority themes:

- **empowering people** to ensure they have the opportunity to access the right advice, support and opportunities to acquire the skills and attributes to both contribute to and benefit from future economic success;
- **supporting employers** by better understanding and assessing the skills they need for future success, and ensuring that the supply of skills, training and qualifications can be responsive to this;
- **simplifying the skills system** to ensure that it is more coherent and easy to understand for individuals and employers; and
- **strengthening partnerships** and collective responsibility between public, private and third sectors to help improve skills and the contribution they make towards achieving Scotland's social and economic aspirations.

A broad range of commitments are made within each theme. Collectively these commitments are aimed at improving the skills and employability of individuals and creating high skill, high productivity, healthy workplaces where this talent can be best used. Scotland's ability to recover from recession and become a more successful



country, with opportunities for all to flourish, through increasing sustainable economic growth will depend on successful and growing businesses creating sustainable employment opportunities and ensuring that there is a skilled workforce to do these jobs well.

This refreshed skills strategy will be implemented against the backdrop of a fragile economic recovery and severely tightening public sector resources. The 2010 Spending Review process will make clear the resources available for the Scottish Government, local government and other public sector bodies over the short to medium term. Spending decisions for 2011-12 and beyond will be determined through this process.

This economic and fiscal climate and the increasing need to focus on the impact and value for money of training commitments will be central to a Review of Post 16 Education and Vocational Training Provision in Scotland which has been commissioned by the Scottish Government. This Review will report to Ministers by March 2011.

# 1. INTRODUCTION

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The Scottish Government has made clear that increasing sustainable economic growth with opportunities for all of Scotland to flourish is our Purpose. Scotland's greatest asset in realising this Purpose is its people. Skills alone do not hold the key to fully maximising economic performance. It is accepted, however, that a skilled and educated workforce is essential to improving productivity and sustainable economic growth. Developing a highly skilled workforce that matches the needs of successful and growing businesses and ensuring that these skills are applied effectively is a priority.

In 2007 *Skills for Scotland – A Lifelong Skills Strategy* was published and set out the ambitions for the development and better use of skills across three strategic themes: focus on individual development; response to the needs of the economy and demands of employers; and the creation of cohesive structures. These ambitions and the objectives which underpin them hold true today – a smarter Scotland with more and better employment opportunities remains at the heart of everything we want to achieve.

This refreshed strategy represents a statement of how policies on skills and training will be developed within the new and highly challenging economic environment that Scotland faces. It supplements rather than replaces *Skills for Scotland* – recognising progress and the achievements made since 2007 but placing a renewed focus and flexibility around the skills required to accelerate economic recovery and to sustain a growing, successful country with opportunities for all of Scotland to flourish.

## What are skills?

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**Defining skills** This strategy continues to focus on several overlapping clusters of skills, namely:

- **personal and learning skills** that enable individuals to become effective lifelong learners;
- **literacy and numeracy**;
- the five **core skills** of communication, numeracy, problem solving, information technology and working with others;
- **employability and career management skills** that prepare individuals for employment and future career development rather than focus on a specific occupation;
- **essential skills** that include all of the above; and
- **vocational skills** that are specific to a particular occupation or sector.

Ensuring Scotland's people have the appropriate support to meet the essential skills criteria is fundamental to the long-term economic goals. Employers will also look for the softer skills that can be crucial to productivity and success. These can include teamwork, communication, problem solving ability, analytical skills, enterprise and entrepreneurial skills, career management skills, leadership and customer service skills as

well as personal characteristics such as motivation, self-confidence, and career aspiration. This list is not exclusive and skills can be developed in many ways, whether through education and training or through cultural and social experiences.

## Why do skills matter?

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### **Skills and the Government's Purpose**

Our Economic Strategy set out the challenge facing Scotland. Our economic (Gross Domestic Product) growth rate over the last thirty years has lagged behind that of other comparable European countries and productivity levels and growth have been below the majority of Scotland's main competitors. The strategy identifies the channels through which growth can be driven and sets a number of high level Purpose Targets to include specific benchmarks for sustainable growth and to ensure that the benefits of growth are shared among all people across Scotland. These targets cover growth, productivity, participation, population, solidarity, cohesion and sustainability.

### **Productivity, participation, solidarity and cohesion**

Taken together the targets define the characteristics of the economic growth that we want to see – a growth that is sustainable, cohesive and which builds solidarity in all of Scotland's regions, based on our genuine, global competitive advantage. Learning, skills and well-being are strategic priorities in the Government Economic Strategy that will help support the achievement of our national outcomes. Increasing sustainable economic growth ultimately depends on successful and growing businesses that increase employment opportunities and having a skilled workforce to do these jobs well. Skills, when utilised effectively, are one of the key drivers of improvements in productivity. Skilled leaders, managers and employees create value in the workplace, stimulating the improved profitability and growth of firms and generating higher wages for workers. Improved skills levels increase the opportunities available to individuals, potentially boosting employment.

### **Skills and innovation**

Skills are also essential to innovation, a key theme of our Economic Recovery Plan and a key driver of economic growth in its own right. A better education and skills base has the potential to translate into more scientists, analysts, technicians, and inventors; working to increase the stock of knowledge via the development of new processes and technologies. This is not an abstract issue. Innovation within existing businesses is key to success in the current period of economic recovery. Innovations require problem-solving skills to spot opportunity, entrepreneurial skills to see their potential, technical skills to develop a change in a product or service and managerial and leadership skills to implement that change. Improving Scotland's skills base is crucial to ensure we are best placed to take advantage of new economic opportunities that will emerge via the creation of new enterprises or access to new supply chains. This includes the low carbon economy where around 60,000 new jobs are forecast by 2020, including 26,000 in renewables, in addition to the adaptation of many more jobs required in

the transition. Improving the skills base is also crucial for the development and exploitation of new products and processes.

**Wider benefits** The enhancement of skills also has wider social benefits, particularly in less prosperous areas. There is strong evidence that a better educated and skilled population can lead to better social outcomes such as improved health, reduced crime, improved social cohesion, and increased transfer of knowledge to children. Skills policy is fundamental in helping make Scotland a better place to live, work and learn and a more prosperous and successful country.

## How is Scotland performing?

**Strong skills profile** While skills development challenges remain, Scotland's investment in skills<sup>1</sup> has been higher relative to the United Kingdom and this investment has contributed to a highly skilled population. The UK Leitch Review of Skills highlighted Scotland as the only nation or region of the United Kingdom where the percentage of people with a Higher Education qualification outnumbers the percentage with a basic school leaving qualification. In comparison with other areas of the UK, Scotland is ranked third in terms of percentage of the population with degree level qualification or above, behind only the South East of England and London. In terms of the population with up to SCQF level 9 (SVQ level 4) qualification or above, Scotland is ranked second only behind London.

**Table 1.1: Highest qualification of working age population, UK Countries and Regions, 2009**

	% with degree or above	% with SVQ level 4 or above	% with mid level qualification (SVQ level 1,2,3 or other)	% with no qualifications
North East	16.6%	24.7%	61.6%	13.7%
Yorkshire & Humberside	19.2%	27.2%	60.9%	11.9%
West Midlands	17.3%	25.6%	59.0%	15.5%
Wales	19.2%	27.9%	58.1%	14.0%
North West	19.0%	27.7%	59.4%	13.0%
East Midlands	17.9%	26.4%	61.5%	12.1%
Northern Ireland	18.7%	26.2%	52.4%	21.4%
Eastern	20.4%	28.0%	61.8%	10.3%
South West	20.4%	29.7%	62.6%	7.7%
<b>Scotland</b>	<b>21.0%</b>	<b>34.6%</b>	<b>53.1%</b>	<b>12.3%</b>
South East	24.4%	33.4%	58.1%	8.5%
London	34.2%	40.4%	48.2%	11.4%
UK	21.9%	30.5%	57.7%	11.8%
Source: Annual Population Survey, Jan-Dec 2009 Working age population refers to the traditional definition of females aged 16-59 and males aged 16-64				

<sup>1</sup> Bell and Sarajevs, Scotecon (2005); Government Expenditure and Revenue Scotland 2008-09, Scottish Government (2010)

Compared to 2007 Scotland's position has strengthened on these broad measures of skill attainment. Those who have obtained a degree level qualification, up to an SCQF level 9, and a mid-level qualification have all increased. The percentage of the population without any qualifications has also fallen. Scottish Government policy since 2007 will help deliver a higher proportion of the working age population with improved skill levels, measured in terms of qualification attainment.

**Table 1.2: Highest qualification of Scotland's working age population, 2008 and 2009**

	% with degree or above	% with SVQ level 4 or above	% with mid level qualification (SVQ level 1,2,3 or other)	% with no qualifications
2008	20.3%	34.0%	53.2%	12.5%
2009	21.0%	34.6%	53.1%	12.3%

Source: Annual Population Survey, Jan-Dec 2008 & 2009  
Working age population refers to the traditional definition of females aged 16-59 and males aged 16-64

**Local variations** Whilst the national level data show a high skilled population, there are variations in performance at a local level. This refreshed skills strategy recognises that the approach to skills development and use must be flexible to address variations in economic opportunities, labour market conditions and life chances across the country.

**International comparisons** On an international basis Scotland also performs strongly. Compared to other OECD countries, Scotland is in the lowest quartile for the proportion of the population with low or no skills. On a similar basis we stand in the second quartile for both intermediate and higher qualifications. Scotland cannot expect to be an internationally-competitive economy if we do not remain competitive with the skills levels attained by other developed countries

**Improving our performance** While this performance is encouraging, it is recognised that a number of unanswered questions persist and many challenges remain. Most notable is that the improvements to Scotland's skills profile, coupled with the strong performance of the research base of Scotland's universities, have not translated into the improved levels of productivity and economic growth at an aggregate level that might have been expected.

Performance on both these key indicators has been steady and while there has been improvement across individual sectors, Scotland continues to trail behind the UK and a number of key international competitors. There are a number of reasons for this spanning all individual components of productivity and growth. However, not only is the effective use of skills itself a key driver of productivity, it also underpins the other drivers of productivity.

It is clear that Scotland has the potential to better realise the full benefits of significant investment in skills and research by ensuring people are

equipped with the right skills, that are economically valuable, improving their use and the contribution they make to the economy. Analysis by the UKCES<sup>2</sup> shows that “Scotland’s most critical skill shortage areas across many sectors of the economy are likely to be at skilled technician and associate professional level (intermediate level skills at SVQ Levels 3-4, SCQF Levels 6-8 equivalent) together with essential skills”. This is consistent with results from the 2008 Scottish Employers Skills Survey.

## Supporting economic recovery

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### **Strengthening education and skills**

Our Economic Recovery Plan is centred on three key themes: supporting jobs in our communities; strengthening education and skills; and investing in innovation and industries of the future. This recognises that a key task for the Scottish Government, local government, NHS and other key public sector organisations is to maintain a flexible, responsive approach to changing economic conditions. Through the alignment of activities, and by maintaining the focus on those key sectors that best exploit Scotland’s global competitive advantages (financial and business services, energy, tourism, life sciences, food and drink, the creative industries and universities), a supportive framework for sustained improvement in future economic growth can be created. These ambitions are also reflected in the four priority areas of this skills strategy – empowering individuals, supporting employers, simplifying the skills system and strengthening partnerships – all aimed at improving the employment opportunities for individuals, the productivity of businesses, and the quality of public services.

### **Tightening public finances**

It is clear that public spending in Scotland will be subject to a long period of significant constraint in the years ahead. Recent analysis<sup>3</sup> suggests that it could take until 2025-26 for the Scottish Government Budget to return to 2009-10 levels - a total adjustment period of 16 years with a cumulative loss in resources of approximately £42 billion. The report of Scotland’s Independent Budget Review set out a series of options for consideration in the face of the most challenging public spending environment since the Second World War. The Review findings will help inform the Scottish Government Spending Review process and help to determine spending priorities for 2011-12 and beyond. In the context of skills policy, the challenge is to continue to develop a highly skilled workforce as efficiently as possible from available resources and fully exploiting this talent to ensure maximum return. Even within this period of fiscal austerity the education and skills base in Scotland will continue to provide a platform for new employment opportunities, helping Scotland to generate high value-added jobs and pulling us ahead of competitors.

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2 Towards Ambition 2020: skills, jobs, growth for Scotland, UKCES (January 2010)

3 Outlook for Scottish Government Expenditure, June 2010 Emergency Budget Update, Scottish Government July 2010

**Review of  
Post 16  
education and  
vocational  
training**

The current economic climate and public spending pressures will be central to the Review of Post 16 Education and Vocational Training provision across Scotland, which has been commissioned by the Scottish Government. The Review will look at options for more effective approaches to workforce development and support for the unemployed and young people seeking work for the first time. The Review will also look at better aligning post 16 education and vocational training provision to the National Performance Framework and Curriculum for Excellence, and will examine options to achieve better value for money and faster progress on national economic targets. The Review will be led by the Chair of Skills Development Scotland, Willy Roe, and will report to Ministers by March 2011.

**Demographic  
change**

Significant demographic changes are expected in Scotland over the next 20 years with more people entering retirement and a reduction in the working age population. As the population ages the demand for certain services is also likely to change, for instance it is expected that there will be an increased demand for health care, and some sectors will see greater demand for replacement labour as more employees reach retirement age. A flexible skills system is required to respond to these challenges and ensure there is the right mix of skills in the workforce to respond to labour market demands and support economic growth.

**Strategic  
support**

As the recovery phase moves forward it is critical that the Scottish Government, local government and other public sector bodies continue to provide strategic support that generates new knowledge, accelerates economic growth and creates and sustains employment. As the global economy adjusts to the new economic landscape, there will be opportunities for Scottish businesses to develop new markets and grow existing ones, both domestically and internationally. The transition to a low carbon economy provides one of the primary opportunities for Scotland, and will lead to the development of major new industries, new employment and the wholesale decarbonisation of existing businesses and sectors. Other opportunities like this will emerge and the skills system must be positioned to respond effectively and, where appropriate, to drive opportunity in a global market.

