

skills for Scotland

A LIFELONG SKILLS STRATEGY



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Statement on Equality

On 9 June 2007 it was announced that Scottish Ministers would develop a Skills Strategy for Scotland to be produced within the first 100 days of the new administration. The production of this Skills Strategy has afforded us the opportunity of setting out our ambitions for skills, in a lifelong learning context, from cradle to grave. In keeping with both our voluntary and statutory commitments, this Strategy has the promotion of equality of opportunity and the elimination of discrimination at its core.

This Strategy is a framework to show how all of the constituent parts of our education and learning systems can contribute to giving Scotland a skills base that is world class. As well as aiming to promote equal access to and participation in, skills and learning for all, we will aim to recognise people's different needs, situations and goals and remove the barriers that limit what people can do and can be. We will expect our partner organisations to do the same.

Each part of the Strategy covers very specific target groups from early years through to adulthood. In order to consider fully the equalities implications of each policy area on its relevant audience, we will ensure that each programme underpinning this Strategy will be equality impact assessed across six strands (race, disability, gender, sexual orientation, age and religion/faith) and monitored thereafter to make sure that they are appropriate, to mitigate against any potential negative impact and to ensure that our policies are as robust and effective as they can be for as many people as possible.

We will engage actively with our partners, stakeholders, target groups and individuals in order to evaluate the needs and experiences of the communities that they serve. This process will allow us to develop constructive and informative links with a range of equality constituencies and improve our knowledge and understanding of equality issues. Through monitoring the impact of our policies we will be able to refine and adapt them to meet the specific needs of our target audience thus ensuring that each individual has the opportunity to reach their potential.

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ministerial foreword



Scotland's greatest asset is our people. We want to build a self-confident, outward looking Scotland - an ambitious nation with opportunities for everyone to contribute and benefit and make a positive contribution to Scotland's prosperity. Investing in our people's skills, ensuring that skills contribute as much as possible to sustainable economic growth, is central to unlocking our potential.

A smarter Scotland is at the heart of everything we want to achieve for this country. We can only build a Scotland that is wealthier and fairer, one that is healthier, safer, stronger and greener, if people are equipped with the skills, expertise and knowledge for success. This Strategy sets out what our objectives need to be to develop a cohesive lifelong learning system centred upon the individual but responsive to employer needs.

To achieve our vision we need to work with all of our key partners, delivery agents and employer representatives.

We need successful learners, confident individuals, responsible citizens and effective contributors to build a smarter Scotland. We need effective early intervention, schools with the highest standards, excellent universities and colleges and quality informal learning and vocational opportunities for all. We need individuals to take more ownership for their own development and a system that identifies people who need extra support and ensures that support is there. We need a system for developing skills that meets everybody's needs and aspirations and equips individuals with skills that are flexible enough to meet the needs of today and respond to the demands of tomorrow.

This Government will provide clarity and simplicity in skills provision in Scotland by bringing focus to the range of public agencies involved in skills and lifelong learning development.

We need both a skilled population and an economy and society that makes full and productive use of these skills. This will be one of our central planks to building a wealthier Scotland and should be seen in the context of our developing new economic approach. We need a Scotland that is truly demanding of our education and training systems. We need employers that demand, value and make best use of the their workforce's skills. We need to improve employability skills for those without jobs. We need to ensure that everyone can see clear and tangible benefits from investing in their own development and that of their workforce, which is why this Strategy must and will connect seamlessly into what we are doing to redefine and improve our business development functions.

This Strategy is a framework for Government to work with our people, our communities, our institutions and our employers in driving this vision forward. It sets out our ambitions, our priorities and our challenges. It highlights what Government can do and what you can do.

Above all, this Strategy is a call to action which is intended to challenge us all on what we have to do.

The next stage of this process is to develop how we will deliver this Strategy in conjunction with stakeholders, employers and individuals in Scotland:

- where we have issued challenges we expect to see a response;
- where we have said we will make changes, we will work with you to deliver these; and
- where we have indicated that we need further policy development, we will do this in partnership.

Over the coming months we will be organising events and action built around our key tasks and I encourage all of you to engage as fully with us as possible.

We have tremendous potential in our people. By working together, I want to see us seize this opportunity to foster a smarter Scotland that benefits us all.



FIONA HYSLOP MSP

Cabinet Secretary for Education and Lifelong Learning
September 2007

vision

Our vision is for a smarter Scotland with a globally competitive economy based on high value jobs, with progressive and innovative business leadership:

- Where people can work in teams, are creative and enterprising and hungry to continually learn new skills. They expect to realise their aspirations and are equipped to achieve their potential in a constantly changing world. People are motivated to contribute to Scotland's future and are confident that they can do so.
- Where people are entrepreneurial and innovative; small businesses are encouraged to grow and there is strong, coherent support for businesses of all sizes. Migrant workers and overseas students play a valuable role in an expanded workforce and economy.
- Where employers improve productivity by investing in their own staff and are able to access a skilled workforce that is increasingly literate and numerate with good ICT and problem solving skills.
- Where learning and training providers work as one system and thanks to wider use of technology and e-learning, barriers of geography and rurality have been reduced.

To achieve this, we need to focus on the following:

Individual Development

1. Developing a distinctively Scottish approach to skills acquisition, balancing the needs of employers and individuals, aligning employment and skills and placing the individual at the centre of learning and skills development.
2. Developing a coherent funding support system for individuals of all ages and in all forms of education and training that encourages participation in learning and work. This will include support for individuals to increase control and choice over their learning and skills development.
3. Ensuring that this Strategy will promote equal access to and participation in, skills and learning for everyone. This Strategy aims to promote equality of opportunity to those trapped by persistent disadvantage and to improve numbers of people economically active including those from groups such as race, disability, gender, sexual orientation, age and religion/faith and educational starting points.

Economic Pull

4. Stimulating increased demand for skills from employers, both public and private.
5. Improving the utilisation of skills in the workplace.
6. Understanding current and projected demands for skills to help prepare for future skills needs.
7. Challenging employers, learning providers, awarding bodies and others to use the Scottish Credit and Qualifications Framework (SCQF) as a tool to support learning, specifically to facilitate the recognition of learning and for enabling individuals to move smoothly through learning environments, getting credit for learning they have already achieved.

Cohesive Structures

8. Simplifying structures to make it easier for people to access the learning, training and development they need, including formal and informal learning by merging a number of bodies into one, focussed on skills.
9. Ensuring that *Curriculum for Excellence* provides vocational learning and the employability skills needed for the world of work and is the foundation for skills development throughout life.
10. Achieving parity of esteem between academic and vocational learning, recognising that vocational learning is a valuable alternative to the academic pathway and important to all.
11. Challenging our funding bodies to use their budgets to help achieve a stepchange in skills development and use.
12. Encouraging providers to see themselves as part of a continuum of provision - links in a chain - which helps individuals to see the relevance of learning to them, progress in their learning and make full and effective use of the skills they have acquired. Judging that system by how well it serves those who need the most support.

why we need a skills strategy

introduction

Scotland has a long tradition of valuing learning for the wider benefits that it can bring to the individual, to society and communities and to the economy. This Government continues to support fully the view that the years we spend in education generate a form of capital that has the potential to produce a long-term return. Skills development contributes to economic development from which we believe other benefits flow such as social justice, stronger communities and more engaged citizens.

Understanding and addressing the skills needs of our people and our economy is a complex task and is about much more than planning for the number of, for example, engineers, doctors or plumbers we have now or may need in the future.

It is about understanding how the demand and utilisation of skills can contribute to the development of the economy and support individuals to access the labour market to improve their own lives. This is particularly important for those individuals and young people who have moved away from work and learning and now need appropriate skills to re-enter. Inactivity impacts negatively both on people's lives and the economy: skills development can help change that.

What are the Particular Challenges for Scotland?

Scotland has a proud tradition of investment in skills which stands comparison with any other part of the United Kingdom.

If we look at qualification levels for example (which do not equate fully with skills but are one of the best proxies that we have) Scottish investment in education, for at least the last 30 years¹, has been higher than in the rest of the United Kingdom and this has resulted in a well qualified population. As the Leitch Review of Skills in the UK² recently highlighted, Scotland is 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.

Scotland's skills profile has also been improving faster than that of the rest of the UK with the percentage of the working age population with a higher education qualification rising by 8% between 1997 and 2004 compared with 6% in the rest of the UK.

Scotland has not, however, matched the UK economic growth rate despite its positive skills profile. The task for all those involved in delivering, learning or using skills is in unlocking this potential and ensuring that the investment we make in skills and business growth and creating appropriate conditions for these to flourish, helps to drive the step change in economic growth to which we aspire.

1 Bell, D and Sarajevs, V *Scottish education: spending more - earning less?* Scotecon 2005.

2 see the Executive Summary of Lord Leitch's interim report published in December 2005 *Skills in the UK: the long term challenge* at http://www.hm-treasury.gov.uk/media/2/3/pbr05_leitchreviewexecsummary_255.pdf. The final report of the Leitch Review of Skills, *Prosperity for all in the global economy - world class skills*, was published in December 2006 and can be found online at http://www.hm-treasury.gov.uk/media/6/4/leitch_finalreport051206.pdf.

Moreover this Government is committed to active participation at European level in the Lisbon agenda. Agreed in 2000, the Lisbon agenda seeks to promote economic reform in Europe to enable it to become the most competitive and dynamic knowledge-based economy in the world. A skilled and flexible Scottish workforce is critical to us contributing fully to this and in supporting emerging major initiatives that flow from this, such as the Commission's recently launched e-Skills Strategy³ which aims to enhance the competitiveness of the ICT sector and to facilitate the efficient uptake of ICT for European enterprises in general.

Scotland will be represented on a global stage at the *WorldSkills* event in Japan in November 2007. *WorldSkills* provides a means of exchange and comparison of world-class competency standards in the industrial trades and service sectors of the global economy and reminds us that that the labour market is increasingly an international market in which Scotland is both an importer and an exporter of skills.

Figure 1: Selected key strengths and weaknesses in relation to the Scottish labour market

	Strengths	Challenges
Economy	Recent growth above long-term trend	Current and long-term growth still below UK and many countries
Labour Supply	<ul style="list-style-type: none"> ■ Strong - and well qualified - labour market ■ School attainment rising for most and we compare well internationally ■ Compare favourably both in terms of UK and internationally in our qualification profiles - both now and in the future ■ High participation in post-school education ■ Positive net-migration to fill shortages ■ Essential skills position more favourable than the UK 	<ul style="list-style-type: none"> ■ Making opportunities available for young people currently not in education, employment or training ■ Tail of under achievement remaining for some in school education ■ Group of people with low essential skills ■ Reports of employers having shortages/skills issues in certain areas - issues around 'softer skills' a concern ■ Lower 15-19 education participation in international terms ■ Pockets of inequality, poverty and economic inactivity still remain - especially in post industrial areas
Labour Demand	<ul style="list-style-type: none"> ■ High employment/ economic activity rate ■ Low unemployment ■ Vast majority of employers say university and college graduates are well prepared for the world of work 	<ul style="list-style-type: none"> ■ Productivity in Scotland still below UK average (although only slightly)

3 see <http://ec.europa.eu/enterprise/ict/policy/ict-skills.htm>.

why we need a skills strategy

What do we mean by “Skills”?

For the purpose of this document we focus primarily on several overlapping clusters of skills:

- **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 skills** that prepare individuals for employment rather than for a specific occupation;
- **essential skills** that include all of those above; and
- **vocational skills** that are specific to a particular occupation or sector.

