Skills: Scotland's Opportunity

This report captures the discussions at the Scottish Government Skills and Training Summit. The comments and recommendations within the report are from those who participated in these discussions and do not necessarily reflect the views and policies of those hosting the event.
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Acronyms:

FE – Further Education  
HE – Higher Education  
LA – Local Authority  
PACE – Partnership Action for Continuing Employment  
SCQF – Scottish Credit and Qualifications Framework  
SDS - Skills Development Scotland  
SEn – Scottish Enterprise  
SOA - Single Outcome Agreements  
SSC - Sector Skills Council  
SWAP – Scottish Wider Access Programme

**About this report**

This report captures the discussions at the Scottish Government Skills and Training Summit. The comments and recommendations within the report are from those who participated in these discussions and do not necessarily reflect the views and policies of those hosting the event.
EXECUTIVE SUMMARY

Overview

The Skills: Scotland’s Opportunity Skills and Training summit brought together key partners from the public, private and third sectors to look at options for increasing the opportunities for individuals and employers to develop and use skills as best they can. The principle objective of the event was to allow the Scottish Government to engage with these key partners on the key themes emerging from the drafting of the refreshed Skills Strategy. A summary of the key points and issues raised across a number of broad themes is provided below.

1. Skills policy

There is a need for a stable, long-term policy framework with a balance between immediate interventions, including responding to the economic crisis, and the longer term redesign of the range of policies and interventions.

2. Types of skills

The refreshed skills strategy should apply to all levels of skills (low/intermediate/high). There is a view that there needs to be more emphasis upon progressing from one level to another.

3. Supply-side of skills development

Skills supply should respond more to employer needs and encourage direct communication between training providers and employers.

In-work training (where skills development takes place) needs a stronger emphasis in the strategy.

Careers advice needs to more effectively identify where jobs are, and will be, in the local, regional and national economy. There is also a need to ensure that the provision of careers advice is effective in illustrating possible career paths for people.

Short courses are important and there was a perception that current funding was overly centred on ‘big qualifications’, including Higher National Diplomas (HNDs) and Modern Apprenticeships.

Suggestion that college and university funding methodology could better reflect the needs of the economy rather than the numbers of students recruited.

4. Local Labour Market Information & Intelligence

We do not have good and consistent information on local labour markets. We should have a shared understanding of where the demands and opportunities are. Good Labour Market Intelligence (LMI) is needed to address mismatches between provision and job opportunities.

5. Complexity of the skills system

There is a perception that the current skills system is too complicated for individuals and employers, both in terms of the different funding streams and advice routes
available. The learning and skills system was not always joined up or coherent. There are too many initiatives, too much information, and the skills system is too confusing. Individuals and (especially small) employers struggle to understand and identify appropriate support from the system.

There are too many partners around the table with their pots of money (mostly derived from the public purse) according to some groups. Combining some would make the system clearer and less complex.

6. Operation of the system

We need to make the system friendlier to Small and Medium-sized Enterprises (SMEs) through greater clarification of all the various programmes and Government support and initiatives available.

Communication between key stakeholders is poor, for example, between training providers, employers and other key stakeholders. Too many players are talking to employers in the skills agenda - SG, SDS, Local Authorities, Scottish Enterprise, colleges and universities. There must be recognition that not all employers have access to the Government/skills system through representative bodies.

Partnerships should be outcome orientated and clearly accountable. They need to have clear common goals, identify where they add value and have clear outcomes with action plans to achieve them. We need local models of partnership that are distinct but related to national models.

7. Improving access to information and funding

The key issue is that the current skills system is complex and it is not simple to access or understand. There is a common view that the skills system is too broadly focussed. Provision needs to be strongly aligned with demand. We need clearer mapping of existing provision for use by individuals, employers and skills organisations.

What is needed is a ‘one-stop shop’ – this would have information on courses, skills development, funding systems and how to access these. There needs to be greater recognition that information, advice and guidance needs to be accessible and understood by all individuals, and not just focussed on school pupils. There needs to be awareness raising at a national level of where to access careers advice, and this needs to be done in such a way that it appeals to individuals of all ages.