## 2. SKILLS FOR SCOTLAND – PROGRESS SINCE 2007

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*Skills for Scotland: A Lifelong Skills Strategy* was launched against a backdrop of a growing Scottish economy with high levels of employment. The strategy focused on three main themes: individual development, responding to economic and employer need and creating cohesive structures. Over the last three years the economic outlook that Scotland faces has altered considerably as many businesses and Governments across the globe faced up to record public sector budget deficits and higher levels of unemployment. It is clear that the approach to skills must be refreshed to take account of these changes but it is also important to reflect on the achievements that have continued to help individuals to improve their employment opportunities, businesses to improve their competitiveness, and Scotland to achieve a world class skills base.

### Individual development

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#### Record funding for colleges and universities

Since 2007 there has been record investment in colleges and universities to develop intermediate and higher level skills, with total expenditure increasing to over £7 billion by this year. Colleges and universities across the country have also benefited from accelerated capital spending of around £20 million over the past two years. In April 2008 Scotland's student support system was improved through the abolition of the Graduate Endowment Fee, benefiting over 50,000 students immediately, and the raising of the income assessment threshold for Individual Learning Accounts from July 2009, allowing an additional 250,000 individuals to become eligible for funding. *Promoting Excellence*<sup>4</sup>, the Scottish Government response to the review of Scotland's colleges, and *New Horizons*<sup>5</sup>, the report of the Joint Future Thinking Taskforce on Universities were also published to clarify how colleges and universities can better support the pursuit of increased sustainable economic growth.

#### Colleges and economic recovery

Scotland's colleges have responded quickly and strongly to the challenges that communities across Scotland have faced during the economic downturn. They will make a significant contribution to Scotland's recovery. That is why funding has been increased to enable them to respond better to the needs of individuals and employers during the economic downturn. Additional resources for 2009-10 were targeted by the Scottish Funding Council (SFC) at colleges in the local authority areas that have seen the greatest increases in unemployment and where the rate of unemployment among young people has risen the most.

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4 Report available at [www.scotland.gov.uk/Publications/2007/11/08154543/0](http://www.scotland.gov.uk/Publications/2007/11/08154543/0)

5 Report available at [www.scotland.gov.uk/Topics/Education/UniversitiesColleges/16640/hetaskforce](http://www.scotland.gov.uk/Topics/Education/UniversitiesColleges/16640/hetaskforce)



**Curriculum for Excellence development**

Through the development of Curriculum for Excellence and publication of Building the Curriculum 3 and 4 it is clearly recognised that all young people are entitled to develop the skills for learning, life and work needed to deal flexibly with the challenges of the 21st century.

Through the introduction of Curriculum for Excellence the relevance of these skills for all young people is being demonstrated, from early years to the senior phase of learning and beyond. This applies in all curriculum areas and in all the contexts and settings where young people learn, ensuring parity of esteem between all types of learning.

Skills for Work qualifications have been extended to provide practical learning opportunities for school pupils in a range of subject areas and these are now available in all local authority areas in Scotland, supporting the Concordat commitment to give more school pupils opportunities to experience learning in a vocational context.

**Enterprise in education**

Through embedding *Determined to Succeed* – the enterprise in education strategy – in Curriculum for Excellence, local authority schools in Scotland are ensuring young people are enterprising and entrepreneurial and prepared and ready for the world of work, including self-employment: equipped to make an effective transition from education to their chosen career path. Practical, experiential learning has been a central strand of *Determined to Succeed* since 2003 and remains a key priority of the second phase of the strategy to 2011. This has enabled local authorities to make significant progress in expanding access to practical learning opportunities.

**16+ Learning Choices**

16+ Learning Choices will guarantee an offer of post-16 learning to every young person in the Senior Phase of Curriculum for Excellence who wants it, with improved transition planning and a wider, more coherent range of opportunities and support. Building on the experience of 21 early implementer local authorities in December 2008, every local authority is now committed to universal delivery by December 2010, when the focus will include all young people making a transition to further learning, training or employment.

A number of actions have been taken at a national level to support local implementation of 16+ Learning Choices: Education Maintenance Allowances (EMAs) in schools and colleges have been refocused to better target support for those young people who need it most; Skills Development Scotland (SDS) has focused its information advice and guidance to support learning choices; and investment of up to £12m has been committed to pilots of Activity Agreements in 10 local authority areas (Fife, Highland, Inverclyde, Stirling, Glasgow, North Ayrshire, North Lanarkshire, South Lanarkshire, West Dunbartonshire, and Renfrewshire) to improve the way support is provided to the most vulnerable young people to engage and progress.

**Support for part-time learners** Significant investment has also been made to student support in Scotland with investment worth £38 million over three years from 2008 to support part-time students in higher education. Loans were removed for this group and replaced by grants for fees through the Individual Learning Account (ILA) scheme. This is supporting over 20,000 part-time learners each year studying Higher Education courses, Professional Development Awards and Continuing Professional Development courses.

**Piloting of IES** *Skills for Scotland* contained an explicit commitment to encourage the integration of employment and skills (IES) services with a view to promoting sustained employment and in-work progression for individuals. Significant progress has been made with the piloting of integrated employment and skills services in 21 locations across all Jobcentre Plus districts and SDS regions. Evaluation of these pilots showed positive enhancements to both customer and staff experiences in the pilot areas, leading to the subsequent decision to rollout the service nationally.

**PACE Partnership** The national strategic framework for responding to redundancy, Partnership Action for Continuing Employment (PACE), has been strengthened to meet the challenges of recession. The PACE Partnership, set up in June 2009, brings together the Scottish Government, local government, industry partners, and all agencies with an interest in PACE to oversee a continuous improvement programme to enhance the operation of PACE. Through this work a number of steps have been taken to improve service accessibility for individuals and employers. This continuous improvement programme will continue through the remainder of 2010 and beyond.

**Responding to local area unemployment** Single Outcome Agreements are a fundamental part of the drive to improve the quality of life and opportunities for people across Scotland. They are agreements between the Scottish Government and Community Planning Partnerships (CPPs) led by local authorities which set out how each will work in the future to improve outcomes for people in a way that reflects local circumstances and priorities. Through support for the national training programmes, including Training for Work and Get Ready for Work, and local partnerships, employment opportunities are being improved. The Scottish Government will continue to work in partnership across the public, private and third sectors to support long term unemployed people back into sustainable employment. In particular SDS will continue to work closely with CPPs across Scotland to target their services to meet the differentiated needs of residents and employers in local areas.

**Recognition of learning** The Scottish Credit and Qualifications Framework (SCQF) remains central to Scotland's education and skills system, helping individuals to access appropriate education and training and employers to understand how different qualifications contribute to improving the skills of their workforce. The SCQF Partnership has set up a Recognition of Prior Learning network to develop tools, support organisations and share best practice that supports the recognition of learning that individuals may have completed

but may not have resulted in any qualification. Four new Credit Rating Bodies were established in 2009 with more qualifications and learning programmes added to the Framework, increasing choice and opportunities for learners and employers. Scotland was also one of the first countries to complete the referencing of its framework to the European Qualifications Framework (EQF), which acts as a translation device between different national qualifications frameworks across Europe to support the mobility of individual workers and learners.

**Scotland's  
Third Sector**

The third sector has an important role in helping achieve our long-term economic aspirations. In June 2008 the Enterprising Third Sector Action Plan was launched to help create the conditions for the third sector in Scotland, including social enterprises, to thrive. This Action Plan also enables the third sector to play a full role in the development, design and delivery of policy and services in Scotland. Additionally, the establishment of the new Third Sector Skills Partnership will help to champion third sector skills in Scotland and drive forward the implementation of the priorities and actions contained within the Third Sector Skills Framework.

**Community  
Learning and  
Development**

Community learning and development workers in both the public and third sectors have a key role to play in engaging with both individuals and communities, enabling people to develop the confidence, understanding and skills required to influence decision making and to facilitate personal, social and educational development. Investment has been made in the national workforce to ensure high quality practice that engages many of those least likely to benefit from more formal learning and who are at a distance from the labour market. The Standards Council for Community Learning and Development was also established to support further development of the CLD workforce, through approval of training courses, establishing models for continuing professional development and developing a system of registration for CLD practitioners.

## **Responding to economic and employer need**

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**Targeted  
investment**

The needs of Scotland's people and businesses have been placed at the heart of the policy approach to skills, allowing additional investment to be targeted over the past two years to those areas where it was most effective during the recession, including the Modern Apprenticeship, Training for Work and Get Ready for Work programmes. Changes to Training for Work eligibility rules now allow access to training at the three month stage of unemployment, allowing more individuals to benefit from Government support in training to find employment. These programmes have been operating in the context of severely constrained labour market conditions but the outcomes remain positive. In 2009-10 around 50% of Training for Work programme leavers found jobs.

**Modern Apprenticeship target** In 2009-10 £16 million in new funding was invested to fund an additional 7,800 Modern Apprenticeship starts supporting a total of 18,500 people across Scotland into new apprenticeships. This was exceeded with around 20,000 people starting an apprenticeship. This was an increase of around 90% compared to starts in 2008-09 and was vital in allowing individuals to keep earning and learning and allowing Scotland to develop some of the skills necessary to take us through the recession and into economic growth. In 2009-10 70% of leavers from the programme gained a qualification, job, or progressed to a separate training programme. Progress has also been made in improving the gender balance on the Modern Apprenticeship programme. In 2008-09 73% of new starts were male and 27% were female. In 2009-10 there was a significant shift in the gender balance with the proportion of male starts falling to 58% of the total and female starts increasing to 42%. The Scottish Government and SDS will continue to promote the accessibility of Modern Apprenticeship frameworks.

**ScotAction** Through ScotAction, a major package of skills and training support, £150 million has been invested to help the unemployed enter the labour market, help employers to develop their workforce skills, and to support those facing redundancy to find alternative employment. ScotAction includes the most comprehensive support package for apprentices across the UK. Local authorities and industry training bodies have also provided significant support for apprentices through their separate programmes. Over 600 redundant apprentices have been successful in securing alternative employment through the 'Adopt an Apprentice' scheme, enabling them to complete their training. Support has also been targeted at apprentices in small and medium-sized enterprises (SMEs), recognising their particular vulnerability during the recession. Through 'Safeguard an Apprentice', wage subsidies have been targeted at SMEs in the engineering, manufacturing and construction sectors, supporting over 300 apprentices at serious risk of redundancy. Given the continued economic uncertainty SDS will continue both the Adopt and Safeguard schemes until March 2011.

**Step Forward Scotland** As economic conditions deteriorated over the last year, many people chose to enter or remain in the education system as an alternative to entering the job market. College provision for the 2010-11 academic year has been boosted by 4,100 places through £15 million in European Social Funds. The Scottish Government requires the SFC to give priority to young people aged 16-24 wishing to study at college and to ensure that provision is closely aligned with local economic opportunities. This additional college provision will support those areas where demand for post-16 learning is likely to be at its highest. As part of the Step Forward Scotland initiative SDS are providing a national helpline to support young people and develop an effective mechanism for connecting employers and young people looking for work-based opportunities. A number of new skills initiatives were also introduced, including a further 5,000 all-age

Modern Apprenticeship opportunities (taking the total number of places in 2010-11 to 20,000); 800 targeted pathway places for 16 and 17 year olds who cannot secure a job or a Modern Apprenticeship place but have the potential to do so; a £1,000 incentive for up to 2,000 MA places for 16 and 17 year olds with a particular focus on looked after children and others who may need additional support; 750 graduate placements over three years and 60 entrepreneurial training opportunities.

**Finance  
Sector Jobs  
Taskforce**

The Finance Sector Jobs Taskforce was established in 2009 to co-ordinate efforts across Scotland to ensure maximum levels of employment are retained within the financial services industry - focusing on understanding the needs of the industry as it adjusts to the future structures that will emerge. Taskforce membership comprises the Scottish Government, COSLA, all relevant public sector agencies and private sector representation through Scottish Financial Enterprise and Unite the Union. Feedback from the industry on the work of the Taskforce has been very positive, describing it as an excellent example of partnership working between the public and private sectors. The profile of the public sector support available has also been raised, enabling the industry to better understand the channels of information, advice, and guidance available on a wide variety of issues including retraining, up-skilling and social benefits.

**Research and  
development**

In terms of scale and quality, Scotland's university-based research is amongst the best in the world. The SFC has supported a series of initiatives to stimulate greater demand from specific key sectors for the knowledge created by higher education institutions.

**Strategic use  
of European  
Funding**

Scotland has gained much from the European Structural Fund programmes and they remain a significant source of funding for activity that contributes towards sustainable growth in the size and skills of the Scottish workforce. Across the Scottish Structural Fund Programmes to date, over £490m of support for 611 projects has been announced nationwide. Through ScotAction and PACE additional European Social Funds has been levered in to provide more training to support individuals into employment, financial incentives and wage subsidies to support apprenticeships and provide 4,100 additional college places in 2010-11.

**Effective  
Skills  
use**

A Leadership Group was established in September 2008 to champion more effective skills use in the workplace. The Group provided strategic direction for SFC funding of £1.8m over two years for twelve projects. Chaired by the STUC, a wide range of organisations have been brought together in a new cross-sectoral network to support them to deliver messages about effective skills use.

## Creating cohesive structures

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**A national skills body** Bringing Scotland's national training programmes together with careers advice within SDS ensured that Scotland had a focal point for the skills and training response to the economic downturn. It is evident that individuals and businesses, particularly SMEs, still perceive the skills system in Scotland to be complex and difficult to access. Going forward, SDS will continue to play a central role in the drive for recovery and sustainable employment and this strategy looks at new ways of making engagement as straightforward and effective as possible.