Evidence from sources such as Futureskills Scotland’s Employers Skill Survey⁴ and the Scottish Funding Council’s report *Learning to Work*⁵, show that employers expect potential employees to have skills that, in their view, they should have learned at school. There is a significant number of adults in Scotland who do not meet employers’ essential skills criteria and this is a key employability focus for colleges and the Community Learning and Development sector, in particular.

Equally, employers want people with the ‘softer’, less definable, skills that are vital for the success of their organisation. There is no definitive list of these, which depends on type of job, level of responsibility and organisational culture, but include:

- effective time management;
- planning and organising;
- effective oral and written communication skills;
- the ability to solve problems;
- being able to undertake tasks or make submissions at short notice;
- the ability to work with others to achieve common goals;
- the ability to think critically and creatively;
- the ability to learn and to continue learning;
- the ability to take responsibility for professional development; and
- having the skills needed to manage, or be managed by, others (which draws on many of the other skills in this list); and so on.

4 see *Skills in Scotland 2006* at http://www.futureskillscotland.org.uk/web/site/home/Reports/WhatEmployersThink/Report_Skills_in_Scotland_2006.asp

5 see *Learning to Work: Enhancing employability and enterprise in Scottish further and higher education* at http://www.sfc.ac.uk/publications/pubs_other_sfefarchive/learning_to_work.pdf. Much of this section has been adapted from this publication.

There are many other skills that we have not included in this list, but which will also be valued highly in certain work environments. For example, some types of employment (and self-employment in particular) place a high value on enterprise skills - the skills to create ideas and make them work - including creating, networking, initiative, leadership and risk taking; and the type of employment that a graduate or post-graduate is likely to aspire to is likely to place particular emphasis on more complex 'higher level' skills, such as creative thinking and sophisticated communication and problem solving abilities.

It is important to understand what we mean when we talk about skills, but it is also important that the definition we use should not be exclusive. Skills are developed through formal and informal education and training, but also through the cultural and social experiences we go through. They are developed in work, in school, in universities and colleges and our communities.

Skills and the Economy

A skilled and educated workforce is essential to productivity and sustainable economic growth. Not only are more skilled workers potentially more productive in their own right, but the skill level of the workforce is likely to impact significantly on the effectiveness of capital investment and the ability of employers to adopt innovative work practices.

The labour market also needs enterprising people. These people still need to be effective employers or employees, but they are also the people who create ideas and have the confidence, determination and skills to translate those into positive action, for economic or social benefit. This is often associated with self employment or entrepreneurship and these characteristics are also valued within many employment environments.

For individual Scots the benefits of being better qualified are improvements in both their chances of being employed and in the wages they receive. More highly qualified people are more likely to be in work than the less well qualified and they are also on average better paid. Recent work carried out for Futureskills Scotland⁶ looked at the average return to increasing qualification levels.

There is a clear pattern. Earnings rise with qualification level. This effect is in addition to the employment effect. At every level, on average, the labour market rewards academic qualifications more highly than vocational qualifications.

6 Futureskills Scotland *The Labour Market Effects of Qualifications* forthcoming.

why we need a skills strategy

Similarly, the economic cost of low skills cannot be ignored. Not being in education, employment or training has a personal cost to the adults and young people affected and to the economy and society as a whole. A study by the DfES published in 2002⁷ estimated that the present value⁸ of the additional resource cost associated with an individual not being in education, employment or training amounted to £45,000⁹. The resource cost represents the cost to the economy as a whole of failing to help a 16 to 18 year old out of this grouping and attempts to place a value on additional costs of unemployment, under-employment, crime, poor health, substance abuse, premature death and early motherhood¹⁰.

It is important to remember that the outcomes in the labour market are driven both by the supply of appropriate qualifications and the demand for those qualifications from employers. Focussing on either alone is likely to limit the benefits that can be derived from our investment. Furthermore, employers' demand for skills is based on what, where and how they choose to do business: Professor Ewart Keep of the Centre for Skills Knowledge and Occupational Performance (SKOPE), based at Oxford and Cardiff Universities, has suggested that *"if raising demand for skill is a policy goal, policy needs to find ways to encourage employers to raise their game in terms of their product market strategies"*.¹¹

7 *Estimating the cost of being 'Not in Education, Employment or Training' at age 16 to 18* DfES Research Report RR346.

8 Present value represents the worth today of a stream of benefits extending into the future.

9 2000/01 prices.

10 This should be considered a lower bound estimate as it was not possible for the report's authors to identify all the costs (for example information was not available on the extent to which the NEET group are more likely to suffer additional smoking and alcohol problems).

11 Keep, E. *Market Failure in Skills* SSDA Catalyst - Issue 1

<http://www.ssda.org.uk/pdf/060131%20D%20SSDA%20Catalyst%20no1%20Market%20Skills%20Failure.pdf>

Productivity

“Productivity growth isn’t everything, but in the long run it is nearly everything.”

Paul Krugman
The Age of Diminished Expectations

Productivity matters. Improvements in productivity over time drive changes in our material standard of living. Productivity growth is what lets us enjoy goods and services which our parents and grandparents would have regarded as luxuries.

Scottish productivity, per hour worked, trails that of the UK as a whole and the UK figures trail those of key international competitors. Scottish productivity per hour worked is about 98% of the UK level and the UK is about 11% behind the G7 average and 27% behind the US¹².

International benchmarking work carried out by Futureskills Scotland suggests that while on most indicators our labour quality is in the top tier of comparator countries, our economic performance is below average¹³. In particular evidence produced for the Leitch Review of Skills highlighted that there is a disconnection between the Scottish skills profile which, overall, is better than the UK and our economic performance, which is poorer.

Skills and Business

Employers and in particular businesses in the private sector, are the key link between the skills of the population and economic performance. If we are to meet our economic growth goals then we must ensure that the skills businesses require are available and that the best possible use is made of those skills.

There are few more frustrating experiences for business than identifying profitable opportunities for growth which they cannot take advantage of because they have difficulty recruiting staff. Where this occurs as a result of skills shortages, opportunities are not only lost for the business concerned, but for the community as a whole and in particular for those who cannot take advantage of job opportunities as a result of not having the required skills.

Futureskills Scotland undertake a biennial survey of businesses in Scotland (The Scottish Employer Skills Survey) to monitor the scale of this problem. This is the largest survey of its type in Scotland and last year surveyed around 6,300 employers.

12 see *Measuring Progress Towards A Smart, Successful Scotland: 2006* at <http://www.scotland.gov.uk/Publications/2006/12/19161336/0>.

13 see FutureSkills Scotland *International Comparisons of Skills and Labour Market Performance* at http://www.futureskillsscotland.org.uk/web/site/home/Reports/HowScotlandCompares/Report_International_Comparisons_of_Labour_Market_and_Skills_Performance.asp.

why we need a skills strategy

In general, when viewed at a national level, the labour market appears to work well in matching individuals and their qualifications to employers and their needs. To put the figures in context approximately 375,000 people moved between jobs and into employment in 2006.

The report found that 8% of workplaces have vacancies that they cannot fill because applicants lack the necessary skills, qualifications or experience. This accounts for about 1.1% of total employee jobs.

However, it is important to note that this impact is not evenly spread. For example, skills shortages impact disproportionately on micro businesses (one to four employees). The results also vary by industry with, for example, the construction industry regularly reporting skills shortages. So clearly, notwithstanding a generally healthy national picture, there are particular issues that need to be addressed.

As well as considering the supply of skills we also need to consider how we can help businesses to make best use of the skills available to them.

Recent research¹⁴ suggests that jobs are not necessarily being redesigned in order to make best use of improvements in qualification levels amongst employees. For example more skilled jobs typically require a higher level of individual decision-making over tasks. The rise in qualification levels has not, however, been accompanied by an increase in the control employees can exercise over their jobs.

The same research indicates that whilst the amount of formal training time has remained static in the last 20 years, this may suggest that the rate of skills acquisition whilst at work is increasing. Even though jobs in the current decade are still becoming more complex and hence requiring more skill, it seems workers are being expected to become more competent in the greater complexities in the same time as before. If this interpretation is correct it follows that the importance of work-based learning is becoming more central to upskilling the workforce.

Furthermore, it seems that the emphasis must shift from designing and delivering effective top-down instruction in the training room to crafting interventions that support, accelerate and direct individual learning¹⁵.

14 e.g. Felstead, A., Gallie, D., Green, F. and Zhou, Y. *Skills at work 1986-2006* Oxford/Cardiff: SKOPE/ESRC 2007.

15 see Sloman, M. *Skills at Work* in Impact: quarterly update on CIPD policy and research August 2007 p.8.

There is also evidence that organisational structures and the decisions employers make can have important implications for the extent to which skills are fully utilised and productivity is improved¹⁶. Other countries, notably in Scandinavia, have well established programmes aimed at workplace and work organisation development¹⁷ but even there, with the support of the state, this is a lengthy and complex process.

We know that there are differences in the improvements in productivity that firms extract from capital investment, in, for example, computers¹⁸, so it should come as no surprise that there are similar issues around the more difficult issue of skills and job design.

Simply adding more skills to the workforce will not secure the full benefit for our economy unless employers and individuals maximise the benefits that they can derive from these skills. Furthermore, how skills interacts with the other drivers of productivity, such as capital investment and innovation, is crucial. Equally, investment in capital and innovation will be most productive when it is supported by a well trained workforce.

We need to move beyond a focus on meeting the current demand for skills and tackle the issues which underlie and drive demand. We need the skills to facilitate sustainable economic growth but we also need our firms to be ambitious and demanding users of skills.

Achieving this balance requires a partnership between employers, the individual and Government.

16 e.g. Autor, Levy and Murnane *Upstairs, Downstairs: Computers and Skills on Two Floors of a Large Bank* Industrial and Labor Relations Review, Vol 55, Number 3. (April 2002), pp. 432-447.

17 Keep, E *What can the UK learn from the Norwegian and Finnish Experience of attempts at work Re-organisation* SKOPE Research Paper 41 Spring 2002.

18 Van Reenan, J, Bloom, N and Sadun, R *It ain't what you do it's the way that you do IT - testing explanations of productivity growth using US affiliates* LSE 2005
http://www.statistics.gov.uk/articles/nojournal/sadun_bvr25.pdf.

a strong start: firm foundations for skills development in young people

chapter 1

To build a smarter Scotland we need successful learners, confident individuals, responsible citizens and effective contributors to society and the world of work.

Young people's education, from the early years of a child's life through their compulsory education, coincides with a period of rapid development and lays the foundations of skills for life and work. What they learn and how they learn have a major bearing on wider outcomes including employability and participation in society in later life.

This Scottish Government has emphasised the importance of science, modern languages, technology, enterprise skills and Scottish history, culture and heritage. Subject content of the curriculum is clearly important, but focus on skills and outcomes developed is a key emphasis of this strategy.

Early Years

Giving every child a strong start in life is a crucial aim of this Government. We want to set them off on a path that results in positive outcomes later in life.

Key elements in supporting positive development in the early years include:

- helping parents and carers to provide a nurturing and stimulating home environment;
- providing children with high quality pre-school and school education;
- helping parents with literacy and numeracy to enhance their ability to support their children's learning;
- achieving effective early interventions to improve outcomes for all children but particularly those who face particular disadvantage or a high risk of poor outcomes later in life; and
- supporting effective transitions between the stages of learning, including the transition from nursery to primary school.