**Skills Committee** The Joint SDS and SFC Skills Committee was established to provide a platform for advice on skills policy development and implementation in Scotland in line with the priorities set out in the Government Economic Strategy.

**Strategic Forum** The Strategic Forum, which brings together Ministers with senior managers from SDS, Scottish Enterprise, Highlands and Islands Enterprise, the SFC and Visit Scotland, aims to promote more effective collaboration and alignment between members and to ensure consistency between decisions across all policy areas, including skills and training, and the Government Economic Strategy.

**Cohesive local structures** The Scottish Government has continued to support the development of local employability groups across Scotland and strengthened this with an Employability Learning Network to help improve the way employability support is delivered. Local employment groups, facilitated by local authorities, are developing a pipeline of employability-related interventions, including skills development, to be delivered by SDS, local colleges and the third sector.

### 3. EMPOWERING SCOTLAND'S PEOPLE

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Scotland's capacity to become a more successful country in the rapidly changing global, innovation driven economy will be significantly influenced by the skills of its people. Continuing to develop a highly, relevantly skilled population, whether in schools, colleges, universities, communities or workplaces, and ensuring this talent and ability is applied effectively in sustainable employment is a priority.

Investment in education and skills has, alongside investment in other priorities, helped individuals across Scotland and the economy through the recession and will aid long term prosperity. For Scotland to become a more successful country there is a need for more and better sustainable employment opportunities and for people to have the skills required to do these jobs effectively. This refreshed skills strategy provides further opportunities and choices for people to develop their skills, helping them to be more successful individually and improving the opportunities for Scotland to realise its full economic potential.

To help empower Scotland's people the policy commitments include:

- investing record amounts (£1.77 billion) in further and higher education in 2010-11;
- prioritising skills investment and training commitments by providing over 40,000 training opportunities in 2010-11, including 20,000 Modern Apprenticeship starts, 14,500 training places to support the unemployed, and 800 targeted pathway places for 16 and 17 year olds;
- ensuring that training opportunities for young people and unemployed people are part of a clear pipeline into permanent and sustainable employment with any employer incentives focused on supporting this;
- continuing the work through the PACE Partnership to enhance the operation of PACE to minimise the time people affected by redundancy are out of work;
- further improving Individual Learning Account support for part-time learners to support economic recovery efforts;
- the universal rollout of 16+ Learning Choices by December 2010 – the new guarantee of an offer of post-16 learning to every young person in the Senior Phase of Curriculum for Excellence who wants one;
- ensuring, through Curriculum for Excellence, that young people have the necessary skills for learning, life and work needed in the 21st century and that they are enterprising and prepared and ready for the world of work, including self-employment; and
- better integrating the employment and skills services provided by Jobcentre Plus Scotland and SDS respectively.

#### Targeted support for young people

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##### **Curriculum for Excellence**

Curriculum for Excellence ensures that all young people are more flexible and adaptable and better equipped to meet the challenges of the 21st century. It provides a framework that enables all young people, wherever they are learning, to gain the knowledge and skills for learning, life and work they need at every stage, with a strong focus on literacy, numeracy

and health and well-being. The opportunity to develop these skills is embedded across all curriculum areas, including via practical applied learning and enterprise in education. Through *Curriculum for Excellence: Building the Curriculum 4 - skills for learning, skills for life and skills for work* and the development of the SCQF the Scottish Government, local authorities and schools will help ensure that young people are aware of and understand the value of the skills that they are developing and are able to appreciate their relevance to their future learning, life and work. The new National Qualifications for Curriculum for Excellence will be one of the key vehicles for encouraging skills development in schools and colleges. The Scottish Government will also launch a Literacy Action Plan at the end of this year, with commitments from across Government on how to improve the literacy skills of children and adults.

Individual subject “excellence groups” are being established to support Curriculum for Excellence. The role of these groups is to take a view on the skills, attributes and features of excellence in education in each of the subject areas, with the aim of promoting deeper learning, better teaching, active learner engagement, the development of skills and enhanced achievement. There are also several cross-cutting groups, including one for higher order skills.

**Supporting  
our young people**

Helping young people to make a positive transition post-16 is an effective way of ensuring their long-term employability and contribution to society. Through 16+ Learning Choices an offer of post-16 learning is guaranteed for every young person who wants it as an effective route to positive and sustained destinations. It supports the planning and delivery of a coherent, inclusive curriculum in the Senior Phase, enabling individual young people to undertake the learning that is right for them; to get the support they need to take up and sustain their learning; and the scope to base their learning choices on personal needs and aspirations rather than on the option which offers the most generous financial support. Supported by the Scottish Government, every local authority – through the CPPs - is implementing 16+ Learning Choices and is committed to universal delivery by December 2010.

**Get  
Ready for  
Work**

Get Ready for Work, delivered by SDS, is a national work based training framework to support young people with the confidence and transferable skills needed to gain a positive and sustained outcome including employment. This forms part of the commitment to 14,500 training places to support the unemployed in 2010-11. This programme will be focused on offering generic transferable work skills rather than training for specific employment sectors and will be tailored to meet the needs of the individual and reflect local economic drivers. By engaging with employers the programme can also be designed to reflect employer demand and employment opportunities. It is also vital that the Get Ready for Work programme links as effectively as possible with the Modern Apprenticeship programme and other permanent employment opportunities.



**Targeted pathways** In response to rising youth unemployment, provision for 800 targeted pathway places has been made for 2010-11. These places will be delivered by SDS and are for 16 and 17 year olds who cannot secure a job or a Modern Apprenticeship place but have the potential to do so. This targeted pathway to employment programme will develop career planning and vocational skills provision to help young individuals find sustainable employment.

**Record investment in colleges and universities** The Scottish Government is investing record amounts in colleges and universities. Within the 2010-11 budget colleges will receive a cash increase of nearly £45m, bringing the total investment to over £693m. These additional resources will help the sector to offer more learning opportunities, especially for young people, as a constructive alternative to unemployment. Similarly universities have received a comparative cash increase of nearly £43m in resource funding for learning, teaching and research compared to 2009-10, enabling people to develop the higher level skills that will foster innovation and drive economic growth. This is continuing to pay dividends, with high levels of both graduate employment and employer satisfaction with those graduates. The latest Scottish Employer Skills Survey (2008) found that around 80% of employers of university leavers and around 75% of college leavers found them well prepared for work

**Modern Apprenticeships** The Modern Apprenticeship (MA) programme is crucial to a strong economic recovery for Scotland. These Apprenticeships help ensure that individuals and businesses are equipped with the necessary technical skills and expertise at craft, technician and management level to drive future business success. It is a priority to ensure that Modern Apprenticeships across the diverse range of frameworks<sup>6</sup> (ranging from accountancy to construction to health and social care) are of a high quality and enhance sustainable employment opportunities. Even more ambitious targets have been set for 2010-11 where SDS will offer a flexible range of training opportunities to accelerate economic recovery, including 15,000 new modern apprenticeship opportunities. Provision for an additional 5,000 all-age modern apprenticeships has been made available taking the total offer to 20,000 places in 2010-11. Where possible, employers will be encouraged to consider young people who might otherwise struggle to obtain an apprenticeship place. As part of the 2010-11 provision a £1,000 incentive will be offered by SDS for up to 2,000 MA places for 16 and 17 year olds with a particular focus on those who have participated on the Get Ready for Work programmes and those leaving care.

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<sup>6</sup> A full list of Modern Apprenticeship Frameworks is available from [www.skillsdevelopmentscotland.co.uk](http://www.skillsdevelopmentscotland.co.uk)

## Supporting individuals into employment

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### **Creating opportunities for unemployed people**

While growth has returned to the Scottish economy, unemployment is still rising, job opportunities are restricted and there is greater competition for those jobs that are available. Against this backdrop those most marginalised in the labour market, such as multiply disadvantaged groups and young people entering the labour market for the first time, are experiencing particular difficulties. There must be flexibility to respond to the needs of the newly unemployed who might be closer to the labour market without losing sight of the long term unemployed. For 2010-11 the Scottish Government has prioritised skills investment and training commitments, including 14,500 training places to support the unemployed covering the Get Ready for Work and Training for Work programmes. Training support will be provided, where possible, to businesses employing those who have participated in Get Ready for Work and Training for Work programmes and those with a disability. The support available through PACE will continually improve to ensure all individuals and businesses continue to have the necessary access to advice and support when facing redundancy.

### **European Social Funds**

Approximately £200 million from the European Social Fund (ESF) has gone into 411 projects across Scotland directly helping individuals move towards employment and sustained jobs, largely targeted on the most disadvantaged areas. Significant match funding has also been invested in these projects by the Scottish Government, local government, colleges, and third sector partners. Consideration is currently being given on how the remaining funding under the 2007–2013 ESF programmes can be used in more strategic ways to assist a wide range of people, including those engaged in the labour market and those currently furthest from it. A new priority (Priority 5) will be added to the Lowlands & Uplands Scotland (LUPS) ESF Programme. Priority 5 will aim to equip individuals with the core, transferable and vocational competencies and skills they require to enter and progress within the labour market and to prepare them for the job opportunities of the future. This will be achieved through a demand led strategic skills pipeline approach that is sensitive to the differing opportunities and needs within each of the local authority areas in the LUPS programme area.

### **Integrating employment and skills**

The service available to all individuals seeking employment will be improved by better integrating the employment and skills services provided by Jobcentre Plus Scotland and SDS, ensuring that individuals can access timely career advice and support to enhance their employment prospects. Following successful pilots, the service has rolled-out nationally with a focus on those who have reached the three months stage of unemployment.

The UK Government has announced its intention to have one single Work Programme to replace existing employment support for those claiming out of work benefits. The Scottish Government is working closely with the Department for Work and Pensions on the development of this new range of services and will strive to ensure that people in Scotland continue to receive the help and support they need to get back into sustained work.

**Training for Work** Training for Work, delivered by SDS, is the Scottish Government's national training programme for unemployed people who have a strong chance of securing a job with the help of a short, focused, vocational training intervention. This year changes were made to Training for Work to enable people to access it more quickly following a period of unemployment and introduced some further flexibility to get people job-ready. European Social Funding has been used to make a further 3,150 places available. This funding will run to April 2011 to meet additional demand during the economic recovery.

**Community Planning Partnerships** Community Planning Partnerships play a critical role in planning and delivering employment support services in the community. Their work to tackle poverty and deprivation has been prioritised with investment of £450 million over 2008-11 through the Fairer Scotland Fund. The funding available to CPPs has also been boosted through the allocation of an additional £66.7 million of European Structural Funds. This will provide support for 23,000 individuals due to the increased demands on their services during the economic downturn.

The role of the CPPs in the delivery of further ESF funded plans is being actively considered with the aim of local authorities' Employability Sections working closely with their Economic Development sections and with SDS to create Service Delivery Agreements. CPPs will also be able to more closely align a proportion of their mainstream services - such as education, community learning and development, and health - to generate a combined employment, skills and support service to disadvantaged individuals. The focus will be on equipping people with the flexible competencies they require to access and hold on to jobs now and prepare them for the job opportunities of the future.

**Supported employment** In February 2010 the Supported Employment Framework *A Working Life for All Disabled People* was launched which recognises the need to address the significant barriers faced by those with a disability in securing jobs of real value in the community. Through this framework the Scottish Government will work with local government and other partners to collectively develop and deliver a more coherent and consistent system that helps make sustainable employment a reality for more disabled people across Scotland.

**Support for carers** It is estimated that there are over 650,000 unpaid carers in Scotland, many of them women, providing support, care and assistance to family members, friends and neighbours affected by physical and mental illness, disability, frailty or substance misuse. Over half of the identified carers are of working age and many combine caring responsibilities with employment, either full-time or part-time, whilst others want to access employment, training, further or higher education. Some carers have to give up employment or reduce their working hours because of their caring responsibilities either due to the worsening ill-health of the person they care for or because they cannot access reliable support for the cared-for person.

Carers can gain many transferable skills through their carer role, for example, in the areas of negotiation, brokerage and time-management. Carers should be able to contribute skills acquired through caring to paid employment. Carers should also be able to acquire other skills to help them into employment and recognise that there needs to be flexibility around delivery of skills programmes to support carers. The Scottish Government and COSLA published a Carers and Young Carers Strategy in July that places a particular focus on the skills, employability and employment needs of carers.

**Adult literacy and numeracy** Improving levels of adult literacy and numeracy is crucial to securing a competitive economy, promoting education and lifelong learning, and tackling ill-health and improving well-being. In a time of rapid change the demands on individual literacy and numeracy skills are likely to increase. We have developed an Adult Literacy and Numeracy (ALN) Curriculum Framework, a new professional qualification to up-skill the workforce and drive up quality, as well as developing a range of resources to help improve provision.

*The Big Plus*, Scotland's national campaign, has successfully raised awareness of ALN issues, challenged the stigma, encouraged adults to get help and recruited new learners. Working with SDS, the Scottish Union Learning Fund and Learning and Teaching Scotland, greater encouragement will be given to employers to recognise the value and benefits of offering literacies learning to their staff, ensuring literacies becomes part of the wider workplace learning agenda. In August 2010 a national survey of literacy and numeracy levels of the adult population in Scotland was published. The survey findings and other sources will be used to update Scottish Government policy on adult literacy and numeracy in Scotland, working with providers and other stakeholders across the college, community learning and development and third sectors.

**Community Learning and Development** Community Learning and Development (CLD) is a crucial vehicle for engaging with young people and adults, particularly those who have been disadvantaged and excluded. CLD responds to local needs and opportunities and is shaped and delivered by local authorities and their community planning partners. Arrangements for policy and

practice development at national level will be renewed, supporting the establishment of the CLD Standards Council and investing in the skills of the workforce. Local partnerships will also be supported to develop local solutions to national challenges and to establish sustainable programmes for workforce development. Arrangements for supporting policy and practice in CLD will be strengthened by bringing together policy responsibilities in a more coherent way and establishing a new section within Learning and Teaching Scotland to drive policy implementation and support practice development.

**Offender learning** The independent report *Offender Learning: Options for improvement*, published in January 2010, identified a number of key challenges for Government and public agencies and set out recommendations on how learning opportunities for offenders could be improved. A response to these recommendations was published in July 2010. This outlines a new approach to delivering effective and integrated opportunities for young people and adults in or leaving the justice system to learn, develop skills and increase their employability.

## Support for career development, learning and other skills programmes

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**Career information advice and guidance** Placing individual career development at the heart of balancing skills supply and demand is a step forward in realigning the skills, learning and work system in Scotland. High quality information, advice and guidance (IAG) is vital for connecting all individuals with the workplace: and enabling them to progress in their career through on-going decisions in learning and work. The Scottish Government is committed to ensuring career services are available for all but that intensive services are targeted towards those who need it most.

**Scotland's Colleges** Scotland's colleges have played a pivotal role in providing a constructive alternative to unemployment during the recession. The response of colleges has been rapid, creative and effective. Investment in colleges will continue in recognition of their central role in the development of intermediate and higher level skills across a diverse range of programmes, crucial to both economic recovery and realising the long-term economic aspiration of increased sustainable economic growth. With 4,100 additional places in 2010-11 Scotland's colleges are well positioned to respond positively to the high demand for places, particularly from young people, and ensure flexibility and consistency of provision with local labour market needs.

**Graduate skills** Investment in universities helps enhance our skills base. Scotland cannot expect to be an internationally competitive economy if we are not on a par with the skills levels attained by other developed countries. Our economic competitiveness will largely depend on the capacity to succeed at the high value-added end of the economy, based on innovative and high skill industries.

**Learning to Work Two** Increasingly colleges and universities are working with employers in the private and the public sectors, to ensure course provision closely matches employers' expectations. This is reflected in work being led by the SFC, under its 2009 employability strategy, *Learning to Work Two*. The strategy focuses on three specific priority issues: access to work-related learning and work placements; enterprise education and entrepreneurship; and workforce development. The SFC will work with colleges and universities to take the new strategy forward.

**Individual Learning Accounts** Individual Learning Accounts (ILAs) are a key demand-focused source of funding for workforce development and lifelong learning. They make a significant contribution to delivering ambitions on individual development - placing the individual at the centre of learning and skills development and supporting individuals to increase control and choice over their skills and learning development. In 2009-10 over 53,000 courses were attended by around 44,500 people on low incomes using ILA200 funding – an increase of some 39% on the previous year. ILA policy will continue to be developed to ensure that it meets the needs of learners in Scotland.

The UKCES recommended the expansion of the ILA programme in Scotland to include a new system of full Personal Learning Accounts. Further work will be undertaken with SDS to consider this option.

**Union learning opportunities** Union learning plays a vital role in reaching individuals in the workplace. Through a network of Union Learning Representatives, unions are providing workers with the opportunity to learn at a time and place to suit their needs, bringing them professional and personal benefits, improving productivity and contributing to economic success. Scottish Union Learning provides a strategic direction for union-led learning in Scotland. It enhances the capacity of unions to identify and drive demand for learning by their members and enables union members to access the appropriate courses. The Scottish Government will work closely with and support the Scottish Trades Union Congress and Scottish Union Learning as they continue to develop the Fund as an effective vehicle for delivering learning opportunities and in encouraging workplace cultures that enable people to develop and use their skills effectively.

**Volunteering** Working in partnership with Volunteer Development Scotland (VDS), the offer in Scotland for those wishing to take up volunteering opportunities as a means of increasing their skills and chances of employability will be augmented. Volunteering can play a key role in improving skills and employability and it should result in progress towards a recognised qualification or standard wherever possible. The Scottish Government awarded £141,000 to VDS to develop a mechanism for the accreditation of learning within a volunteering environment. This focuses initially on Scottish Qualifications Authority employability modules but it is hoped could be applied to any accredited learning linked to the SCQF. This aims to support volunteers - particularly those who are unemployed or who have low levels of skills - in securing progress towards a qualification.

**Commonwealth Games legacy** The partnership between Glasgow City Council and the Scottish Government was crucial in helping to secure the Commonwealth Games in Glasgow in 2014. It is clear that there must be a lasting legacy emanating from hosting the Games and a comprehensive legacy plan has been developed to commit the Scottish Government and partners to a range of activities between now and 2014 to make these aspirations a reality. Together we are committed to creating an increase in the skills and employment chances of unemployed people through the opportunities arising from the Games and to ensure that the volunteering opportunities provided contribute to a real improvement in skills levels and progress on the employability pathway.

There will be a range of lessons to be drawn from the experience of London in hosting the Olympic Games in 2012 and these lessons will influence the employability and skills work in the run up to and including 2014. Funding will be provided to Glasgow East Regeneration Agency to evaluate the outcomes of pilots of *Personal Best*, the 2012 Olympic volunteering programme. This is being tested in Glasgow this year to ensure that lessons can be incorporated into the planning and delivery of similar programmes supporting the Commonwealth Games in 2014.

**English for speakers of other languages** The Adult English for Speakers of Other Languages (ESOL) strategy for Scotland aims to increase the quantity and improve the quality of ESOL provision across the country to the benefit of all those in Scotland for whom English is not a first language. With additional funding from 2007, over 32,000 new learners have been helped in colleges and in community learning and development provision by local authorities and third sector organisations. The implementation of this strategy will continue. This will include: further development of an ESOL curriculum framework for practitioners; more progress on professional development, including additional teaching qualifications and the launch and development of initial screening and assessment tools for learners to understand their abilities and to ensure they receive relevant provision. Where appropriate such provision should be credited within the SCQF. Effective partnership working must continue, with the progression of learners at its heart.

**International graduates and migrant talent** If we are to achieve our population target and create a more successful country where talented people live, learn and work, investment in skills at home must be accompanied with appropriate recognition of the benefits that skills from overseas can bring. Since 2004 the Fresh Talent initiative has focused on attracting skilled people to live and work in Scotland, increasing the pool of talent available to employers, addressing key skills shortages and supporting economic growth. There were estimated<sup>7</sup> to be around 16,400 skill shortage vacancies in Scotland at the time of the survey. Around half of all these vacancies were considered hard-to-fill by employers and just under half of all hard-to-fill vacancies were skill shortages. International graduates and migrant talent can raise skills

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7 2008 Scottish Employer Skills Survey

levels, increase diversity and innovation, and help to fill the skills gaps and shortages that constrain economic growth. Alongside efforts to develop skills at home, it is clear that Scotland must continue to attract talent from abroad.

**Public sector recruitment** The public sector in Scotland will be subject to a prolonged period of constraint from 2011 but will continue to have a key role in providing opportunities for unemployed people to train, gain experience and work. A programme of engagement between the Scottish Government, COSLA, and HR Directors across the public sector will help to identify opportunities for the sector to support unemployed people. A Local Employment Partnership (LEP) agreement commits the Scottish Government to work with Jobcentre Plus and SDS to help priority customers, including 16 and 17 year olds, to secure development opportunities and employment within the Scottish Government.

**Community Benefit Clauses** The Scottish Government and local government have played a leading role in developing new ways to deliver added social benefits through procurement. In February 2008 guidelines were published on the use of Community Benefit Clauses in public procurement. Typically these clauses require contractors to deliver targeted training and employment opportunities. The approach continues to be disseminated across the wider public sector, including local government and the NHS, and has been embedded in a range of projects including the Commonwealth Games contracts, the new Southern General Hospital project, Scottish Government contracts for the Energy Assistance Programme (EAP) and construction of the Scottish Crime Campus in North Lanarkshire. Through the National Delivery Group and sponsorship events the Scottish Government will continue to highlight how local areas can maximise their investment in skills through the procurement process. The Scottish Government will support local government, the NHS and public sector organisations when procuring services to use processes to help with staff planning and increase entry-level job opportunities.

**Role of libraries** The services provided by local public, academic, college and national libraries have a crucial role in learning and development in Scotland. Libraries are ideally placed to up-skill those furthest from the labour market and play a major role in building vibrant communities. They also help sustain the entire lifelong learning sector by providing underpinning support and activities for both formal and informal learning, teachers, facilitators and learners alike. The role that libraries and information services play in skills and cultural development across Scotland will continue to be supported.



## 4. SUPPORTING SCOTLAND'S EMPLOYERS

Scotland's full economic recovery must be led by businesses. The task for the Scottish Government and its agencies is to maintain a flexible, responsive approach to support employers and their employees as changes to the Scottish economy unfold over the short, medium and long term. Through the alignment of key services and interventions, and by maintaining the focus on those key sectors and high participation sectors that best exploit Scotland's global competitive advantages, we can create a supportive framework for sustained improvement in productivity levels and future economic growth.

In the modern global economy it is vital that businesses can retain and attract workers with the skills needed to compete both at home and abroad, developing new supply chains and taking advantage of the latest research and development and new technologies to boost innovation. The ambition for a highly and relevantly skilled workforce is clear but to increase productivity the improvements in the supply of skills must be matched with the right conditions for these skills to be absorbed and used effectively by employers. Businesses' demand for skills derives fundamentally from their needs and ambitions. More effective leadership and management is needed to raise business ambition and to help increase the capacity of firms to realise their ambitions. Clearly raising ambition is more than just a product of leadership and management development and this refreshed skills strategy must be seen against the wider context of the Government Economic Strategy.

The supply of skills, training and qualifications must be flexible to respond effectively to employer needs and to future economic opportunities. More employers, particularly in SMEs who account for around 99% of all enterprises and over 50% of overall employment in Scotland, and employees must also be encouraged and supported to both invest in and better use skills to achieve stronger growth. It is important that skills and leadership support are set in the context of and integrated within a company's wider business plan.

To support Scotland's employers the policy commitments include:

- helping to progress the implementation of an action plan to encourage progressive and innovative leadership and management, working in partnership with enterprise agencies and others;
- strengthening the support for workplace cultures that enable people to perform at their best;
- working with employers and trade unions to better understand and inform business skills needs and ensure that skills provision is responsive to this and emerging local and international opportunities;
- SDS working with partners and industry to produce a Skills Investment Plan for each of the key sectors;
- ensuring that Scotland's key and high-participation sectors have access to the skills they need and for provision to be targeted appropriately;
- continuing to invest in universities to provide higher level skills and further improve the exchange of knowledge from universities into Scottish industry;
- ensuring investment in colleges provides the intermediate and higher levels skills crucial for growth and supports the range of training opportunities open to employers;

- continuing to promote the Modern Apprenticeship programme as an appropriate workforce development tool;
- working with the SSCs and other industry bodies on the implementation of the Flexible 5,000 training places for 2010-11, placing them at the heart of Scotland's skills and training development;
- ensuring that flexible skills and training systems can help develop the skills necessary to exploit the opportunities that will arise in the low carbon economy; and
- capturing the benefits of SCQF in supporting employers and workforce development.

## Building better businesses

**The key sectors** To expand Scotland's areas of international comparative advantage, the Government Economic Strategy brings focus to building critical mass in a number of key sectors with high growth potential and the capacity to boost sustainable economic growth and productivity. These are: financial and business services; energy; tourism; life sciences; food and drink; the creative industries; and universities. There are also a number of core or enabling sectors in Scotland (including manufacturing, construction and retail) which sustain employment in the wider economy. In addition, investing in people and modernising labour markets is one of the four priority areas of the Lisbon strategy and the European Commission has set out its "*New Skills for New Jobs (NSNJ) Initiative*" to better anticipate skills needs, up-skilling and better matching of skills and jobs. Using European Social Funding in a more strategic way will be vital in ensuring that the NSNJ initiatives and Scottish Strategies are drawn together by encouraging activity giving the greatest value added for the remaining ESF funding in the 2007–2013 programme, as well as a lasting legacy well beyond the end of this programme and into the 2014-2020 period.

This approach to the key sectors will continue to be taken forward by business opportunity driven Industry Advisory Groups supported by the public sector. Skills services will continue to be aligned to demand identified by the Industry Advisory Groups, supported by evidence from improved Labour Market Intelligence and developed in conjunction with SSCs.

The ambition is to deliver a skills system that is responsive to the future growth objectives of the key sectors individually and collectively, addressing the demographic profiles within the current workforce and anticipating the future skill challenges which new technologies and business growth opportunities will present. The Industry Advisory Groups offer Scotland the opportunity to harness and exploit insights into the growth opportunities of the key sectors and their supply chain.

A clearly articulated and well communicated statement of industry skills development needs – Skills Investment Plans - will allow key agencies to play their part in contributing to the delivery of the industry-led strategies.

The joint SDS and SFC Skills Committee will provide advisory support to guide strategic development and new forms of collaboration across the skills system. This will form part of the step change required in the alignment between partners to ensure we increase the collective impact on our Economic Strategy.

Actions must be dynamic, measureable and focused on the developments which will contribute to sustainable economic growth. Shared development of Skills Investment Plans by the private, public and third sectors will ensure greater ownership and stewardship of these critical investments, helping attract new talent to sectors, enhance workforce productivity and enable achievement of ambitious growth objectives.

SDS is working towards the development of a Skills Gateway for each of the key sectors and is working with partners, including SSCs, to determine what is required in addition to the core service that SDS will develop for business customers across all sectors. These Skills Gateways will help employers, individuals and training suppliers to access relevant information and services. In addition, SDS will work with SSCs and other industry bodies to promote Modern Apprenticeships to businesses in Scotland as a mechanism for enhancing longer term improvements in skills use, productivity and growth.