This is a big agenda and we need to make sure that these elements work together. That is why **we will be developing a long term early years strategy which we aim to publish during 2008**. By intervening early, we can support parents and carers in providing an environment that nurtures early development and addresses barriers to learning.

In recognising the crucial role played by the early years workforce in skills development, we are introducing requirements that will mean all leaders of early years services will be qualified to SCQF Level 9.

Furthermore, to encourage a professional workforce at all levels, staff will be supported by a new integrated qualification and professional development framework that will help them understand how they can develop their careers.

Play and the environment for children can also support skills formation and a range of wider outcomes. Our early years strategy will support play and promote active learning as a vehicle for skills development.

Compulsory Education

The early years is the time when we can lay a solid foundation for skills: in compulsory education, we have the chance to encourage and influence attitudes to the importance of skills and the world of work. This is crucial: influencing young people's thinking and behaviour is highly relevant to shaping their life chances. So we must focus on developing the essential skills, changing young people's views of how they communicate and interact with others and raise their aspirations. Equally, we must aim to reverse negative ways of thinking and behaviour. These skills and attitudes are, for many, a necessary first step on the road to education and, later on, sustained employment.

Schools must, of course, equip young people with high levels of literacy and numeracy and ICT because, without these, the development of other skills is compromised. But over and above this pupils should have the opportunity to build up a strong foundation of a wide variety of skills and be able to present and demonstrate their skills in a way that will be of high value to themselves, their parents and carers, employers, colleges and universities. Against this background, we are committed to developing Scotland's worldwide reputation for excellence in enterprise education. We need to continue to create an enterprising culture in our schools and make the link between the classroom and the workplace so young people see the relevance of their learning. We need to maintain our focus on developing young people's enterprise and entrepreneurial skills and attitudes so we create in them an appetite for innovation, ambition and wealth creation. And - as we make clear in this Strategy - we need to increase opportunities for and the esteem accorded to, vocational learning and training.

Scotland's employers play a crucial part in this effort and we will encourage them to continue to support schools and teachers in introducing young people to the practices and culture of work, to contextualise learning, to raise awareness of job opportunities and to help develop their thinking on future careers.

The range of enterprise experiences - more opportunities for vocational learning and achieving a parity of esteem with academic learning, enhanced employability skills, understanding the world of work and commerce - are building blocks to help achieve sustainable economic growth. The design of *Curriculum for Excellence* will increasingly enable schools and other providers to help young people develop, and see the relevance of, essential skills and other skills of value in developing the capacities that will underpin their personal, social and economic futures.

a strong start: firm foundations for skills development in young people

The new curriculum will encourage schools to provide pupils with increased opportunities to build work related knowledge, experience and skills through a range of routes, including an expansion in school-college partnerships. To deliver increased opportunities and achieve parity of esteem with academic learning and certification we must ensure that vocational and employability skills, learning about the world of work and learning about the skills needed in the world of work, are an integral part of the curriculum and not a separate experience.

Most importantly we should encourage young people to retain an enthusiasm for learning and support them in 'learning how to learn', identify gaps in their knowledge through reflection and self awareness and to learn new skills effectively throughout their life.

A Flexible System

We will build a flexible system, which is joined up and which builds on existing good practice, to focus increasingly on the individual and their needs, aspirations and potential.

Schools must see themselves as part of a wider lifelong learning system. We will do this through more engaging and personalised support and approaches to learning, coupled with a flexible curriculum to provide learning opportunities that will engage and motivate and engender a culture of enterprise and ambition in our schools.

A wider range of vocational learning opportunities will help embed enterprise education within the curriculum and we should also develop a qualifications system and other means of recognising achievement, that supports and develops a broader range of skills than at present.

Youth work and volunteering opportunities offer young people the chance to develop confidence, motivation and skills that stay with them for life. We are committed to the vision set out in *Moving Forward: A Strategy for Improving Young People's Chances through Youth Work*¹⁹ and are working to implement its proposals. These include the appointment of a Youth Work co-ordinator based at Learning and Teaching Scotland to strengthen the links between youth work and schools.

We will maintain our focus on and priority of, improving outcomes for looked after children as we implement *We Can And Must Do Better*²⁰.

We must focus particular attention on children in special circumstances - not just looked after children but also, for example, those with learning difficulties and those in the youth justice system.

¹⁹ see *Moving Forward: a Strategy for Improving Young People's Chances through Youth Work* at <http://www.scotland.gov.uk/Publications/2007/03/08113759/0>.

²⁰ see *Looked After Children and Young People: We Can and Must Do Better* <http://www.scotland.gov.uk/Publications/2007/01/15084446/0>.

We will ensure that we maintain the enthusiasm for learning that most children have when they enter the education system, through the various transition phases.

It is critical to ensure that the options young people want and the support they need, are available to them, so that all young people remain engaged in learning as the best way of ensuring their long-term employability and contribution to society. It is important that young people develop their career planning skills and are aware of the full range of options available to best help them recognise and develop their skills. We will work with schools, colleges and Higher Education Institutions to investigate how effectively qualifications such as Advanced Highers and HNCs/HNDs are being used in providing learners with good transition routes - including advanced standing as appropriate - on to first level degrees.

We will make a clear commitment to young people about the routes to education, employment and training which are on offer and the support they can expect.

The transition for young people moving from school to adulthood and the world of work is particularly important. We will therefore ensure that there are clear pathways and support that provide opportunities for all young people to engage (or re-engage) in learning and to progress. We will also build new and more engaging models of work experience and learning and teaching about enterprise and ensure that young people are aware of the full range of options available to help them recognise and develop their skills. It will be important to explore how we maximise employer engagement through *Curriculum for Excellence* and ensure that robust labour market information is utilised within the curriculum.

We will put in place effective processes for identifying early those young people least likely to secure and sustain training and employment, together with focussed work with individuals to identify suitable progression options based on their motivations, aspirations and needs.

We will deliver our commitment of ensuring that vocational skills and qualifications have parity of esteem with academic skills and qualifications.

We will address the issue of capacity which acts as a barrier preventing young people from accessing vocational learning opportunities. In particular:

- we will provide increased opportunities by expanding school college partnerships; and
- we will ensure that the guidance on *Curriculum for Excellence* will provide for vocational learning, learning about the world of work and learning about the skills needed in the world of work as part of the curriculum, valued alongside other learning and not a separate experience perceived to be of lower value.

a strong start: firm foundations for skills development in young people

We will encourage partnership working:

- we know that there are many good examples of partnership working but we will challenge all colleges and schools to build partnerships which reflect the importance of strong communication and joint working and we will work with them to achieve this;
- we will have a broader level of engagement with employers to explore new opportunities for schools to work with them, including improving substantially the work experience that all pupils currently undertake;
- we recognise in some rural areas proximity to colleges is a real problem and in delivery of skills for work courses, school/business or school/training provider partnerships are being explored as alternatives. We will continue to encourage the exploration of alternative routes where circumstances dictate; and
- we will work with colleges, universities, Community Learning and Development providers, employers, SQA and other relevant awarding bodies and the SCQF Partnership to explore means of promoting and recognising achievements of young people additional to qualifications.

We will engender changes in attitude:

- we will undertake research on changing attitudes to vocational learning;
- we will challenge those providing advice to young people: Careers Scotland, teachers and parents and carers to consider the whole range of options available to young people in guiding their choices; and
- we will challenge awarding bodies and providers to ensure their qualifications are placed in the SCQF, allowing better comparison, in terms of demonstrating value, with mainstream qualifications.



case study 1:

West Dunbartonshire Council Early Intervention Initiative

“We have seen dramatic results. Kids in primary 7 who couldn’t read at all now can, and it opens the world to them.”

Lynn Townsend, West Dunbartonshire Council

Ten years ago West Dunbartonshire Council committed itself to eradicating pupil illiteracy in its schools within a decade. Ten years on, it is on track to reach its target, becoming what is thought to be the first local authority in the world to do so.

Scotland’s second most disadvantaged local authority had one of the poorest literacy rates in the UK when the Early Intervention Initiative was launched. Today, it is being held up as a model for education authorities around the world.



Acting on research which confirmed that early achievement provides a positive experience of school and a firm base for lifelong learning, the authority paid particular attention to providing a firm foundation for learning. Support from specially trained teachers for every, individual child across all Early Education and Childcare Centres, primary and secondary schools, ensures no-one is left behind.

Another key element to the Initiative’s success has been parental involvement, with support for parents and carers and a fostering of a “literacy environment” in the community. The research between literacy and other factors leads the council to be confident that this project will ultimately lead not just to higher educational achievement but higher self-esteem, lower disruption in schools, better staff morale and a stronger economy.



case study 2: Trinity Academy

“The opportunity for young people to experience and develop understanding of the world of work in all its diversity, including entrepreneurial activity and self-employment.”



The importance of skills in the curriculum cannot be underestimated if we are serious about truly preparing all our young people, regardless of ability level, for the next stage in their lifelong learning.

In 2004, faced with some pupils not achieving their fullest potential in an academic, vocational or social front, Edinburgh's Trinity Academy introduced wider choice and flexibility in the S3-S4 curriculum. This incorporated a greater balance between the Standard Grade and Intermediate courses traditionally offered, with vocational courses offered in partnership with Edinburgh Telford College and involving Careers Scotland and Scottish Enterprise Edinburgh and Lothians. Courses were offered in, for example, business education, hospitality, hairdressing and craft skills. These then led onto the piloted *Skills for Work* courses the following years. Wider achievement was also recognised through the Award Scheme Development and Accreditation Network and *Skill Force*.

This has resulted in more focussed and committed young people - not just in the alternative curriculum offered - but also in the mainstream curriculum. Pupils are better prepared at the personal and social level and are demonstrating increased life and transferable skills. Based on positive leaver destination results, the school plans to develop and offer more *Skills for Work* courses through their school/college partnership to further meet the needs of pupils - many more of whom are opting to stay on at school for a fifth year.

developing potential – equipping individuals with the skills scotland needs

chapter 2

Individuals and their ability to learn, work and contribute to society and the economy will help us achieve sustainable economic growth by improving productivity levels. We need demanding employers who understand what skills development can contribute to their performance. We also need individuals capable of capitalising on their own abilities in the workplace.

We also need to recognise that people moving into work have a variety of starting points, for example:

- they may be enthusiastic and work-ready new entrants, fresh from a positive experience in school, college or university;
- they may have had a negative experience of education and work;
- they may have had a break from labour market, either chosen or enforced and be taking steps to get back into work;
- they may have particular needs or circumstances that stand in their way;
- they may be seeking a change of career.

The people of Scotland need an appropriate combination of essential and vocational skills that will enable them to secure and retain employment. For this to happen, we need a more coherent, flexible and responsive post compulsory learning system that balances the needs of the individual with the needs of employers for the benefit of all.

In Scotland we have invested heavily over many years in developing learning providers who can achieve much of this delicate balancing act already. We have excellent colleges and universities, as well as a strong Community Learning and Development base and private training provision.