**Energy** Energy powers the Scottish economy, and this is reflected in its status as a key sector and cornerstone of our Economic Strategy. Direct employment in the sector stood at 42,000 in 2008 (around one quarter of total GB employment) with many more supported through the wider supply chains. Anticipating the precise scale of the potential employment growth in this sector is a challenge, and SDS has been working with the Scottish Energy Advisory Board, and its three subgroups – Oil and Gas, Renewables, and Carbon Capture & Storage/Thermal Generation, to better understand the skill demands and requirements for the sector. It is likely that the number of people required to fill emerging vacancies across the sector will grow significantly in the coming years as Scotland's energy production comes increasingly from renewable sources. Oil and Gas production will continue for many years to come, but recovery of these remaining barrels while also supporting subsea growth, will be increasingly challenging, both technically and commercially, requiring high levels of skill.

Moreover, expanding Scotland's renewable capacity will create a demand for manufacturing and construction jobs, which will occur in parallel with on-going demand in traditional sectors. The more traditional sectors also face challenges over the coming years as they have a disproportionately ageing workforce, requiring significant new entrants as replacement if they are to maintain production levels.

An Energy Skills Investment Plan will be produced later this autumn, setting out a series of actions to address the impact of investment on the demand for skills, raise awareness of employment opportunities, alleviate skills shortages, and increase skill levels in the sector.

**Skills  
for a low  
carbon economy**

Scotland is committed to ambitious statutory emission reduction targets of 42% by 2020 and 80% by 2050<sup>8</sup>. The low carbon transition will fundamentally transform the Scottish economy. To manage this transition effectively, while at the same time maximising Scotland's economic potential within a global context, requires a high level of ambition, focus and collective alignment of effort. The implications are far-reaching across the whole of the economy. There are significant opportunities to develop new, low carbon products and services to both accelerate economic recovery in the short-term as well as drive long-term sustainable economic growth. In short, 'low carbon' is an environmental and economic imperative.

Scotland has comparative advantages: its research strengths, its innovative business base and its geography. There are key opportunities in:

- Renewable energy (especially offshore wind, wave/tidal and carbon capture/storage);
- Environmental and Clean Technologies;
- Other Key Sectors and Growth Industries; and
- Resource efficiency for all businesses.

The transition brings primary opportunities for Scotland and will lead to the development of major new industries, employment opportunities and skills requirements as well as the decarbonisation of all businesses and sectors. Recent research has shown that the Scottish Low Carbon and Environmental Goods Sector was worth £8.5 billion in 2007-08 and is forecast to grow to around £12 billion by 2015/16<sup>9</sup>. It is now estimated that concerted action combined with an expanding global market could increase low carbon employment in Scotland to around 130,000 by 2020 from the current figure of some 70,000<sup>10</sup>. An additional 26,000 jobs are forecast in renewables, 26,000 jobs in emerging low carbon technologies and a further 8,000 jobs in environmental management.

The Scottish Government will shortly publish our Low Carbon Strategy, which will set out how the transition to a low carbon economy will be promoted and provide strategic direction for the public and private sectors alike. Its role is to help drive growth and productivity improvements, create a high growth, high value, low carbon economy and business opportunities and jobs. We are determined to act as a model of best practice in tackling climate change. This can only be achieved by working with stakeholders to identify the potential opportunities and challenges faced and ensure there are flexible systems that can deliver skilled individuals to take full advantage of the opportunities that will arise.

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8 Climate Change (Scotland) Act 2009

9 Skills for a Low Carbon and Resource Efficient Economy <http://skills4lowcarboneyconomy.co.uk/>

10 Scottish Enterprise EGS Market Analysis, ECT Action Plan for 2009/10, Annex 2 (Sept 2009)

Our Energy Efficiency Action Plan will set out the objective to assess the skills requirements to support the improvements in energy efficiency and microgeneration required to meet Scotland's climate change targets and to keep Scotland's workforce competitive in the low carbon economy. A skills group will be established to develop and implement a skills framework that outlines the specific energy efficiency training interventions required and how these will be delivered.

Through the Renewables Action Plan Skills Framework the Scottish Government will work with partners to better understand future skills requirements, improve recruitment and sector attractiveness, ensure adequate training provision to meet sector needs, and develop suitable qualifications for use in schools, universities, colleges and workplaces.

**Building on  
success - tourism**

The Scottish Tourism Forum and People 1st have been working in partnership with the Institute of Hospitality, VisitScotland, SDS, Springboard and Hospitality Industry Trust Scotland, to form a new industry led National Skills Group to act as the authoritative industry voice on the current and future skills needs of the tourism sector. Working under the banner of the Tourism Framework for Change Strategy they published their action plan in March. The group is now looking at mapping each agency's support which will help inform a more coherent approach to supporting the sector. The recently formed Tourism Leadership Group is also aiming to develop a refreshed tourism strategy setting out priorities for action. This is likely to include the need to improve skills across the sector and the above action plan will help inform this.

The Scottish Government supports the implementation of the five-year plan, which focuses on increasing the number of young people and job seekers into the industry to meet future skills requirements and, through increasing the uptake and profile of Modern Apprenticeships in the sector, raising the skills levels of those entering and working within the sector. The plan also focuses on improving and simplifying employer access to up-to-date information on qualifications and skills provision for the sector. Examples of local tourism initiatives which will be supported as part of the plan include an industry led Tourism and Hospitality Leadership Business School for Scotland, the Glasgow Tourism Service Initiative, and the North Highland College Burghfield Training Hotel.

**Creative industries**

The creative industries in Scotland support over 60,000 jobs and contribute annually £5.2 billion in turnover and £2.4 billion GVA to the Scottish economy. There is potential for significant future growth in the sector, driven in large part by constant innovation by individuals with new skills and approaches.

Both Skillset and Creative and Cultural Skills SSCs published revised strategic skills assessments for Scotland in February 2010. These strategic documents present a clear analysis of the strategic skills issues

across the full creative industries footprint, and enjoy the full support of industry and all major stakeholders. Both SSCs also collaborated at a UK-wide level to produce the first ever Strategic Skills Assessment for the entire creative industries sector across the UK which reveals much common ground.

These strategies build on a significant track record of success ranging from enhanced CPD provision and management and leadership training, to new apprenticeship routes and major developments in further and higher education. Indeed Skillset's unique approach to industry accreditation through the establishment of its Film and Media Academy network attracted significant long-term investment from the SFC, while CCSkills Creative Apprenticeships have created valuable new access routes into the sector for non-graduates.

In anticipation of the establishment of Creative Scotland in 2010, the Scottish Creative Industries Partnership Coordination Group (SCIP) was established in early 2009 to bring together Scotland's main public sector organisations to examine the opportunities to enhance the international competitive position of the sector. Skills development is crucial to this and SDS and the SFC are collaborating with the SSCs to develop a Creative Industries Skills Action Plan to foster a step-change in the way in which learning and skills development for Scotland's creative industries and practitioners are supported. Implementation of this plan will begin in late 2010.

**Financial and  
business  
services**

The financial services industry in Scotland continues to make a significant contribution to the economy and accounts for around 8% of the country's GDP. The global financial services industry is in a period of major change and the outcome of these changes present new challenges and opportunities for the industry here in Scotland. Our ability to positively exploit these opportunities will depend on our ability to provide a flexible, responsive skills base. The newly established Financial Services Skills Employer Council, together with the Financial Services Skills Council (FSSC) and SDS, will support the drive to take Scotland's financial services talent to world class levels by directly matching skills provision to the needs and priorities of Scotland's financial services sector.

**Food and  
drink**

The food and drink sector accounts for a significant part of the Scottish economy. Scotland Food and Drink, the Industry Advisory Group, has set out their ambition of reaching sales of £12.5 billion by 2017. Achieving this will require a wide range of skills, knowledge and expertise. The Food and Drink Skills Strategy Group will be supported in their development of a strategy to meet the skills needs of the sector. A Scotland Food & Drink National Skills Academy will be launched later in 2010 and will act as a key mechanism for stimulating latent demand for skills support within the sector.

**Life sciences** The Scottish Life Sciences Cluster is estimated to contribute £1.3 billion to the Scottish economy each year and has the potential for significant growth. The industry led Life Sciences Strategy sets out a vision for 2020 which looks to achieve critical mass in the life sciences sector in Scotland stating that Scotland will have *‘a globally oriented, sustainable, fully connected life sciences sector built on collaborative action that exploits strengths in scientific excellence, financial services and innovative business models and develops, retains and builds upon Scotland’s talents’*. In working towards this vision successful programmes have been implemented, such as Innovate with an Apprentice and Science Graduates for Work, and will continue to support skills development and use within the sector through the Industry Advisory Group and SSCs.

**Public sector skills** The public sector accounts for around one fifth of output in Scotland and around one quarter of total employment. This amounts to employment for over 600,000 people, with around 300,000 of these in local government and around 160,000 in the NHS, and covering a substantial range of vital skills. The pressure on public finances in Scotland will increase the demands on Scotland’s public sector workforce against the backdrop of a likely falling employee headcount. High concentrations of public sector employment within more remote parts of Scotland mean that reductions in public sector spending may have disproportionate impacts. This makes clear both the importance and challenge of maintaining high-quality public services that are responsive to local needs. To help achieve this the Scottish Government will work with local government and other public sector partners to ensure a flexible, responsive approach to skills development and use across the public sector as the implications of spending decisions evolve.

**High participation sectors** In Scotland there are a number of high participation sectors, including the retail, construction and care sectors which are crucial to our future economic success and employment prospects. The recession has impacted on these sectors in a number of ways. Through the recovery period it is likely that they will be subject to change, whether that be technological change, adapting to a new business environment, or taking advantage of new economic opportunities as they emerge. These changes will place new demands on skills and it is clear that the skills system must be responsive to these needs. The Alliance of Sector Skills Councils Scotland, individual SSCs and other industry bodies will have a key role in ensuring the strategic skills requirements and opportunities of these industries are made clear.

**Universities and the economy** New Horizons, the report from the Joint Future Thinking Taskforce on Universities, led to universities being recognised as Scotland’s seventh key sector in their own right. This is in part to acknowledge that the success of the other key sectors is dependent on the availability of high level skills. It is also an acknowledgement of the recent research that confirms the substantial contribution Scotland’s higher education sector makes to the Scottish economy. Investment in universities will continue

to develop the higher level skills, research and knowledge exchange that will drive forward innovation and higher rates of productivity and economic growth. For their part, Scotland's universities will continue to provide higher level skills training through undergraduate and postgraduate degrees; provide opportunities for advanced study and employment in a range of basic and applied research disciplines within the university sector; create an academic infrastructure which encourages scientific and technological inward investment; and stimulates innovation and growth through the creation of new knowledge and its application.

**University research** The university research base is of strategic importance to Scotland's future prosperity. The challenge is to improve the translation of knowledge from universities into Scotland's businesses. Scotland's universities have a strong track record in developing spin-out companies, although as yet few of these have grown to a significant scale. Recent initiatives supported by the SFC are attempting to stimulate greater demand from specific key sectors for the knowledge created by higher education institutions. Support will continue for SPIRIT, a new strategic knowledge exchange grant that offers different opportunities for the development of novel and collaborative approaches to knowledge exchange. The success of the SFC's Innovation Voucher Scheme will also be built upon by assisting the development of more new products and processes to benefit businesses, institutions and the Scottish economy.

**Knowledge exchange and innovation** The world class knowledge, ideas and expertise in universities, research institutes and colleges in Scotland can be used to stimulate innovation in businesses and public services and enhance competitiveness and growth. Key to translating Scotland's skills and research strength into economic success is the ability to commercialise. There are strong links between universities, research institutes, and colleges and Scotland's business base which are delivering real benefits for the economy. A recent survey<sup>11</sup> showed that income from commercialisation activity for Scottish Higher Education Institutions increased by 6% to £331 million between 2007-08 and 2008-09 while a separate independent report<sup>12</sup> highlighted the significant contribution made by the research institutes in the rural affairs and environment sectors in Scotland.

The supply of new knowledge and learning being produced does not, however, transfer automatically into commercialisation and higher productivity. Scottish businesses, dominated by SMEs, and the research community can find it difficult to engage effectively. The SFC, Scottish Enterprise and Highlands and Islands Enterprise will therefore work even more closely together to ensure improved alignment in the public sector approach to supporting knowledge exchange and innovation. The Scottish

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11 Higher Education - Business and Community Interaction (HE-BCI) survey (2010)

12 The Impact of Rural and Environment Research and Analysis Directorate (REERAD) Investment in Science, Report for the Scottish Government (2010)



Government is providing businesses with access to commercialisation support and help with leadership and management to recognise new commercial opportunities. A new Scottish Enterprise Innovation Service is helping businesses assess how to use innovation as a driver of competitive advantage while support will continue for services such as knowledgescotland, aimed at improving knowledge exchange between Scottish scientists and policy makers, and Interface, which seeks to stimulate innovation and match industry with the expertise, knowledge and research facilities available in universities and research institutes.

**Colleges and workforce training opportunities**

Scotland's colleges make a significant contribution to the range of training opportunities open to employers of all sizes across Scotland. A substantial part of the investment in colleges goes toward supporting this. Scotland's economic geography will change over the next decade. As businesses seek to take advantage of new economic opportunities, colleges will play a fundamental role in developing the skills and expertise that will be required to exploit them.