That said, there are specific areas that we need to address with increased confidence, for example:

- *accountability*: It is imperative that we make clear where responsibility lies for individuals as they move through learning. This is especially important for some young people moving on from compulsory education – a critical transition stage at which it is currently too easy to drop from view.
- *demography*: as our demographic profile changes and Scotland's population ages, older people also need to be able to return to learning to enhance their skills. These individuals will have different expectations and needs from young people leaving school. In particular, the greater demand for part-time and accelerated study options will present challenges to providers. Moreover, successful integration of migrant workers and those from diverse ethnic backgrounds living in Scotland

developing potential - equipping individuals with the skills scotland needs

is critical to Scotland's economic future. Reducing under-employment of skilled workers who have, for instance, come to Scotland since recent EU enlargement, or since the inception of the *Fresh Talent* initiative, depends on access to quality courses in English for Speakers of Other Languages (ESOL) and better recognition of existing skills and qualifications. We will further explore these issues as part of the work that will be undertaken on equality impact.

- *geography*: the geography of Scotland means that addressing issues of rurality by moving provision closer to individuals, either physically or virtually, is vital if individuals across the country are not to miss out on opportunity. This can be achieved through more effective collaboration between different providers within the post-compulsory system and by further developing the use of ICT.
- *integration*: we need public services to work better together. This also means having effective links between learning and health, social care and justice services. We need to support the development of best practice across providers in supporting, for example, care leavers and other people with particular needs. We need to raise the awareness of specialist support services of the importance of employability skills and pathways into education, employment and training. We need to identify how best to deliver effective integrated learning, skills and employability provision for young people and adults who are in or leaving the justice system in order that they can go on to secure the work that will help to improve their life chances.

To achieve this, we will deliver on the following priorities.

A Coherent System

We will ensure flexible provision which is increasingly responsive to the needs of individuals, employers and the wider economy.

Flexible post-compulsory provision which works for modern Scots and contributes to a higher performing economy will give us the greatest return on our investment. In Scotland we are fortunate to have excellent institutions. This is clearly seen in work undertaken by Futureskills Scotland which shows employers believe that the majority of individuals they employ from our colleges and universities are ready for work. However, post-compulsory learning is delivered in a broader range of settings than this - Community Learning and Development, for example, is a vitally important part of the jigsaw, particularly for those who have been away from work and learning for a long time and may need more intensive, personalised support.

We believe that all of our providers - colleges, universities, Community Learning and Development, schools, private training providers, voluntary sector organisations and the Scottish Prison Service - are part of one and the same **learning system**, geared towards helping individuals develop the skills they need and with all providers understanding and supporting the transitions individuals make both into and out of particular courses or programmes.

Quality provision is also vital to ensuring that individuals stay in learning and we will continue to support improvement and assure quality through inspection, review, evaluation and audit.

The skills that individuals learn must also be the skills that employers want. To do this our providers must continue to build on and develop the links they have with employers, ensuring that employers are properly engaged in the development and design of learning and ensuring that what individuals learn is relevant to the jobs they will do.

We will encourage young people to stay in education and training post-16.

Strong local partnerships have been set in place²¹ to encourage young people to stay in the learning system. This is the best option we have for ensuring the long-term employability of young people who need more choices, more chances and ensuring that they can make a contribution to a more prosperous Scotland.

Good options and clear pathways out of school are essential to ensuring continuity and progression in learning and achievement. The specific needs of young people who are lower achieving and at risk of disengagement must be addressed. Impartial information and guidance to young people about their post-compulsory school options is key to this and – for those who need it – sustained, focussed, one to one support. Schools must work closely with post-16 providers, particularly specialist providers, to secure the effective transition of each young person to post-compulsory learning.

We maximise the impact of community-based learning.

We will establish a task group to advise on how to ensure that resources allocated for learning outside institutions support the strategic direction set by the Government for Community Learning and Development (through *Working and Learning Together*²², *Adult Literacy and Numeracy in Scotland*²³ and the youth work strategy²⁴). We will complete the refresh of the Scottish Adult Literacy and Numeracy Strategy to ensure that we continue to pursue our goal of Scotland exceeding world class levels of provision in literacy and numeracy. This will consider effective partnership working, quality and funding.

We will 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.

This will include close working with Jobcentre Plus to make sure we are delivering a system for the benefit of all.

21 see *More Choices, More Chances: A Strategy to Reduce the Proportion of Young People not in Education, Employment or Training in Scotland* at <http://www.scotland.gov.uk/Publications/2006/06/13100205/0>.

22 see *Working and Learning Together to Build Stronger Communities: Scottish Government Guidance for Community Learning and Development* at <http://www.scotland.gov.uk/Publications/2004/02/18793/32157>.

23 see <http://www.scotland.gov.uk/Topics/Education/Life-Long-Learning/17551> for links to the various ALNIS Reports since 2001.

24 see *Moving Forward: a Strategy for Improving Young People's Chances through Youth Work* at <http://www.scotland.gov.uk/Publications/2007/03/08113759/0>.

developing potential – equipping individuals with the skills scotland needs

We will facilitate local design and delivery of learning for those who are furthest away from the labour market.

We want those furthest from the labour market to be supported in a journey through flexible provision that leads to sustained work and further learning in work. This can only be achieved through an integrated employment and skills service offering a coordinated menu of advice and support which meets the needs of individuals and employers. We will work at a national and local level with the relevant organisations who fund learning provision to make that service a reality.

The voluntary sector has an important contribution to make – both as learning providers and as advocates and campaigners – in fostering community engagement and facilitating local service design.

We will deliver effective integrated offender learning, skills and employability provision.

We will establish a representative group to identify how best to deliver effective integrated learning, skills and employability provision for young people and adults who are in or leaving the justice system with a view to producing an offender learning and skills strategy.

Improving Transition and Progression

We will smooth transitions between and through learning.

There needs to be a wider range of progression pathways for individuals. We need to discuss with providers at all levels the extent to which they can take additional responsibility for helping individuals who have studied with them achieve positive transitions.

Providers have a two-way responsibility – admission into learning and transition from learning. Admission to learning opportunities should be more flexible, valuing equally the various routes that individuals might take to get there. Transitions from school should be as fluid as possible – to give people the best chance of success – but transitions from learning with other providers must also work in the interests of the individual.

For some of the hardest-to-reach individuals, greater support is needed to help them in their initial engagement in learning and in the community and economy, through developing skills in literacy, numeracy, problem solving and communication, to enable their involvement as active, effective contributors to their communities and to the wider economy and society.

The SCQF and awarding bodies have a vital role to play in building bridges and links between qualifications to allow individuals to receive appropriate credit for the learning they have achieved and to provide routes into other learning opportunities. This can only work if we have a strong partnership between all the relevant players.

We will challenge and encourage learning providers and awarding bodies to develop a system to ensure that they recognise the value of individuals' prior learning and wider achievement by building on work already undertaken through the SCQF.

Time spent going over old ground is time wasted. With a changing demographic profile we must increase and improve our recognition of prior learning and the certification of an individual's existing skills. We will do this through better use of the SCQF to help individuals fully focus on developing new skills as efficiently as possible. This enables individuals and providers to decide on the most appropriate entry points, providing a launch pad to further achievements.

More of Scotland's qualifications are being placed into the SCQF; this must continue and expand.

This objective will be best achieved through collaboration between providers, awarding bodies and other partners removing barriers to admission and progression and is a major challenge if we are to meet statutory requirements of the care and health sectors.

Acquiring and Using Skills

We will improve essential skills.

The Scottish economy needs a workforce with appropriate skill levels. If individuals are to access and succeed at work, having the right essential skills is vital for them. We need to build on existing frameworks to define appropriate levels and mix of essential skills, with reference to SCQF levels and support our learning providers to deliver for them. Provision must not be just about subject-specific knowledge and understanding - the development of essential skills must be embedded at all levels of post-compulsory learning.

We will investigate drops in participation on Higher National courses.

Over recent years participation in HN courses has been falling. While a range of opinions on the causes of the drop have been given by commentators there has been limited systematic investigation of the causes of this drop. Intermediate level skills are important in a range of sectors of our economy. For that reason this drop in participation in our main route to intermediate level qualifications requires investigation and the findings will require serious consideration.

We will carry out this investigation working with the Funding Council, institutions and other partners to inform future decisions on HN provision.

We will support the central role played by colleges.

Scotland's colleges occupy a pivotal position in the skills community because of the diversity of the individuals they serve, in the range of opportunities they provide and in the breadth of their partnership working.

developing potential - equipping individuals with the skills scotland needs

Basic employability and vocational skills are central to the benefits students derive from colleges. The recently concluded Review of Scotland's Colleges²⁵ identified the following key roles for Scotland's colleges - to provide:

- vocational education and training related to employment in response to national, regional and local needs;
- positive and clear routes for learners into employment or into higher education institutions; and
- support for learners to develop their knowledge and skills so that they can feel confident in their work and in their lives.

Colleges cater for the needs of individuals both in and out of employment at all stages in their lives from middle secondary school and earlier to retirement. In each year since 1998 about 7% of the Scottish population enrolled in a college with more than one in three 17 year olds being college students.

The college curriculum spans from specialised vocational education and training (such as construction, hairdressing, engineering, information technology, hospitality and health and social care) through to general educational programmes. Colleges also provide opportunities at almost every level of the SCQF, serving learners with the most basic educational needs, as well as providing courses up to and including higher education.

In fulfilling their roles colleges typically work in close partnership across the education and training community including Community Learning and Development partnerships, support agencies, employers and the voluntary sector thus supporting the work of colleges is critical to the success of this strategy.

We will capitalise on higher level skills.

It is vital to Scotland's economy that we have a steady supply of workers skilled to higher levels. A steady flow of graduates and technicians is vital in order that industries in which Scotland operates at the leading edge - the life sciences, the creative industries, financial services, or energy sectors such as renewables - can continue to compete favourably. For instance, while employers in scientific industries are generally happy with the labour market²⁶ at present, it is apparent that our modern knowledge economy will be ever-increasingly reliant upon a steady supply of skilled scientists, technologists and engineers. The demand for scientists in the future looks positive and the total employment for science occupations is projected to grow at a faster rate to 2014 than that expected for non-science occupations.

²⁵ see *Review of Scotland's Colleges: Transforming Lives, Transforming Scotland: An Overview by the Review's 'Core Group'* at <http://www.scotland.gov.uk/Publications/2007/06/27151710/0>.

²⁶ see *Supply of, and Demand for, Science Graduates in Scotland: A Review of Available Data* at <http://www.scotland.gov.uk/Publications/2007/02/08131200/2>.

Moreover, Scotland must continue to increase technology transfer from our world-class research base into viable products and processes. Encouraging technology start-ups (including assisting scientists and technologists to develop entrepreneurial and business skills) and helping them to grow into our large companies of the future, will prove an ever-increasing priority.

Training for public sector occupations will continue to prove critical and we will continue to depend upon our universities to provide the next generation of key public sector workers, e.g. teachers, or healthcare workers such as doctors and dentists, with an ever-increasing range of higher-level skills.

We will encourage better utilisation of skills.

Through all levels of post-compulsory learning from the development of foundation-level skills to PhD study, learning to apply skills is as important as learning skills.

It is essential that individuals get a high quality relevant learning experience that relates to employment and working experiences and which can be applied in the workplace. There are benefits of experiential learning for individuals, employers and providers. For individuals, it is an opportunity to develop their skills in a real world environment. For employers, it is an opportunity to draw on fresh and innovative thinking. For providers, it is an opportunity to maintain the relevance of their provision in line with developments in the associated employment sectors.

We need individuals with business ideas and the skills to make them a success. We need individuals who are innovative and ambitious for themselves and their employers.