**Skills for ICT and broadband**

It is estimated that Information and Communications Technology (ICT) accounted for almost half of productivity growth in the European Union in the period 2000-2004. Scottish Government research from 2007 found that the economic impact of broadband to Scotland, by market sector Gross Value Added, was estimated to be £3.4 billion (2000 prices) higher than it would have been otherwise, as a result of broadband availability. The extent to which Scotland successfully exploits ICT, relative to our competitors, will be a significant factor in our ability to increase sustainable economic growth. The ICT skills (or 'e-skills') of individuals and businesses will be key to Scotland's exploitation of the ICT opportunity. At the individual level, an increasing number of jobs require ICT literacy but many businesses in Scotland are not sufficiently skilled exploiters of ICT. Individuals and businesses must be equipped with a greater understanding of the potential productivity improvements which can be realised through better and more efficient use of technology.

The Scottish Government recognise the developing policy on Next Generation Access (NGA) broadband that is emerging at the UK level and are aware of the increasing need to ensure that individuals and businesses in Scotland have the requisite skills to realise the full potential of NGA. There will be a requirement for skilled workers within the telecoms industry to be ready for the physical rollout of NGA in Scotland, as well as for skilled utilisation by consumers to maximise the opportunities which will be generated by the digital economy. Working with SDS the potential skills requirements will be identified and encouragement given to businesses to invest in the e-skills of their employees, whether through education or example of successful application, to ensure that the potential is fully exploited.

## Making better use of skills

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### Focusing on the workplace

Realising our economic aspirations, including improved productivity and growth, depends in part on having more confident, motivated and relevantly skilled individuals, aware of the skills they possess and how to best use them, engaged in workplaces that provide meaningful and appropriate encouragement, opportunity and support to develop and use their skills effectively. By focusing on the workplace, workforce skills development can be placed in its proper context, a context that brings together a number of key inter-related issues:

- raising the ambitions of firms;
- identifying the skills required to support business needs and investing in them as an integral element of a wider business development planning;
- developing ambitious, progressive and innovative leadership and management;
- encouraging employee engagement;
- encouraging workplace cultures that enable people to develop and best use their skills; and
- providing high quality, easily accessible information, advice and guidance to employers.

One of the ways to achieve this is to help employers with common interests to come together to learn and support each other. We look to Scottish Enterprise, Highlands and Islands Enterprise, SDS and the SFC to pilot, in partnership with Business Gateway and other relevant organisations where appropriate, new innovative approaches to help facilitate organisations (particularly SMEs) to come together in a variety of contexts, such as through cross-sectoral groups, sectoral or geographical networks, to address workplace-related issues.

### Leadership and management

A renewed focus on improving Scotland's leadership and management skills is a priority to increase productivity and growth in Scotland. Progressive and innovative leadership and management and employee trust and motivation are the key factors that enable the introduction of meaningful and sustainable workplace practices that enable people to perform at their best.

The influence of leaders and managers is extremely important. They can be key enablers supporting business productivity and growth, boosting survival and competitiveness while also helping business manage change in a period of significant business uncertainty. The development of progressive and innovative leadership and management is the issue that is common across all drivers of productivity, affecting how enterprising a firm is, how it innovates, invests, responds to competition and how well skills are used. If we want firms that are more ambitious, innovative and successful, more ambitious, innovative and successful leaders and managers are needed.

Working in partnership with relevant agencies, the Scottish Government will help progress the implementation of a framework for action to encourage ambitious, progressive and innovative leadership and management. The enterprise agencies are enhancing their leadership development support as an integral element of wider support to growing businesses and industries. They are also reviewing the range of leadership development support to ensure it remains responsive to business needs, including SMEs and micro businesses, in the current economic climate. We look to the enterprise agencies as the lead public sector agencies responsible for encouraging leadership development, working in partnership with other agencies and stakeholders, to encourage more business investment in leadership development.

**Employee engagement** Effective employee engagement is a prerequisite for building employee trust and motivation – a key factor in enabling effective skills use. It is about ensuring that *“employees are committed to their organisation’s goals and values, motivated to contribute to organisational success and are able at the same time to enhance their own sense of well-being”* by recognising people will only perform at their best when they are *“respected, involved, heard, well led and valued by those they work for and with”*<sup>13</sup>. Promoting effective employee engagement is integral to the efforts to encourage organisations to embrace workplace cultures that enable people to perform at their best.

**Effective skills use** Making more effective use of skills is of fundamental importance in leading Scotland back to a higher level of productivity and sustainable growth. This encompasses many elements including how well learning is transferred to the workplace setting, job design, organisational ambition and workplace organisation.

Scottish Enterprise, Highlands and Islands Enterprise and SDS are integrating support for effective skills use across their products and services. Messages about effective skills use will form part of their wider messages about business development and skills development. As well as helping firms to introduce effective workplace practices, Scottish Enterprise and Highlands and Islands Enterprise will also help them to better support leadership, management and employee engagement where appropriate.

We look to the SFC to ensure, through its funding to colleges and universities, a step change in:

- the delivery of learning and teaching to best enable the effective application of skills in the workplace; and
- knowledge exchange activities to help raise employer demand for skills by encouraging innovation and raising firms’ ambitions and competitiveness and by helping firms to introduce workplace practices that enable better skills use.

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<sup>13</sup> Engaging for Success: enhancing performance through employee engagement, Department for Business, Innovation and Skills (July 2009)

Similarly, we look to other public funders of skills development to ensure through their funding that skills are developed in ways that best enable their effective application in the workplace.

**Workforce development**

With around 70% of the workforce of 2020 already in place<sup>14</sup>, creating the conditions that encourage and support the development of those already in the workforce will be essential to Scotland's economic performance. Demographic change will have a profound impact on the profile of Scotland's workforce. Future success will increasingly depend on the capacity of organisations to identify and develop the skills required to support their business goals and to make effective use of the skills and experiences of their current employees. Employer investment in skills is complementary to tangible investments in plant, machinery and ICT – if these two types of investment are not properly linked, businesses may fail to realise the full potential benefit.

We will help progress the implementation of the framework for action developed by the Workforce Development Action Group to improve the accessibility, responsiveness and effective design of learning and business development services for employers and employees. Reporting to the Strategic Forum working group and the Skills Committee, the Action Group was established to bring together representatives from key partners to develop a more cohesive, visible and demand-led system. As a key move towards this, SDS will for the first time offer 5,000 flexible training places (as part of the overall training provision for 2010-11) specifically focused on the needs of businesses moving beyond the recession. This is an example of public sector investment being used smartly to generate employer investment in skills. With public resources tightening the Scottish Government will continue to develop innovative models of skills support to encourage greater employer investment in skills and training.

Qualifications have an important role in developing Scotland's workforce. We look to the SSCs to work with the SQA to support qualification development through production of their Sector Qualification Strategies and encourage more quality employer-led training to be included in the SCQF.

**Investors in People**

Investors in People (IiP) is an important enabler to the Scottish Government's ambition for high skill, high productivity, healthy workplaces that enable people to perform at their best. Recent research (Centre for Business Performance, Cranfield University) found empirical evidence showing that IiP enhances managerial capabilities, supports the development of an organisational learning culture and improves the effectiveness and concluded that *"the more companies embrace Investors in People, the better their performance will be"*. IiP's New Choices approach and new accreditation levels aligns leadership, management, employee engagement, development of people and workplace practices

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14 Leitch Review of Skills (2006)

to organisational/business strategy. Work will be undertaken to strengthen liP so that it becomes a more powerful tool to support our ambitions. We look to public agencies in Scotland to help raise awareness, where appropriate, of the important role liP can play in helping organisations to enable people to perform at their best.

## 5. SIMPLIFYING THE SKILLS SYSTEM

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Increasing the efficiency and effectiveness of public services must be a primary objective for the Scottish Government and any other public body. All of Scotland's skills providers – schools, colleges, universities, private training providers, Community Learning and Development, third sector and other providers – are part of one and the same learning system. Such a system must help individuals understand the relevance of their training, make effective progression in their learning, increase the opportunity to find sustained employment and to utilise their skills effectively.

Through partnership and the integration of activities a coherent, simple to use skills system will be developed that allows for additional flexibility to respond to the changing needs of individuals and employers and to the new challenges and opportunities in the wider economy. Together with partners the accessibility of skills advice and support for individuals and employers will be improved by increasing the integration of services, improving accessibility, providing better information, advice and guidance, reducing bureaucracy and improving standards.

To help simplify the skills system in Scotland the policy commitments include:

- developing a “no wrong door” approach within SDS and across other public sector agencies for skills support for both employers and individuals;
- rolling-out the integrated employment and skills services of Jobcentre Plus and SDS nationwide, ensuring easy access to skills assessments and careers advice, improving skills of the workforce and moving people more quickly into employment;
- redesigning the delivery of careers services to help people make informed decisions about their future learning and career pathways in ways that best suit their individual needs;
- developing an e-prospectus by December 2010, providing 16-19 year old learners, parents, those who care for young people and professionals who support young people, with a consistent way of accessing accurate and up-to-date information on learning, training, volunteering and information on the full range of potential opportunities available to them;
- examining options for further simplification of funding of employability and skills support at the local level;
- promoting a system of SSCs that works for Scotland, ensuring alignment around the Industry Advisory Groups and Third Sector Skills Partnership with enhanced foresight on Scotland's strategic skills requirements;
- continuing to work with the SCQF Partnership to provide a simple system of access to education and training and recognition of qualifications; and
- considering further options for supporting the establishment of Skills Gateways.

## Simplification for individuals

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### **Integrating employment and skills services (IES)**

In *Skills for Scotland* we expressed the intention to “encourage the integration of employment and skills services to facilitate the journey individuals make from long-term unemployment to sustained employment and in-work progression”. The aim to develop an integrated career guidance and employment vacancy service for unemployed adults resulted in an enhanced working relationship between SDS and Jobcentre Plus Scotland. Such a service would eventually come to embrace all the services, at both a national and local level, that were able to help individuals into sustained and rewarding employment.

In February 2009 the first phase of IES pilots in Scotland was announced. The pilots covered twenty locations across all six Jobcentre districts and were evaluated positively as having enhanced the customer experience in those areas.

Complete national coverage was achieved in August. This work focuses on Jobseekers Allowance claimants who have been seeking work for 13 weeks. This further element of the Economic Recovery Plan will make it easier for clients to access the training, careers advice and employment support that can speed up a return to work. National coverage is a crucial step forward for employability and skills policy in Scotland at a time when the support provided is needed most. It is clear that more can be done and options to enhance collaboration between SDS and Jobcentre Plus to improve support for unemployed people across the country will be examined.

### **Information, advice and guidance**

The Scottish Government has made clear the intention for young people to stay in learning post 16, in the context of a wider commitment to young people through Building the Curriculum 3 entitlements and the commitment to improve support for those affected by recession.

The pursuit of sustainable economic growth requires us to promote high quality training, learning and employment opportunities. However, it also demands that we encourage and help people to access support in a manner that is right for them, including giving more intensive support to those who need most help and to those employed in smaller workplaces that are less likely to provide training for staff.

High quality Career Information, Advice and Guidance (IAG) has an important role in helping people to understand their skills and in enabling them to progress in their career through on-going decisions in learning and work. The Scottish Government is committed to the universal delivery of Career IAG, including more intensive support for those that need it most. The Scottish Government will publish a Career IAG Strategy by the end of 2010, outlining how careers services will be delivered in the future, through a variety of delivery channels, including better use of new technology. The

strategy will highlight the contribution Career IAG can make to delivering sustainable economic growth for all by helping individuals to make better career decisions.

Key developments will include SDS's new approach to Career IAG delivery - Career Management Skills - a framework for career self-management, underpinned by Curriculum for Excellence principles, that will encourage people to develop career management skills and to use these in learning, work and personal environments.

In providing careers information, advice and guidance for individuals, it is important that this is well informed through insights from the world of work. SDS will continue to work with SSCs and other industry bodies to feed these insights to career practitioners; this includes sector-based events, sharing Labour Market Intelligence and understanding career pathways within the sectors.

**The e-prospectus** Providing the right choices and chances to young people is central to our overall Purpose of sustainable economic growth, with opportunities for all to flourish. As part of effective information, advice and guidance provision, and to inform and drive choice, young people should be able to find out, on-line, what opportunities are available to them. This will be achieved through the development of an e-prospectus. The overarching aim of the e-prospectus is to improve the volume and quality of information available to learners to enable them to make the right post-16 learning choice.

By December 2010 – the timescale for 16+ Learning Choices rollout – there will be an e-Prospectus of 16+ Learning Opportunities, including college, National Training Programmes and volunteering provision. It will sit alongside the information currently provided by UCAS and individual institutions in the further and higher education sectors.

The e-Prospectus will provide all 16-19 learners, parents, those who care for young people and professionals who support young people, with consistent access to accurate and up-to-date information on a wide range of potential opportunities, in one place, reducing the need to navigate different information sources for different opportunities. The tool, a subset of information held on the National Learning Opportunities Database (NLOD), will also be of use to the guidance community in signposting learners to potential opportunities.

**Simplification at local level** Community Planning Partnerships are fundamental to achieving Single Outcome Agreements across all local authority areas in Scotland. Each local authority faces its own unique challenges which impact on labour market participation and social equity. The use of local solutions for local problems will continue to be supported and options for further simplification of funding and the provision of skills and employability



support at the local level will be examined. In particular the Scottish Government will work with CPP employability and More Choices More Chances partnerships to ensure a closer engagement between their work and that of SDS around commissioning.

## **Simplification for employers**

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**No wrong door** It is important that employers as well as individuals have a clear understanding of what services they can expect and from whom when they are looking to get help in finding work, or skills and training support. It is clear that some employers, particularly SMEs, still have difficulty engaging with the skills system. The development of Skills Gateways by SDS across the key sectors will help improve access to relevant information and services for employers, individuals and training suppliers. SDS will complement this with additional measures to ensure that engagement across all entry points, whether by telephone, web or other mechanism, is simple and effective and can immediately respond to the needs of employers. The concept of the “no wrong door” approach will also be promoted beyond SDS. The Scottish Government, through the Strategic Forum, will take the lead role in simplifying and better coordinating the services and support available across all the key public agencies providing support to employers.