We look to learning providers, intermediary bodies and employers to work together to develop models of experiential learning which work in and for Scotland. For example, our distinctive Scottish approach to Community Learning and Development links learning with practical activity to improve community life, through which people develop skills that are essential in a work setting. By joining up our efforts, we can make fuller use of this. We also look to our providers and the Scottish Funding Council to work together to develop and implement strategies to deliver a step change in the skills utilisation of individuals.

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case study 3: Breadalbane Academy

"The course has been a roaring success. The students really enjoy getting out of the classroom and learning practical skills."

Jenda Westwood, Breadalbane Academy



The Land Based Studies course, a pioneering vocational learning programme run by Breadalbane Academy in Highland Perthshire, is a practical way to get young people into employment. It gives them the skills they need to find and keep a job and helps them to learn about the varied opportunities within the Scottish land-based industries.

The innovative learning programme focuses on peoples' core and practical skills. This new approach to learning had been developed to add real value to the existing curriculum.

Now in its second year, this initiative presently offers courses in agriculture, fencing and dyking, horticulture, equine studies and gamekeeping. As a result, pupils, in years S4 - S6, can now choose from a range of SVQ units giving them appropriately focussed vocational learning.

A partnership between Breadalbane Academy, a Sector Skills Council, Perth and Kinross Council and local employers, the Land Based Studies course has been of benefit to the students, employers and the community as a whole. It demonstrates to young people that rural businesses can offer varied and exciting careers. It's also led to many students deciding to take further skills training and some have already been offered jobs as a result of their vocational learning.

chapter 3

When technically competent individuals - who know how to work, learn, innovate and develop - link up with ambitious employers - who know what skills they need and how to use them - the economic payback from our skills investment begins.

To achieve this we not only need to prepare individuals as well as we can for the world of work but, once in the workforce, individuals should continue to develop and invest in their own learning as their circumstances demand. We also need employers who are ambitious and see the value in recognising and addressing the skills needs of their staff.

Employers

We will encourage employer demand for skills.

This involves supporting employers at all levels to develop ambitious market strategies that clearly articulate what skills they will need to achieve their business objectives, how they will acquire these skills and how they will use them once they are secured.

To make this happen, we need to have business development support that can concentrate on building the demanding employers that will push our economy forward. Co-ordination between our skills and business development agencies will be critical.

It also means that we need high quality, robust and fully accessible labour market intelligence that can provide reliable information at the national, local and sectoral levels to underpin decision making and information, advice and guidance services for employers and employees. Futureskills Scotland already provides an excellent national service. We must build on this using local and sectoral intelligence from a range of sources including the Sector Skills Councils while recognising the local limitations of some of our national data sources.

making skills work for scotland

Employers also need information about how similar employers are performing and how they are sharing innovation gains. This will drive confidence to invest in technology which will drive the need for higher skilled employees.

As employer demand for higher level skills increases, we need to ensure that all our publicly funded learning providers have the capacity to absorb this and can continue to deliver high quality education and training in a flexible manner.

We will listen to employers.

We need strong mechanisms for clearly articulating the skills that employers need now and what they may require in the future and we need providers who can listen and who have the capacity to deliver.

Employers are varied and numerous, so in practice this means that we need informed, aware and credible intermediary bodies who can act as an effective link between employers and those who develop and provide learning.

We believe that the sectoral approach to this that we have been pursuing is the right one and we support the Sector Skills Councils (SSCs).

The SSC network comprises 25 employer-led Sector Skills Councils who are currently funded, supported and monitored by the Sector Skills Development Agency (SSDA). The network is tasked with bringing the 'employer voice' to debates about skills provision.

However, we believe that the Network has more work to do to establish a strong basis for its influencing role in Scotland.

For example, employers' awareness of their SSC, although increasing, is still relatively low²⁷. The latest information from the SSDA suggests that only some 35% of employers in the UK know who their SSC is²⁸. The Network also needs to ensure that it fully understands and engages with Scotland's policy and institutions and that the financial and human resources allocated to Scotland are fit for the task in hand.

We accept that there are big challenges for UK organisations working in the new Scottish context and we believe that the Network has suffered from being tasked with too much. We are also aware that in Scotland to date, there has not been a clear niche for them to fill.

²⁷ See *Evaluation of the Skills for Business Network* at <http://www.scotland.gov.uk/Publications/2006/07/13091728/0>.

²⁸ When "legacy" names are used. Without this awareness is around 25%.

We want four things from the SSCs in Scotland:

- to develop proper engagement with the broad spectrum of employers in their sector in order that they can speak with legitimacy on behalf of their employers. To do this they will need to focus on employer awareness and engagement;
- to deliver sectoral labour market information that is trusted, well used and fits with the robust national information supplied by Futureskills Scotland;
- to ensure that employers have a say in the design and development of learning at all levels and in all settings, not just in vocational qualifications; and
- to maintain strong partnerships with other key players in their sector as well as with Government, providers and intermediary bodies.

These are the bones of what we want the SSCs to achieve in Scotland and we will elaborate on this in due course. We need to ensure that no extra burden is placed on the SSCs that could distract them from achieving these aims and we will also create appropriate governance structures to make this happen.

Part of these structures will be the UK Commission for Employment and Skills. Our active contribution to the development of the Commission will allow us to share our best practice in skills and learn from other UK nations.

We will recruit a Scottish Commissioner who will represent Scottish interests and we will ensure that this person plays a productive role in the Scottish skills landscape.

We will improve how skills are used in the workplace.

In tandem with developing employers' demand for higher levels of skills, we believe that the way in which jobs are designed, filled and subsequently executed is key to unlocking Scotland's economic potential. As we highlighted in the previous chapter, this means that we need to enable employees to make an immediate positive difference to his or her workplace by applying the skills they have acquired in a productive way.

For employers, this means that they should be able to design jobs that make full and productive use of the freshly acquired skills of their recruits and closely aligned to business objectives.

To achieve this, employers need excellent management and leadership skills and this may require a change in the way that they view themselves and their capacities.

It also means that we need to align more closely the employment and skills agendas, which includes improving the fundamental links between parts of the system that are devolved - such as the services provided by Careers Scotland - and those employment services which are reserved and are operated through the Department for Work and Pensions and Jobcentre Plus. Our relationship with the UK Commission for Skills and Employment will be important here.

making skills work for scotland

We will make it easy for employers to access the Information, Advice and Guidance (IAG), training and support they need to develop their workforce.

Employers not only need to demand skills and know how to use them, they also need straightforward access to affordable, flexible and relevant training for all employees that need it.

Our providers in all their forms need to be able to deliver this. This has implications for their capacity not only to deliver learning but also to engage with the SSCs and other intermediary bodies.

We also need to provide employers with support to help them identify the training that will be most beneficial to their business and workforce. We will ensure we have the right IAG structures to do this - structures that are easy to find, are quality assured and have a strong local dimension.

Employees

We will stop distinguishing between Earners and Learners.

Working and learning are often seen as two distinct and separate entities, with the learning to be completed before the working can start. In practice, we never stop learning and we learn a vast amount in the workplace, often informally.

It is important then to be able to recognise and value the skills acquired at work, whether it is informal 'on the job' learning or more formal. The SCQF can help to achieve this. This needs to become increasingly widely used as a tool to recognise employer learning.

We also appreciate that for many people, their time is divided between working and learning - some full time workers study for as many hours per week as their full time student counterparts, but they do not have access to the same range of support. We are therefore currently reviewing our support arrangements.

The workplace is also an excellent location in which to impart skills and knowledge. We will build on the workplace literacy pilots, to ensure that literacies learning is embedded in all workplace training programmes.

Moreover, as part of our English for Speakers of Other Languages (ESOL) Strategy²⁹ we will encourage more work-related and work-based ESOL programmes to be considered by, for example, organisations with a substantial number of actual or potential ESOL learners in their workforce. This could be in the context of policies/schemes relating to citizenship and employability and local ESOL providers should work closely with a wide range of partners to develop such programmes.

²⁹ see *The Adult ESOL Strategy for Scotland* at <http://www.scotland.gov.uk/Resource/Doc/143831/0048466.pdf>

We will listen to employees.

As employers need a voice on skills, so do employees. For many workers, trade unions are excellent intermediaries.

Evidence shows that trade unions engage with and raise the aspirations of individuals in the workplace that other agencies struggle to reach. We will encourage employers and unions to work together, using local learning agreements, to support the development of individuals in the workplace.

The Scottish Union Learning Fund (SULF) has been instrumental in building the capacity of unions to offer learning opportunities to their members and, supported by Scottish Government funds, the Scottish Trades Union Congress (STUC) has created a dedicated Skills and Lifelong Learning team. This team supports all unions, including those not affiliated to the STUC, to develop their approaches to skills and learning for their members.

Building on these initiatives, we will look at ways of supporting the STUC in the creation of a Scottish Union Academy, similar to *unionlearn* in England. The Scottish Union Academy would support unions in becoming learning organisations themselves and broker strategic learning offers on behalf of unions and members.

This does not address the issue of workers in non-unionised workplaces. We know that learndirect scotland deals with understanding the learning needs of employees in SMEs and we will look to them to develop this agenda further.

We will encourage employee learning.

Improving the skills of individual employees should have benefits for both the employees and the employer. Skills developed in a work setting are just as and often more relevant than skills developed through other channels. That is why we believe in learning at work.

Employers are pragmatic and will invest in training when they see a need for it, which again underlines the need to create employer demand for skills and develop a flexible learning provision to meet their needs.

But not all employers will see a need for training - there are some employers who choose to operate in a low-cost environment and see training as a cost rather than an investment. Choosing not to train may be the right business decision for them, but this does not help their employees who may have skills development needs, perhaps at a basic level or in essential skills to give them a platform on which to build. The evidence bears this out - individuals with low qualification levels who work in small firms are much less likely to be trained than those with higher level qualifications who work in a large organisation. Moreover we know that young people with no or low qualifications in jobs without training are more likely to experience 'churn' in and out of employment and to find it harder to progress.

making skills work for scotland

Equally, choosing not to train their workforce might be the wrong decision. If employers do not know enough about the benefits of investing in staff development, the skills needs of their staff or where to access the training they need, then they may be making the wrong choice. Evidence suggests that individuals benefit significantly from improving their levels of literacy and numeracy and, although the evidence on the benefits to employers of investing in essential skills training is very sparse, some studies have indicated that such benefits may include increases in productivity, reductions in costs and enhanced customer satisfaction. Recent research from England, for example, shows that almost a third of the working population admit to losing money for their company due to a lack of basic maths and English³⁰. A much larger body of research on the benefits of workforce training in general suggests that this has a positive impact on firm performance and that workforce training is associated with lower staff turnover and higher levels of commitment to the organisation³¹.

For individuals and employers alike, therefore, an awareness of the benefits that training could bring and easy access to that training could help to unlock benefits for all.

What we need is a system that:

- stimulates demand;
- provides the right information advice and guidance to both employers and employees;
- trusts employers to train when they need to;
- delivers the right training at the right time;
- focusses on the needs of the individual; and
- identifies and addresses pockets of market failure.

The evidence we have shows that using financial incentives to persuade employers to undertake more training is unlikely to be effective and may even displace money that employers would have spent anyway. This will not always be the case, however and we recognise that certain situations of low paid and low skilled employees and we recognise this.

30 learndirect 2007.

31 see the benefits to employers of raising workforce basic skills: a literature review at the National Research and Development Centre for adult literacy and numeracy at <http://www.nrdc.org.uk/content.asp?CategoryID=440&ArticleID=371>.

Equality is key in this regard. The work of the Government's *Cross Directorate Working Group on Occupational Segregation* will continue to seek ways of challenging gender stereotyping in roles throughout education, training and employment in order to encourage both men and women to consider the full range of options open to them³². These issues and issues surrounding addressing every kind of discrimination in the workplace, will be considered within the scope of the equality impact process.

We will ensure that our National Training Programmes meet the needs of individuals and employers.

Modern Apprenticeships offer those aged over 16 paid employment, combined with the opportunity to train for jobs at craft, technician and management level (SVQ level 3 or above). This is an excellent example of employers and Government working together to ensure individual businesses gain skilled employees whilst providing Scotland with a deployable and flexible workforce. We recognise that the Modern Apprenticeship (MA) programme achieves two separate, but interlinked objectives: to build skills thus growing the economy and supporting a wider social inclusion agenda. On balance we believe that the primary aim of the MA programme is economic development through enabling individuals to earn while they learn and develop skills relevant to their job.

The MA programme is about much more than the numbers of people in training and, although in the past we have focussed on achieving volume targets, we are committed to ensure MAs meet employers current and future needs. We believe MAs provide security of employment for the trainee whilst developing skills that are relevant within the workplace. We will therefore implement the conclusions of the MA consultation³³ and in particular we will extend MAs to S/NVQ level 2 (SCQF 5) and phase out the current the *Skillseekers* programme. We shall also seek to embed the SCQF into the MA programme to help participants gain credit for the skills they gain within their training.

We fully support the all age nature of MAs, but recognise the need for us to prioritise our resources. We will therefore look at the structures and funding mechanisms needed to support the MA programme.

Currently *Get Ready for Work* aims to prepare young people with additional support needs for employment or further training. *Training for Work*, meanwhile, provides tailored job-related skills interventions for adults who are otherwise well suited to enter/re-enter sustained employment.

³² see the Executive's *Gender Equality Scheme* in full at <http://www.scotland.gov.uk/Publications/2007/03/30095002/5>.

³³ see *Building on our success - Improving Modern Apprenticeships: Consultation Analysis Report* at <http://www.scotland.gov.uk/Publications/2006/12/12103147/0>.

making skills work for scotland

In tandem with the changes to MAs, we will review *Get Ready for Work* and *Training for Work* to ensure that everyone has a route through which they can learn, develop and prepare themselves for life and work. In doing so, we will seek to build upon the strengths whilst addressing any gaps or overlaps of our current training provision.

We will develop the skills of the public sector workforce.

The public sector in Scotland employs nearly a quarter of the workforce³⁴. The public sector should continue to act as an example of good practice to other employers by employing trainees and investing in its people to create a flexible and responsive workforce that is sufficiently skilled and flexible enough to meet 21st century demands. In the NHS, for example, NHS Education for Scotland (NES) helps to provide better patient care by designing, commissioning, quality assuring and, where appropriate, providing education, training and lifelong learning for the NHS workforce in Scotland.

³⁴ see <http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/TrendPublicSectorEmp>. The exact figure, correct at Q4 2006, is 23.1%.

case study 4: Rolls-Royce

“The global aerospace market is a highly competitive market and our competitors use similar machine tools and methods of manufacture... our differentiator in the market place is our employees.”

Les Carey, Operations Manager

The Rolls-Royce factory at Inchinnan opened in October 2004 close to Glasgow Airport and manufactures components for aeroplane engines. There is very high union density in the factory, which employs some 1200 people, with workers being represented by Unite-Amicus and GMB through a joint shop stewards' committee. The factory takes on and trains apprentices and provides highly skilled, well-paid jobs. There is also a drive from the company to improve skills, as new technology is introduced and improve productivity.

Unite-Amicus was awarded funding through Round 6 of the Scottish Union Learning Fund. This allowed the Union Learning Representatives (ULRs) on the site to re-new their own skills. The ULRs were then able to map the learning needs of the workforce and put in place a learning programme in partnership with local learning provides such as Paisley University, Stow College and the Open University.

“Training is perceived as part of the normal working environment, but lifelong learning is about making our working lives a more satisfying and rewarding experience”, said senior convener Gerry Docherty.



Management at Rolls-Royce have bought into union learning, largely because they are impressed by the commitment and hard work of the ULRs and because they can see the benefit to the business. The company has Investors in People status and the learning programme accords with their own values. According to Operations Manager Les Carey,

“Rolls-Royce plc took the decision to invest £85 million in the new facility at Inchinnan because of the skill and commitment of our people. The development of our people is seen as the foundation for future success and the ULR process is a critical enabler in the overall employee engagement and development of our site. We see the ULRs as key facilitators within this journey. The global aerospace market is a highly competitive market and our competitors use similar machine tools and methods of manufacture, therefore our differentiator in the market place is our employees. For our business to remain competitive it is essential that we fully develop and grow our team members.”

The work done at Rolls-Royce has been widely praised as innovative and lead ULR Pat McIlvogue won the TUC learning rep of the year award for 2007 in recognition for achievement.

making skills work for scotland

case study 5: Lantra Project

“We want to encourage mature workers into learning to learn new skills or refresh their existing skills. It's important that we understand their preferred learning styles and the barriers that prevent individuals from engaging in training.”

Morag Holdsworth, Lantra Project Manager

The *Experience Counts* initiative encourages Sector Skills Councils and learning providers to deliver tailored ‘bite-sized’ learning programmes for the over 50's workforce - encouraging mature workers to learn new skills, increase their confidence and improve their employment and development opportunities.

Lantra, the Sector Skills Council for the environmental and land-based sector, delivers a highly successful and well received project funded through *Experience Counts*. North West Mull Community Woodland Company recently participated in the project and John Morrison, the company treasurer has said:

“In order to achieve several of our objectives, it was essential that a core of people be trained in the safe use of chainsaws. Initially four ‘volunteers’ were sought, three of whom were over 50 and thus eligible for Lantra funding. The course has proved immensely beneficial to all of us. It has given us a skills base which will enable us to actively take part in a range of activities such as new path creation, clearance of fallen timber, provision of timber as a source of woodfuel or for other added value purposes. This has been a great start and it is envisaged that we will expand the skills base for the four of us in the future and encourage others to follow suit.”



One of the company ‘volunteers’ who benefited from the training was John Addy:

“What really impressed me was the way the practical instruction was put across in the workshop and out in the woods. There was a great balance between demonstration, observation and encouragement, at the same time as attention to detail and ensuring that we had plenty of practice at the key skills. At my age I thought I'd seen the last of exam nerves, but the prospect of the independent assessment following the course certainly focussed the mind.”

information advice and guidance: improving the provision of support services

chapter 4

To achieve our vision for skills it is not enough just to provide high quality training and learning and to stimulate jobs growth, we must also encourage and support individuals to access learning and employment.

Many adults face complex choices about how to improve their skills in a shifting labour market. Some people do not necessarily want or need more information but are instead looking for targeted advice specifically for them or people like them. Some people face multiple barriers to participation in learning or work.

We need a support infrastructure for the 21st century that targets services at those who need most help and to smaller workplaces, which are less likely to provide training for staff. Clear information about the benefits of learning and advice on how to use learning to improve job and pay prospects encourages people into learning. We need to give the support that builds a flexible workforce and will allow people to make best use of their skills throughout their lives.

Our aim, therefore, is to strengthen the impact of this support infrastructure on the acquisition of skills through a service that gives individuals information, advice and guidance (IAG) about careers, work and employment, education and training and funding. This service will be focussed on the learner, all-age in its approach, simple to use and understand, offer value for money and be accessible to all.

We will bring together the public agencies involved in delivering information, advice and guidance services and skills provision and build improvements around the needs of individuals.

This is in line with our work on simplifying the public service delivery landscape. The current operational separation of organisations restricts the level of service integration that can be achieved. We will put the individual at the centre and build improvements round their needs rather than existing organisations and provision of learning.

We will work with Jobcentre Plus to integrate job and labour market information with learning information, advice and guidance to better help those wishing to learn or find a job.

We will join up information on learning and individuals to provide comprehensive and accessible information on learning opportunities and will look for all learning providers in receipt of public money to include their learning provision on the National Database of Learning Opportunities so that this database can become a more effective national resource to promote lifelong learning.

information advice and guidance: improving the provision of support services

We will bolster local delivery of information, advice and guidance services to develop the capabilities of local organisations already working with adults in the community.

We will ensure that the information, advice and guidance on financial support which Student Awards Agency for Scotland (SAAS) provides for individuals undertaking study at higher skills levels continues to be appropriate and effectively targeted.

We will ensure that SAAS reinforces and builds on its partner relationships with other key bodies delivering information, advice and guidance on financial support for learners, so that there is a clear continuum of provision across all skills levels supporting learners within a single cohesive system, helping to develop an integrated approach to managing information across partnerships, for the benefit of learner.

We will improve quality standards to make sure individuals have a positive experience of information, advice and guidance services and to make it easier for them to recognise the quality and expected service levels of local and national provision.

We will raise the visibility of Scotland's information, advice and guidance services to individuals and to businesses, especially small businesses, so that these have a greater awareness of learning and skills development and easier access to opportunities.

case study 6:
John McBarron

"I never thought I would be learning new skills at my age ... I would say to anyone to give it a try."

Former welder turned social care worker John McBarron left school at 15 without a qualification to his name.

"I got an apprenticeship as soon as I left school and only got into learning when I was made redundant four years ago. Now I would recommend it to everyone - especially to anyone who is older and who thinks learning is not for them," he said.

John joined MPS Construction and Training in his home town of Johnstone and took a social care qualification at Reid Kerr College. He looks after the welfare needs of the company's young trainees.



With the help of learndirect scotland, the 57-year-old was the company's first employee to get involved in learning, but his boss William Cosh said John's enthusiasm has prompted other staff to gain new skills.

"I also think our trainees, many of whom have not had the most positive experiences at school, look at John and realise that you can go back into learning. They see it is not over for them and that can only be a good thing," said Mr Cosh.

John was named learndirect scotland Learning Employee of the Year in 2006 and is hoping to do a Higher National Certificate in the future.

He said: *"I never thought I would be doing the type of work I am doing, but I love my job. I never thought I would be learning new skills at my age, but I am and I would say to anyone to give it a try. I'm very, very glad I did."*

funding: using our resources to drive improvement

chapter 5

Our aspirations to drive any lifelong skills strategy forward will rely on an adequately resourced learning infrastructure operating across Scotland. This is why public investment in learning and training providers has such a high priority. Current funding mechanisms provide a wide range of learning opportunities for individuals across Scotland. Current mechanisms are also generally successful in establishing financial stability among learning providers.

With investment of billions per year, we must be ambitious in what we demand in return. Our investment in learning provision is in itself not intended to support an industry - it is an investment in a broad and sustainable infrastructure for individual opportunity. Allocation of investment should focus on the needs of individuals, employers and wider society. This must be flexible enough to fit the lives of modern Scots as well as their aspirations.

Government's responsibility goes beyond simply providing funding; there is a key responsibility to align policy and delivery coherently. This Government will act quickly and effectively to reform those parts of the system within its sphere of responsibility which could be improved.

It is important, too, to ensure that the financial support available to individuals is right. Financial support should not drive behaviour - individuals should make decisions based on the learning that is most useful to them, not based on the more or less generous financial support they might be offered by different providers. It should support the wider aim of increasing participation and attainment. Identifying and eliminating gaps and disparities in the financial support system is critical to ongoing improvement.