**Less bureaucracy, better information** Information, advice and guidance to employers should be readily available and understood. Too many employers, particularly SMEs, are frustrated by the complexity they encounter in accessing the right information about skills at the right time in the right format. It can be difficult for employers to know where to start looking for information without a prior detailed knowledge of the institutional landscape.

The SDS Corporate Plan for the three-year period to 2012 contains the goal to ‘make skills work for employers’. This will be taken forward through the Skills Gateways and employer skills service, which will provide a single point of contact for employers seeking to improve their use of skills. In partnership with SSCs, key sector employers including SMEs, and the third sector, SDS will identify industry needs for skills and use this to improve the skills and learning system, including informing programmes.

**Business-led skills solutions** The Scottish Government is committed to developing skills solutions in partnership with businesses and the education sector. We do not want to import or impose a one-size-fits all approach, rather we are seeking to build on existing relationships and structures to develop skills solutions that reflect the particular needs of a sector.

In the food and drink sector the SFC, SDS and Scottish Enterprise have provided support for the establishment of a Scotland Food and Drink National Skills Academy, which is helping to provide the industry with the training it needs to develop the skills of employees to drive the productivity and competitiveness of the sector. In the creative industries, SFC is

investing £5.8 million over five years from 2009-10 in Skillset's Screen & Media Academies which will develop specialist facilities and support growth of postgraduate places on new and improved Masters courses.

Looking forward, the SFC and SDS will continue to work with the SSCs and other industry bodies to consider further options for supporting the establishment of sector-led skills solutions where they help us to fill any gaps in existing provision. These developments will be led by employers, working with government and training providers, to shape the training and qualifications that will help them compete in global markets.

**UK-wide skills bodies** The UK Government has been clear in its aim to reduce the number and cost of its arms-length public bodies. The Scottish Government has been in discussions with Whitehall departments to influence the future shape and purpose of the UKCES, particularly its role in managing SSCs and the Investors in People Standard. The need to review the existing structures to ensure best value for money is fully understood but the benefits derived from co-operating across the UK must be maintained. The Scottish Government will continue to work to ensure that emerging structures deliver effectively for Scotland.

**Employer engagement** A number of publicly funded organisations in Scotland are involved in employer engagement, planning, funding, performance management and quality improvement. This engagement is vital but the process must be simple and efficient. SDS has worked closely with Scotland's employer representative organisations and the SSCs to develop approaches to ensuring that the needs of employers are reflected in its products and services. Recently this has included SSCs, Federation of Small Businesses Scotland, Scottish Chambers of Commerce and Scottish Council for Development and Industry providing guidance to SDS in the initial development and promotion to their respective memberships of the Flexible 5000 training opportunities, and the Step Forward Scotland programme. The continued development of these relationships between employers and the skills system is central to the success of this strategy.

The SSCs, working with the Alliance of Sector Skills Councils Scotland and Industry Advisory Groups where appropriate, should further develop and support effective clustering around Scotland's key sectors and high-participation sectors. The SSCs should also continue to work closely with the SQA to develop qualifications that meet the needs of Scotland and are, where possible, included within the SCQF. Regular engagement is also expected with employers to review and revise National Occupational Standards and Modern Apprenticeship frameworks to keep pace with sectoral change.

### **Better Labour Market Intelligence**

It is clear that the skills system must have the flexibility to respond quickly and effectively to labour market challenges, as has been evident over the last 2 years. Flexibility is also needed to both anticipate and deliver the strategic skills requirements to respond to future economic opportunities. Improving the quality, reliability and understanding of Labour Market Intelligence (LMI) at a national, regional and local level is a key priority. We look to SDS to continue to work with the SSCs and other industry bodies to develop a stronger evidence base across the key sectors. A new LMI Framework will be established which will bring key stakeholders and partners together to strategically examine current LMI, future needs and opportunities, and identify options for improvement. This framework will also formalise the roles and responsibilities of key stakeholders in the provision of national, regional, local and sectoral LMI.

### **New Horizons and the Tripartite Advisory Group**

Since the publication of *New Horizons* in 2008 (the report from the Joint Future Thinking Taskforce on Universities), the SFC has established new funding streams for universities (the General and Horizon Funds) and is working to ensure that its funding is better aligned with the principles of *New Horizons* and the Government Economic Strategy. This includes funding a number of direct initiatives to encourage business engagement with the work of universities, such as Interface and Innovation Vouchers, as well as funding skills supply and knowledge creation.

*New Horizons* has also led to the establishment of the Tripartite Advisory Group (TAG). TAG will promote a more open and direct relationship between the Scottish Government, the SFC and Universities Scotland. It will act as a forum for the university sector to offer its views on how the SFC's new funding arrangements are working and on how quickly it is moving to a "lighter touch" approach and giving universities the autonomy they need to innovate and develop.

## **Ensuring quality, recognition and effective progression**

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### **Quality inspection and labelling**

Information about the quality of the education and skills system in Scotland must be simple and provide learners with sufficient detail to enable them to make an informed choice over what is right for them. Colleges and universities already provide information, at varying levels of detail, on the quality of learning and teaching available at each institution. It is clear that this could be strengthened across the system. The models identified and recommended by the UKCES will be examined with a view to considering a new public performance framework built around outcomes, impact and quality for courses offered by Scotland's colleges and other learning and training providers.

**Qualifications,  
progression and  
transitions**

Support will continue for the use of the Scottish Credit and Qualifications Framework to help people gain credit for learning in varying contexts and to use this as a basis for progression into further learning or work. The SCQF is well established across Scotland and an increasing number of qualifications delivered in Scotland are within the framework. The SCQF will continue as the framework for articulation agreements between colleges and universities, enabling learners to attain higher level skills faster. We will look to the SFC to work with colleges and universities to promote initiatives such as the Scottish Wider Access Programme (SWAP) and improve access to higher education for mature students throughout Scotland.

The UK Vocational Reform Programme is a UK-wide programme introducing changes to the way vocational qualifications are developed. Changes to the vocational qualification system in other parts of the UK are beginning to have an impact in Scotland. Focus on populating the Qualifications and Credit Framework for England, Wales and Northern Ireland has led to a decrease in activity to update and develop Scottish vocational qualifications. A Scottish Vocational Qualification Board, a sub-committee of the SFC's Skills Committee, has been created to consider how reform is impacting on Scotland and how we should respond to mitigate against any risk to the quality and integrity of the Scottish system of vocational qualifications. We look to the SSCs to ensure that they continue to develop qualifications that meet the needs of Scotland and, where appropriate, are developed within the SCQF.

## 6. A PARTNERSHIP APPROACH

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In the current financial climate it is vital that we work harder than ever to strengthen partnerships and collaborative working to achieve more with less and deliver better outcomes for individuals and employers. It is clear that partnership and collective responsibility between the Scottish Government, local government, public bodies, employers, business organisations, the STUC and trade unions, Industry Advisory Groups, SSCs, trade and professional bodies, learning and training providers and individuals is key to achieving our economic aspirations of higher productivity and increasing sustainable economic growth. Innovative ways of working together are required to improve the efficiency, quality and, crucially, the impact of skills and training.

Working with employers, the organisations supporting them, and with trade unions demand for skills can be identified and stimulated, both supporting the drivers of and removing the barriers to long-term sustainable economic growth. Strong partnerships and collaborative working will help reduce duplication, increase integration and ultimately improve the support services available to individuals and employers and the outcomes arising from them.

To help strengthen the partnership approach to skills the policy commitments include:

- encouraging a transformational change in the alignment between public, private and third sector partners to increase the collective impact on the Economic Strategy, particularly with respect to growth in the key sectors;
- a renewed focus through the delivery of the SDS Corporate Plan on improved local service provision through Service Delivery Agreements;
- improving the linkages between colleges and local businesses;
- promoting increased university research collaboration and international links;
- supporting the role of Community Planning Partnerships in planning and delivering local employment and skills support services;
- working with employers, the STUC and trade unions and other partners to encourage more collaboration and collective action in Scotland to help increase workforce development, improve skills use, and create more high skill, high performance workplaces;
- supporting the linkages between the new Third Sector Skills Partnership and skills and qualification bodies; and
- hosting an annual skills and training summit to engage with all key stakeholders and ensure Scotland remains a strong, skilled, confident nation.

### National Performance Framework and Single Outcome Agreements

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#### Alignment across the public sector

The National Performance Framework sets out the ambitions for a greater alignment of work in the public sector, greater partnership working and a more outcome based approach. The Framework also sets out the expectations for the entire public sector in Scotland – Scottish Government, local government, NHS, agencies and other organisations – to contribute to one overarching purpose of sustainable economic growth, with all performance management systems well aligned to a single, clear and consistent set of priorities.

**Single  
Outcome  
Agreements**

The Scottish Government and Scotland's local authorities share an ambition to see Scotland's public services working together with private and third sector partners to improve the quality of life and opportunities for people across Scotland. Single Outcome Agreements (SOAs) are an important part of this drive towards better outcomes. They are agreements between the Scottish Government and Community Planning Partnerships which set out how each will work in the future towards improving outcomes for the local people in a way that reflects local circumstances and priorities, within the context of the Scottish Government's National Outcomes and Purpose. All outcome agreements are uniquely shaped to reflect the needs and circumstances of the areas they cover and this same localised approach is required for skills development.

**Strategic  
Forum**

The role of the Strategic Forum is to promote more effective collaboration and alignment between members – Scottish Government, SDS, Scottish Enterprise, Highlands and Islands Enterprise, the SFC and Visit Scotland – and to enable Ministers to give strategic direction in accordance with our Economic Strategy. Going forward we will look to the Forum as a key player in monitoring progress towards stronger partnerships and collaborative working across the public sector. The Skills Investment Plans for the key sectors are a key mechanism for strengthening alignment in public sector delivery to support industry-led growth.

## **Partnerships across the skills system**

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**Skills  
Development  
Scotland**

SDS is developing models of delivery which will combine all the benefits of a single national body – in terms of increased cohesiveness, scale and efficiency – with an improved local responsiveness to the demand for skills, to support local economic development and improved employability.

SDS is engaged in a wide range of partnerships, operational and strategic, at a local, regional and national level. For example, new Service Delivery Agreements are being developed with local authorities in recognition of their crucial role in skills development, as well as their role as the lead body for CPPs. The service delivery agreements are designed to enable SDS to work with local authorities to deliver local outcomes in line with SOAs.

SDS continue to develop and enhance these partnerships to change the way in which the people of Scotland learn, develop and utilise their skills, and to help businesses and organisations of Scotland build their own capabilities and put these skills to most productive use. The Corporate Plan for 2009-12 clearly sets out how SDS aims to bring greater alignment in the delivery of information advice and guidance on skills and learning and specific skills provision.

**Scotland's schools, colleges and universities**

Partnership working is central to Curriculum for Excellence and links between schools (through local government), colleges, and universities with employers and other education and skills providers is key to its successful delivery. By working with employers and other partners they can help to bring life to learning and learning to life through contextualised learning: making it more relevant and engaging for young people.

We will look to colleges and universities to build on the strong partnerships already established, ensuring they can continue to respond quickly and flexibly to employer demand and new economic challenges or opportunities.

Colleges and universities should continue to develop partnerships with their local communities to address local issues. This will include closer alignment with CPPs and stronger links with schools, employers, professional bodies, other colleges and universities, and other local partners. Similar partnerships should also be strengthened at a national level and beyond.

For universities, this will include greater emphasis on research pooling, introduced by the SFC to encourage greater collaboration between networks of researchers to help build critical mass, and more international links and collaborations that strengthen Scotland's international profile as a leading learning nation, renowned for our research and innovation. The Memorandum of Understanding signed in April 2009 between the China Ministry of Health Talent Centre, Asiapharm and the University of Edinburgh (in conjunction with NHS Scotland) for a collaborative training programme for key hospital managers and pharmacists in China is an example of what can be achieved.

There are excellent examples of strategic partnerships developing between universities, research institutes and businesses across the food, health, environment and rural sectors in Scotland. These partnerships provide real benefits to the sectors and provide a strong foundation to build upon.

**Employability support**

Unemployed people, particularly those who have been unemployed for some time, often face multiple barriers to employment including those relating to skills, health, benefits and childcare. Established in 2009, the Scottish Employability Forum brings together the Scottish Government and key partners including COSLA, Scottish Local Authorities Economic Development (SLAED), Jobcentre Plus, SDS, NHS Scotland, STUC, the third sector and employers to work together to remove barriers at a national level.

The Forum is supported and informed by the National Delivery Group comprising local employability partnerships and others to provide a more coherent, joined-up framework to deliver employability services at a

local level. These partnerships have been developed with the Scottish Government and local government support and all sit within the framework of Community Planning. In the past year the Scottish Government has worked closely with the Scottish Council for Voluntary Organisations and others in the third sector to develop the Third Sector Employability Forum. This group will seek to develop employability support across the third sector and to enhance the work of the Scottish Employability Forum through a clearer articulation of the challenges faced by the sector in its work on employability.

The Scottish Government will continue to engage and support the Scottish Employability Forum, the National Delivery Group and the Third Sector Employability Forum to ensure that those delivering services directly to people seeking to move into work are supported to provide interventions that equip clients to compete effectively in the labour market.

**Third Sector** The third sector makes a strong contribution to building a successful Scotland. The third sector can play a lead role in promoting sustainable economic growth, not only through many organisations' primary purpose, but through the way in which these organisations are run. The third sector can lead the way in giving equal weight to income generation and sustainability. The new Third Sector Skills Partnership will continue to champion third sector skills in Scotland and engage with the skills and qualifications agencies at a strategic level to ensure the needs of the third sector workforce are fully accounted for in their planning and delivery. The third sector has a crucial role in addressing local issues and building strong, sustainable communities across the country. Through the local third sector interface the connection between the third sector, local authorities and CPPs is being improved to help ensure that Single Outcome Agreements are delivered in the most effective way.