We will create a funding system that is responsive to the needs of individuals, employers and the wider economy. We will ensure that the required support is available to individuals who need it and is properly resourced across sectors - including recognition of the higher cost of individually-tailored support.

A formula based approach to funding creates stability which can be beneficial to individuals. However, funding bodies must ensure that providers working in specialist fields such as the creative industries, rural delivery and provision in our most deeply deprived communities are funded adequately to respond effectively to the specific challenges they face. If formula funding cannot achieve this adequately then other approaches must be adopted.

We aim to improve support for people in the workforce to participate in part-time learning and will use this improved funding for individuals to encourage more providers to offer a wider range of flexible learning opportunities, including increased workplace learning.

We will review the provision of financial support for individuals through better learner-centred support for people in the workforce to participate in part-time and work-based learning. This will include individual support arrangements for taught postgraduate study, to ensure funding in this area is more responsive to the needs of individuals, business and the wider economy. We will consider the impact of the different additional support arrangements in place for individuals who are learning with different types of provider.

We will ensure that all publicly-funded learning is geared towards helping individuals utilise their skills, as well as develop them.

- We are looking for individuals to emerge from Community Learning and Development, national training programmes, colleges and universities equipped with the ability to improve the productivity of the businesses which employ them.
- We are looking for individuals to emerge from our colleges and universities with business ideas and the skills to convert them into successful businesses.
- We are looking for individuals to emerge from our colleges and universities with a culture of innovation, which allows them to raise our expectations of the Scottish economy.

This is a huge challenge. Previous attempts of this sort have only mined the tip of what we believe is achievable. We look to our providers and the Scottish Funding Council to work together to develop and implement strategies to deliver a step change in the skills utilisation of individuals.

We will ensure that our funding systems promote successful transition and progression for individuals, with improved retention and attainment.

We expect funding bodies to develop funding mechanisms to support improved collaboration between providers to ease transition. This will include jointly funding learning providers from different sectors including colleges, universities, local authorities, the community and voluntary sectors and the private sector.

We must also explore options to fund on the basis of outcomes rather than on the basis of inputs in post-compulsory learning.

We will always seek value for money.

We are committed to ensuring that public funding for skills development achieves best value for the considerable investment.

the call to action: what government, learning providers, employers and individuals need to do next

chapter 6

There are several priorities for action which have emerged in developing our workforce and tackling the skills deficits that are barriers to employability and employment:

Individual Development

1. Developing a distinctively Scottish approach to skills acquisition, balancing the needs of employers and individuals, aligning employment and skills and placing the individual at the centre of learning and skills development.
2. Developing a coherent funding support system for individuals of all ages and in all forms of education and training that encourages participation in learning and work. This will include support for individuals to increase control and choice over their learning and skills development.
3. Ensuring that this Strategy will promote equal access to and participation in, skills and learning for everyone. This Strategy aims to promote equality of opportunity to those trapped by persistent disadvantage and to improve numbers of people economically active including those from groups such as race, disability, gender, sexual orientation, age and religion/faith and educational starting points.

Economic Pull

4. Stimulating increased demand for skills from employers, both public and private, by:
 - encouraging employers to develop ambitious business strategies from which a need for higher level skills will flow;
 - helping employers to articulate what they need now and what they are going to need in the future;
 - supporting the capacity of learning providers to engage with employers and understand and respond to their needs; and
 - creating structures that facilitate closer working between employers and learning providers.
5. Improving the utilisation of skills in the workplace, through:
 - encouraging better management and leadership and improved human resource practices (including recruitment) across the range of employers in Scotland;
 - supporting job design that encourages autonomy, makes better use of employees and stimulates enterprise and innovation in the workplace;
 - improving links between skills and the other drivers of productivity, such as investment in technology and infrastructure; and
 - ensuring that individuals can use the skills they have acquired through learning in a way that immediately benefits their employer.

6. Understanding current and projected demands for skills to help prepare for future skills needs.
7. Challenging employers, learning providers, awarding bodies and others to use the SCQF as a tool to support learning, specifically to facilitate the recognition of learning and for enabling individuals to move smoothly through learning environments, getting credit for learning they have already achieved.

Cohesive Structures

8. Simplifying structures to make it easier for people to access the learning, training and development they need, including formal and informal learning by merging a number of bodies into one, focussed on skills.
9. Ensuring that *Curriculum for Excellence* provides vocational learning and the employability skills needed for the world of work and is the foundation for skills development throughout life.
10. Achieving parity of esteem between academic and vocational learning, recognising that vocational learning is a valuable alternative to the academic pathway and important to all.
11. Challenging our funding bodies to use their budgets to help achieve a stepchange in skills development and use.
12. Encouraging providers to see themselves as part of a continuum of provision - links in a chain - which helps individuals to see the relevance of learning to them, progress in their learning and make full and effective use of the skills they have acquired. Judging that system by how well it serves those who need the most support.

Annex A provides a list of actions that we believe the various agents involved in the skills development and training agenda need to undertake in order to catalyse a stepchange in skills for Scotland.

These lists are not intended to be exhaustive but are intended to act as the starting point for our 'Call to Action'. What they have in common is that together they represent a challenge both to Government and to all those involved in the skills agenda to tell us how you are going to work with us:

- **where we have issued challenges we expect to see a response;**
- **where we have said we will make changes, we will work with you to deliver these; and**
- **where we have indicated that we need further policy development, we will do this in partnership.**

Partnership - between Government, employers, individuals and learning and training providers - is the key to delivering on these priorities and our success depends on a shared vision of what we need to achieve.

annex a: what our partners need to do

annexes

All of our delivery partners need to recognise that different people have different needs, promote equality in ways most suited to individual needs and have due regard to the relevant statutory duties relating to equal opportunities.

EMPLOYERS NEED TO:

- Be ambitious, demanding consumers of skills;
- Make best use of the skills of their workers by investing in their management and leadership and HR practices;
- Understand how training can benefit their performance and their staff and be aware of the range of training and support that is available to them;
- Be prepared to train individuals to develop the employee they want - and be prepared to invest in that training;
- Encourage and facilitate staff to access available learning opportunities;
- Work with learning providers to offer work opportunities and experiences, both at entry level and as integrated parts of higher-level learning, across learning sectors;
- Create a better business environment by working more closely with communities;
- Recognise the importance of their role in engaging with young people, schools and parents and carers;
- Establish links with their relevant Sector Skills Council to ensure that their skills needs are addressed and their voice is heard in the development of qualifications; and
- Work together with Trade Unions, using local learning agreements, to support the development of individuals in the workplace.

INDIVIDUALS NEED TO:

- Take an active role in shaping their own lives and managing their own learning and development, contributing to their own skills development as far as they are able;
- When in employment, work with their employer to identify and address their learning and training needs; and
- Know what is available to them and where to go for information, advice and guidance support.

LEARNING AND TRAINING PROVIDERS NEED TO:

- Play to their specific strengths:
 - with schools providing a sound basis for future learning and skills development;
 - with Community Learning and Development offering learning opportunities to engage, attract and enthuse those who are least likely to get involved in learning;
 - with colleges delivering core, employability and vocational skills and training to meet national, regional and local needs;
 - with universities competing on a global basis in research, development and teaching, serving as a key driver in Scotland's economic and enterprise agenda;
 - with learndirect scotland learning centres offering a less formal entry-route;
 - with voluntary and private training providers as key elements of responsive provision that meets local needs; and
 - with all providers empowering individuals to demand a quality learning experience that meets their needs.

- Consider themselves as part of one system geared towards helping people develop the skills they need, where articulation, integration and working with other providers are the norm:
 - building on the effective partnership working that already exists;
 - work with awarding bodies and use SCQF to enable all learning to be recognised;
 - ensure that it is easy for individuals to progress from one form of learning to another; and
 - understand and support individuals before and after their learning and into employment.

- Develop strong partnerships and communication links to ensure that information about an individual's support needs, learning styles and achievements are shared:
 - for those school pupils who undertake part of their learning in college, they should be able to relate this learning to the wider curriculum and their achievements and learning in college must be recognised and acknowledged within their school; and
 - address the barriers which prevent young people from undertaking different models of learning, including learning opportunities outside of school.

annex a: what our partners need to do

- Provide high quality, relevant, learning opportunities that have value in the workplace:
 - provide learning at times and places accessible by workers;
 - offer easy access to robust information about learning opportunities and funding to individuals and employers;
 - emphasise and prioritise employability as a key outcome from learning;
 - ensure that learning is geared towards helping individuals to utilise their skills at all levels, from foundation-level to PhD - not just their subject-based knowledge and understanding, but also the practical application skills, generic cognitive skills, communication skills and autonomy, accountability and the ability to work with others - providing individuals with the ability to utilise skills and foster innovation in a changing and demanding labour market; and
 - engage with employers so that people can use the skills gained through learning to access work and progress in the workplace.
- Work with and through their representative bodies - in the case of universities and colleges this means Universities Scotland and the Association of Scottish Colleges - to:
 - ensure that in teaching individuals they provide them with essential skills;
 - ensure positive destinations for individuals where the learning that those individuals have undertaken will be effectively used;
 - work closely with business to develop courses that will lead to individuals having the knowledge and skills that meet both business need and individual aspirations; and
 - work with business in developing relationships that will make best use of the knowledge created in institutions for the benefit of Scotland's economy.
- Make effective use of labour market information and information, advice and guidance in:
 - developing learning, qualifications and work experience opportunities; and
 - responding to demand from individuals and employers and different segments of these markets.
- Work with learndirect scotland to register all publicly-funded learning courses on the National Learning Opportunities Database, so that the Database can become an effective national resource for all to use.

LOCAL AUTHORITIES NEED TO:

- Take forward robust implementation plans for *Curriculum for Excellence*;
- Develop clear processes for identifying communities, families and children who may have higher needs or who are at higher risk of poor outcomes and tailor services to meet their particular needs, building on the work of local partnerships implementing *More Choices, More Chances* and *Workforce Plus*;
- Enhance their strategic role as both providers and commissioners of early years services;
- Encourage the links that are emerging between employers and schools through *Determined to Succeed* (DtS) and look to expand them into early years;
- Ensure that all partners, including colleges and community based learning providers, are included in the production of Community Learning and Development strategies and that appropriate linkages are made to community planning; and
- Deliver coherence between all functions that support skills development, including Workforce Plus and NEET partnerships.

THE SCOTTISH CREDIT AND QUALIFICATIONS FRAMEWORK PARTNERSHIP NEEDS TO:

- Move quickly to ensure that the SCQF embraces more learning opportunities by increasing the number of credit rating bodies; facilitating the inclusion of work based learning programmes and encouraging the recognition of informal learning.

THE SCOTTISH FUNDING COUNCIL NEEDS TO:

- Ensure that its review of funding methodology will:
 - develop a tertiary education system which responds to the needs of learners and employers;
 - deliver a step change in skills utilisation for individuals; and
 - promote successful transition and progression for individuals with improved retention and attainment.
- Work with others to develop and support a system of recognition of prior learning.

annex a: what our partners need to do

THE SCOTTISH QUALIFICATIONS AUTHORITY AND OTHER AWARDING BODIES NEED TO:

- Involve employers in the development of qualifications through more active engagement with the Sector Skills Councils;
- Work towards placing their qualifications in the SCQF and making links with other qualifications to open up opportunities for individuals; and
- Continue to ensure that essential skills are visible in qualifications.

SECTOR SKILLS COUNCILS NEED TO:

- Develop proper engagement with employers in their sector in order that they can speak with legitimacy on their behalf;
- Deliver sectoral Labour Market Information that is trusted, well used and fits with the robust national information supplied by Futureskills Scotland;
- Ensure that employers have a say in the design and development of learning at all levels and in all settings, not just in vocational qualifications; and
- Develop strong partnerships with other key players in their sector as well as with Government, providers and intermediary bodies.

TRADE UNIONS NEED TO:

- Support the development and position of union learning representatives within their organisations;
- Work in partnership with employers to expand the use of local learning agreements; and
- Work collectively with the Scottish Government and key partners to help support the creation of a Scottish Union Academy.

annex b: defining our terms³⁵

The definitions used for the clusters of skills referred to in this strategy, such as personal and learning skills, core skills, employability skills and transferable skills have substantial overlaps with each other. These categorisations are not mutually exclusive. They all include many of the same skills – and also behaviours, attitudes and personal attributes – that make individuals more effective in particular contexts such as education and training, employment and social engagement. These clusters of skills are embraced by the broad term “essential skills”.

ADULT LITERACY AND NUMERACY

The ability to read, write, and use numeracy to handle information, to express ideas and opinions, make decisions and solve problems – as family members, workers, citizens and lifelong learners.

CAREER PLANNING SKILLS

The skills, knowledge and self-awareness to develop aspirational career aims and the confidence to take appropriate actions in one’s working life, time and again, as career opportunities arise and work and learning options change.

COLLEGE

Scotland’s colleges deliver post-compulsory education, usually of a vocational nature, at both further and higher education levels (SCQF levels 1 – 10). About a quarter of Scotland’s higher education is delivered by colleges. They also deliver courses in collaboration with schools and education authorities for school pupils. College programmes prepare learners to progress to further learning or employment.

COMMUNITY LEARNING AND DEVELOPMENT

Community Learning and Development (CLD) is learning and social development work with individuals and groups in their communities using a range of formal and informal methods. A common defining feature is that programmes and activities are developed in dialogue with communities and participants. CLD’s main aim is to help individuals and communities tackle real issues in their lives through community action and community-based learning.

CORE SKILLS

As defined by the Scottish Qualifications Authority, amongst others, the five Core Skills are: communication, numeracy, problem solving, information technology and working with others.

³⁵ Much of this section has been adapted from *Futureskills Scotland’s Labour Market Glossary 2004*.

annex b: defining our terms

DEMAND (IN LABOUR MARKET TERMS)

Demand is the quantity of a good or service that people wish to buy. Labour demand refers to the total number of workers or even working hours required by employers and is usually measured by the number of jobs plus vacancies. Demand is influenced by the customer's (employer's) purchasing power, the price of the good or service (the wages and other costs of employing someone) and the availability of alternatives (e.g. machines).

ECONOMIC ACTIVITY/INACTIVITY

Economically active/inactive people are those adults who are/are not actively engaged in employment or seeking work.

EMPLOYABILITY

The combination of factors and processes which enable people to progress towards or get into employment, to stay in employment and move on in the workplace³⁶.

EMPLOYABILITY SKILLS

A term that refers to skills, behaviours, attitudes and personal attributes that are necessary for an individual to seek, gain and sustain employment and function effectively in the workplace and are transferable to a variety of contexts. Employability skills prepare individuals for work rather than for a specific occupation.

ENTERPRISE CAPABILITY

The ability to apply enterprising skills, attitudes and values such as self-awareness, self-confidence, creativity, initiative, risk taking, communication, decision making, problem solving and teamwork in a range of social and economic contexts.

ESSENTIAL SKILLS

This is a broad term that includes literacy and numeracy, personal and learning skills, the five core skills, skills for employability and other transferable skills.

EXPERIENTIAL LEARNING

The process of acquiring skills, knowledge and understanding through practical and hands-on experience rather than through theoretical education.

FOUNDATION SKILLS

Skills that an individual must have to engage successfully in learning activities that result in them developing higher level skills.

³⁶ Definition from *Workforce Plus, An Employability Framework for Scotland*, Scottish Executive June 2006.

HIGHER EDUCATION (INSTITUTION) (HE(I))

Most Higher Education Institutions are universities. They deliver mainly courses of higher education qualifications and degrees. A course of higher education is one of the following:

- (a) a course at a higher level in preparation for a higher diploma or certificate;
- (b) a first degree course;
- (c) a course for the education and training of teachers;
- (d) a course of post-graduate studies (including a higher degree course);
- (e) a course at a higher level in preparation for a qualification from a professional body; and
- (f) a course at a higher level not falling within any of paragraphs (a) to (e) above.

JOB-SPECIFIC TRAINING

This is usually the same as vocational training, with a focus on a single trade, profession or occupation. Many employers, colleges, training providers, trade unions and professional bodies deliver some measure of training that improves workers' ability to perform tasks.

LABOUR MARKET

The term 'labour' refers to actual and potential input of people into economic production: actual in terms of people in work, potential in terms of people who are not in work but could notionally work. The labour market is the mechanism or market place in which buyers and sellers of labour engage. The term labour market is used widely in its broadest sense to cover a range of issues that are concerned with labour and the market for labour over time and generally is concerned with elements of labour supply and labour demand and how these interact. For example, we are interested in children and the subjects they study as this has implications for labour supply in the future.

LEARNING PROVIDERS

In the widest sense, anyone involved in the delivery of learning such as colleges, universities, Community Learning and Development providers the Scottish Prison Service, schools, private training providers, professional bodies, trade unions, employers and voluntary sector organisations.

LITERACY

Competence and confidence in grammar, spelling and the spoken word in order to function responsibly in everyday life, express ideas and opinions, interpret and analyse information, and reach informed decisions.

annex b: defining our terms

MARKET FAILURE

A market failure occurs when the economic system does not efficiently distribute resources or goods and this situation results in an outcome which is not as good as the theoretically best possible one. For example, there can sometimes be a market failure in training - if companies invest to train individuals, the benefits of training are retained by that individual rather than the company. If the individual leaves the company, they take these training benefits with them. The market failure occurs when this is a disincentive that leads to companies not investing in training. If many companies do this, then the economy suffers as economic production is not as efficient as it could potentially be.

NOT IN EMPLOYMENT, EDUCATION OR TRAINING (NEET)

NEET is an acronym for 'Not in Employment, Education or Training'. It is used to describe people who are either unemployed and not in education or economically inactive and not in education. There is a particular focus on young people aged between 16 and 19 who need more choices and more chances in life.

NUMERACY

Competence and confidence in using numbers in order to be able to solve problems, interpret and analyse information, and reach informed decisions.

PARITY OF ESTEEM

This refers to the notion that all forms of academic and vocational education should be perceived, designed, funded and delivered in ways that do not value one over the other.

PERSONAL AND LEARNING SKILLS

These skills, behaviours, attitudes and personal attributes include self-confidence, self-awareness and self-knowledge; critical thinking; a positive attitude to learning, self-directed learning and an ability to plan and evaluate learning strategies; and the ability to reflect on one's own progress in learning.

POST-COMPULSORY SYSTEM

This encompasses all education that is available after the point at which children are required by law to receive education.

PRODUCTIVITY

The value of output (goods and services) produced per unit of input (productive resources) used. Thus an increase in productivity means producing more goods and services with the same amount of resources, or producing the same goods and services with fewer resources, or some combination of these two possibilities. While productivity is often measured or referred to only in terms of the productivity of labour (output per 'man'-hour), a more precise and complete view of the sources of productivity incorporates the effects of all inputs to production, including capital, land and materials.

QUALIFICATIONS

In a labour market context, a qualification is an endowment or achievement (often formally certificated) that demonstrates an individual's competence and proficiency in a specified area of activity. Qualifications are often used as conditions of entry to particular jobs and often as a proxy for measuring the broader and more amorphous concept of skills. However, not all skills require or lead to qualifications and vice versa.

SKILL(S)

A "skill", in its narrower sense, is an acquired capability that enables an individual to engage in particular activities. It is the ability, competency, proficiency or dexterity to carry out tasks that comes from education, training, practice or experience. It can enable the practical application of theoretical knowledge to particular tasks or situations. "Skill" is also applied more broadly to include behaviours, attitudes and personal attributes that make individuals more effective in particular contexts such as education and training, employment and social engagement. "Skills" in the narrower sense are generally assessable. In the broader sense they are not readily assessed.

SKILL GAPS

A skill gap exists when someone who is in a job is judged by their employer to be not fully proficient

SKILL SHORTAGES

A skill shortage arises when an employer has a vacancy; the employer describes that vacancy as 'hard-to-fill'; and the reason the vacancy is hard-to-fill is because the applicants lack the appropriate skills, qualifications or experience to do the job.

SOFT SKILLS

Soft skills are those which employers look for in addition to and to assist in deploying, their technical skills and experience. They typically comprise: teamwork; communication skills; problem solving ability; leadership skills; and customer service skills. However they can also encompass personal characteristics such as motivation, self-confidence, attendance and career aspiration.

SUPPLY (IN LABOUR MARKET TERMS)

The labour supply relates to those individuals potentially available to work. In total, it usually consists of those in work and those unemployed (who are defined as available for and actively seeking work). Whilst the demographic composition of a society is a core determinant of the labour supply, changes can occur because people become, or cease to be, economically active, or where migration adds to, or reduces the total number of people that could be part of the labour supply.

TERTIARY EDUCATION SECTOR

Tertiary education is post-secondary further or higher education. The word "tertiary" means third rank or phase, with a distinction being drawn between primary, secondary and tertiary education.

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THE THIRD SECTOR

Organisations that are not fully in the private or public sector, for example, voluntary, organisations and community groups.

TRAINING

Training is the process of coaching in or accustoming an individual to a mode of behaviour or performance; or to make proficient with specialised instruction and practice. In the labour market context it refers to the process of improving workforce skills: by employer instruction; by educational institutions; by trades unions or professional bodies; on or off the job and with or without formal certification and qualifications.

TRANSFERABLE SKILLS

Skills learnt and developed in one situation that could be used in a different situation. The term normally implies that the individual is aware of the transferability of the skills they have developed.

VOCATIONAL EDUCATION

Vocational education in schools generally aims to develop pre-vocational or employability skills. When undertaken in the tertiary education or training sectors vocational education is usually oriented towards a specific trade, profession, vocation or element of work. It can involve development of specific technical or professional skills for certain types of job or occupation, or training in general skills and aptitudes relating to an industry. It will also generally involve the development of personal and learning skills, core skills and employability skills.

VOCATIONAL SKILLS

These skills refer to the individual's competency and proficiency in activities that relate to specific occupations or vocational areas.

VOLUNTARY SECTOR

The Scottish Council for Voluntary Organisations (SCVO) defines voluntary organisations as non-profit driven, non-statutory, autonomous and run by individuals who do not get paid for running the organisation. There are no agreed hard and fast rules for distinguishing the boundary line between voluntary and other organisations. However, the following exclusions are based on the notion that the voluntary sector represents a unique value system. Even within the set of organisations that hold to this value system, there are particular exclusions made for pragmatic reasons. SCVO use two key tests to distinguish voluntary organisations from other organisations:

- the organisation should not represent a “for-profit driven”, as opposed to a public benefit motivation; and
- the organisation should aim to satisfy a shared benefit, rather than an exclusive and private objective.

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