**Modern Apprenticeship Group** Modern Apprenticeship Frameworks in Scotland are developed by SSCs following consultation with employers. The frameworks are based around National Occupational Standards as set by the industry plus any additional training requirements highlighted by employers. When the drafting process is completed by the SSC, all new or revised frameworks are submitted for approval to the Modern Apprenticeship Group (MAG).

MAG, comprising representatives from Scottish Government, SDS, the Scottish Qualifications Authority, the Alliance of Sector Skills Councils Scotland, Scottish Training Federation, Scotland's Colleges and the Scottish Trades Union Congress, ensures that Modern Apprenticeship frameworks meet set standards, keep pace with industry and occupational change and, where possible, have core skills embedded into the learning and teaching of the framework. All new MA frameworks are to be credited and levelled against the SCQF as of January 2010.



Over the last 18 months the first apprenticeships at SVQ levels 4 and 5 (SCQF levels 8 and 9) have been approved, ensuring the wider availability of high quality and multi-level apprenticeship frameworks in Scotland. Opportunities for the further development of this will be considered.

**Private training provision** Private Training Providers are a key partner in fulfilling the aim of developing the potential of people across Scotland. Private Training Providers represent a very diverse sector in Scotland. They can provide the hard edged skills both individuals and employers need, but they can also develop confidence, self esteem and reinforce self worth which can be used as a springboard for bigger and better things. This also provides a strong base of support for employers and communities to draw upon. The Scottish Government will continue to promote the contribution of training providers who are well placed to encourage investment in skills development by both individuals and employers.

**Promoting partnership working** The Scottish Government is determined to engage with partners in local authorities, enterprise networks, the third sector, business community, unions and colleges and universities to ensure that Scotland is an attractive environment for investment, with the skilled workforce and quality infrastructure required for success.

The April 2010 skills and training summit, *Skills: Scotland's Opportunity*, brought together key partners from the public, private and third sectors to look at options for increasing the opportunities for individuals and businesses to develop and use skills as best they can. Given the success of this and previous events the Scottish Government will host a Skills and Training summit on an annual basis, allowing us to continue to work with partners to ensure Scotland remains as a strong, skilled and confident nation.

## 7. IMPLEMENTATION

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There is a collective responsibility for implementing this strategy. To varying degrees, responsibility lies with employers, individuals, all learning and training providers, the Scottish Government, local government, SDS, the SFC, enterprise agencies, the SQA and SCQF, the third sector, trade unions, SSCs and Industry Advisory Groups. In times of constrained public sector resources it is clear that only by strengthening this collective responsibility and by delivering a new approach to partnership working, focused on agreed strategic priorities, can we make the steps necessary to realise our economic aspirations.

### Monitoring and evaluation

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**Skills Committee** The Skills Committee will continue to provide a platform for skills policy development and interventions in Scotland, enabling the SFC, SDS and other partners to deliver change by taking forward and overseeing the implementation of the key priorities and actions identified in this strategy which are relevant to their remit. Its broad membership, including representatives from learning providers, business, trade unions and others will continue to ensure that its advice draws on a wide range of expertise in Scotland and beyond.

**Reporting** Progress towards the ambitions for skills will continue to be monitored and reported at regular intervals on the Scottish Government website. Progress towards the National Training Programme targets for 2010-11 will be reported by SDS. These are:

- 15,000 Modern Apprenticeship places;
- 14,500 training places between the Get Ready for Work and Training for Work programmes to support the unemployed; and
- 5,000 flexible training places to support businesses.

In addition SDS will also monitor progress towards the additional 5,000 all-age Modern Apprenticeships, and 800 targeted pathway places for 16 and 17 year olds, which all include ESF funding.

### Equalities Impact Assessments

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**Equality** This strategy continues to be a framework that sets out the expectations on how all the constituent parts of Scotland's education and learning systems can strengthen their contribution towards a more skilled, more successful and fairer Scotland, with better employment opportunities, higher productivity, and increasing sustainable economic growth. In implementing this strategy and promoting a fairer, more inclusive Scotland we will, together with partners, continue to recognise people's differing needs, situations and goals and work to remove the barriers which restrict progress.

An initial equalities impact assessment has been published alongside this strategy and looks in more depth at barriers which may exist for various groups affected by the commitments made and sets out the approach to ensuring that, as far as possible, these barriers are addressed as the strategy is implemented.

## **Environmental sustainability**

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**Greener Scotland** A Greener Scotland – improving our natural and built environment and the sustainable use and enjoyment of it – is a strategic objective of the Scottish Government. This skills strategy sets out the ambitions for skills development in Scotland and the contribution that these skills make to improved labour market participation, productivity and economic growth. Increasing the number of people in employment adds to the productive capacity of our economy and makes better use of the human capital potential. It also improves the standard of living of those moving into employment and supports a more equitable distribution of the benefits of growth. In implementing this strategy the Scottish Government will promote new innovative approaches to improve the sustainability of training provision and ensure that skills policies and programmes are appropriately positioned to help maximise the opportunities presented through Scotland’s transition to a low carbon economy.

# APPENDIX – REALISING OUR AMBITIONS FOR SKILLS IN SCOTLAND

Skills Priority				
Supporting Purpose Targets		Supporting Purpose Targets		
Growth	Productivity	Participation	Solidarity	Cohesion
<p><b>1. Empower all of Scotland's people to ensure they have the right advice, support and opportunities to acquire the skills and attributes to both contribute to and benefit from future economic success</b></p>				
<p><b>Key Actions</b></p> <p>Invest £1.77 billion in further and higher education in 2010-11            Ensure college programmes are responsive to local economic need            Provide over 40,000 training opportunities in 2010-11            Roll-out 16+ Learning Choices by December 2010            Support the long-term unemployed to enter the labour market            Integrate employment and skills services            Supporting the role of the Community Planning Partnerships            Improve learning opportunities for offenders, particularly women who have difficulties in accessing gender specific services</p>				
<p><b>What we want to achieve</b></p> <p>Higher qualification levels for young and older people            Increased levels of employability for young people            Higher rates of engagement with employment and skills services            Higher employment rates for hard to reach groups and areas of disadvantage            Reduction in the number of working age people with severe literacy and numeracy problems            Increase in post-16 learning            Reduction in reconviction rates            Improved productivity</p>				
<p><b>Supporting National Outcomes</b></p> <p>We realise our full economic potential with more and better employment opportunities for our people            We are better educated, more skilled and more successful, renowned for our research and innovation            Our young people are successful learners, confident individuals, effective contributors and responsible citizens            We live longer, healthier lives            We have tackled the significant inequalities in Scottish society            We have improved the life chances for children, young people and families at risk            We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others</p>				
<p><b>2. Support employers by better understanding and assessing the skills they need for future success, and ensuring that the supply of skills, training and qualifications can be responsive to these needs</b></p>				
Supporting Purpose Targets		Supporting Purpose Targets		
Growth	Productivity	Participation	Cohesion	Cohesion
<p><b>Key Actions</b></p> <p>Provide 5,000 flexible training places in 2010-11 to respond to business needs            Ensure Sector Skills Councils and Industry Advisory Groups work together to advise on the future skills needs of businesses            Ensure the key sectors have access to skills they need for growth            Invest in colleges to provide intermediate and higher level skills            Invest in universities to provide higher level skills and further develop research and knowledge exchange with Scottish businesses            Promote leadership development among Scottish businesses through the Enterprise Agencies            Stronger promotion of workforce development.</p>				
<p><b>What we want to achieve</b></p> <p>More employer investment in skills and more and better jobs            Reduction in skills gaps and skills shortages reported by employers            More ambitious, progressive and innovative leadership and management            More high skilled, high productivity, healthy workplaces that enable people to develop and use their skills effectively            Increased flexibility in skills to respond to new economic challenges and opportunities            Improved commercialisation of research and development            Improved productivity, innovation and growth</p>				
<p><b>Supporting National Outcomes</b></p> <p>We live in a Scotland that is the most attractive place for doing business in Europe            We realise our full economic potential with more and better employment opportunities for our people            We are better educated, more skilled and more successful, renowned for our research and innovation            We live in well designed, sustainable places where we are able to access the amenities and services we need            Our public services are high quality, continually improving, efficient and responsive to local people's needs</p>				

Skills Priority					
<p><b>3. Deliver a more coherent and easy to understand skills system, ensuring that the primary focus of skills and training provision is on giving individuals and employers the skills support, advice and opportunities that are right for them at the right time to achieve success for themselves and for the economy</b></p>					
Supporting Purpose Targets					
Growth	Productivity	Participation	Solidarity	Cohesion	Sustainability
<p><b>Key Actions</b></p> <p>Develop a "no wrong door" approach within SDS and other public sector agencies for skills support and services for both individuals and employers</p> <p>Roll-out an integrated employment and skills service</p> <p>Redesigning the delivery of careers services to help people make informed decisions about their future learning and career pathways in ways that best suit their individual needs</p> <p>Develop an e-prospectus by December 2010</p> <p>Examine options for further simplification of funding employability and skills support at the local level</p>					
<p><b>What we want to achieve</b></p> <p>Higher skill level of workforce to match the job opportunities in Scotland</p> <p>Higher rates of individual and employer engagement with skills services</p> <p>Better outcomes from engagement with skills services for individuals and employers</p> <p>Increased flexibility in skills provision to respond to new economic challenges and opportunities</p> <p>Improved public sector efficiency</p> <p>More and better jobs</p> <p>Improved productivity and growth</p>					
Supporting National Outcomes					
<p>We live in a Scotland that is the most attractive place for doing business in Europe</p> <p>We realise our full economic potential with more and better employment opportunities for our people</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation</p> <p>Our young people are successful learners, confident individuals, effective contributors and responsible citizens</p> <p>We live in well designed, sustainable places where we are able to access the amenities and services we need</p> <p>We reduce the local and global environmental impact of our consumption and production</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs.</p>					
<p><b>4. Strengthen partnerships and collaborative working to reduce duplication and improve the sharing of services and integration of activities</b></p>					
Supporting Purpose Targets					
Growth	Productivity	Participation	Cohesion	Sustainability	
<p><b>Key Actions</b></p> <p>Renewed focus from SDS on improving local service provision</p> <p>Improve partnerships between colleges and local businesses ensuring learning programmes are aligned with local economic needs and opportunities</p> <p>Promote increased university research collaboration and international links</p> <p>Work with employers to strengthen partnerships and collective action to increase workforce development and effective skills use</p> <p>Support the role of the Community Planning Partnerships</p> <p>Host an annual skills and training summit to engage with businesses, the third sector and other key partners</p>					
<p><b>What we want to achieve</b></p> <p>More efficient skills services which are responsive to local needs</p> <p>More employers investing in workforce development and greater skills use</p> <p>Improved levels and use of leadership and management skills</p> <p>Improved knowledge transfer from research activity in universities</p> <p>Improved public sector efficiency</p> <p>Reduction in our overall ecological footprint</p> <p>Improved productivity, innovation and growth</p> <p>More and better jobs</p>					
Supporting National Outcomes					
<p>We live in a Scotland that is the most attractive place for doing business in Europe</p> <p>We realise our full economic potential with more and better employment opportunities for our people</p> <p>We are better educated, more skilled and more successful, renowned for our research and innovation</p> <p>We have strong, resilient and supportive communities where people take responsibility for their own actions and how they affect others</p> <p>We reduce the local and global environmental impact of our consumption and production</p> <p>Our public services are high quality, continually improving, efficient and responsive to local people's needs</p>					

# GLOSSARY

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Adult Literacy and Numeracy (ALN)  
Community Learning and Development (CLD)  
Community Planning Partnership (CPP)  
Continuous Professional Development (CPD)  
Convention of Scottish Local Authorities (COSLA)  
Curriculum for Excellence (CfE)  
Education Maintenance Allowance (EMA)  
Energy Assistance Programme (EAP)  
English for Speakers of Other Languages (ESOL)  
European Qualifications Framework (EQF)  
European Social Fund (ESF)  
Financial Services Skills Council (FSSC)  
Get Ready for Work (GRfW)  
Government Economic Strategy (GES)  
Highlands and Islands Enterprise (HIE)  
Individual Learning Account (ILA)  
Industry Advisory Groups (IAGs)  
Information Advice and Guidance (IAG)  
Information and Communications Technology (ICT)  
Integrated Employment and Skills (IES)  
Investors in People (IiP)  
Labour Market Intelligence (LMI)  
Local Employment Partnership (LEP)  
Modern Apprenticeship Group (MAG)  
National Delivery Group (NDG)  
National Learning Opportunities Database (NLOD)  
National Performance Framework (NPF)  
Next Generation Access (NGA)  
National Health Service (NHS)  
Partnership Action for Continuing Employment (PACE)  
Sector Skills Council (SSC)  
Scottish Credit and Qualifications Framework (SCQF)  
Scottish Employer Service (SES)  
Scottish Enterprise (SE)  
Scottish Funding Council)  
Scottish Local Authorities Economic Development (SLAED)  
Scottish Qualifications Authority (SQA)  
Scottish Trades Union Congress (STUC)  
Scottish Wider Access Programme (SWAP)  
Single Outcome Agreements (SOAs)  
Skills Development Scotland (SDS)  
Small and Medium-sized Enterprises (SMEs)  
Strategic Priority Investment in Research and Innovation Translation (SPIRIT)  
Training for Work (TfW)  
Tripartite Advisory Group (TAG)  
UK Commission for Employment and Skills (UKCES)  
Universities and Colleges Admissions Service (UCAS)  
Volunteer Development Scotland (VDS)

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