Employers expressed the need for a simple ‘one phone number and some money’ type system with one organization that would walk employers and training providers through the whole process. It needs to be considered whether this would also be the place to get support on assisting (small) employers to identify their skills needs, including how to overcome skills gaps and improve skills utilisation; how, or if, LMI should be linked to this; and should it have control over any / how much of the funding for skills development. These shops should reflect regional pictures, but also the pictures for Scotland and the UK (for multi-nationals).

We must reduce jargon and focus on support provided in plain English. It was suggested that there is too much jargon around and we need to simplify what is
offered to individuals and employers and the language used to communicate that to people.

8. **How can leadership skills and attributes be used to deliver workplace cultures that enable people to better use their skills?**

There is a need for greater alignment between business objectives and skills utilisation. It was suggested that the Scottish Government and the public sector more broadly could share useful mechanisms or tools – e.g. skills matrix – to encourage skills utilisation.

To improve skills utilisation we need stronger, more focussed leadership training. There also needs to be a stronger articulation of the opportunities that strong leadership can provide. More work is needed to disseminate good practice to promote innovation with our businesses, to help develop new procedures and processes and movement into new markets.

9. **Community benefit clauses**

Community benefit clauses (or equivalents) may provide an opportunity through procurement to favour organisations that invest in training their staff.
SKILLS STRATEGY REFRESH SUMMIT

Introduction

The Skills: Scotland’s Opportunity Skills and Training Summit took place on 27 April 2010. It enabled the Scottish Government to engage with key stakeholders on key themes emerging from the refreshed Skills Strategy. It also allowed the government to look at how key actors in the skills sector could work together across the public, private and third sectors to increase the opportunities for individuals to develop and use their skills as best they can, helping Scotland to achieve the economic aspirations that are set out in the Government Economic Strategy.

The context for the summit was set by three keynote speakers:

Keith Brown MSP, Minister for Skills and Lifelong Learning
Michael Davis, Director of Strategy and Performance, UK Commission for Employment and Skills (presentation in Annex A)
Steve Green, Training Manager UK, Siemens Energy Renewables (presentation in Annex B).

Over 100 senior figures attended from firms, local authorities, business organisations, unions, national delivery organisations and Further and Higher Education, suggesting widespread support for the summit. Delegates had the opportunity to participate in round table discussions focussing on the themes below and the feedback was considered in detail in the drafting of the refresh of Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth.

Context

The invitation to the summit set out the general context for the skills strategy refresh. The global economy began to emerge from the deepest, most synchronised downturn in recent memory in the second half of 2009 with many advanced economies, including Scotland, indicating a potential return to growth. In common with other developed economies, the Scottish labour market has been under significant pressure as the recession has unfolded. There are ongoing challenges and risks and as the recovery gains momentum, resources must be targeted effectively to overcome these challenges and ensure opportunity for all.

The Scottish Government has taken action to support Scotland’s businesses and people through the recession. The actions taken during these tough times have supported thousands of jobs in the Scottish economy and created the potential for a great many more. As signs of growth begin to return to the economy, the aim is that Scotland will emerge stronger and more competitive. To support the recovery the
Scottish Government will focus on upgrading the Scottish skills base in a significant way, widening options for both individuals and Scottish businesses.

Many challenges to the recovery remain but equally there are many opportunities that will emerge that Scotland must be well-positioned to take advantage of. As the Scottish Government seeks to accelerate Scotland’s recovery it is critical that skills and training support in Scotland is substantial, sustainable and flexible. In line with this, the refresh of Skills for Scotland was intended to have a strong focus on economic recovery – setting strategic direction to partners across the skills landscape in Scotland, including Skills Development Scotland, providing a simple system that meets the needs of individuals and employers, increasing collective responsibility and strengthening the commitment to an efficient, flexible partnership approach to delivery.

**Focus**

The objectives of the summit were to discuss and make recommendations for the refresh of the Scottish Government’s Skills for Scotland strategy. The discussion was focused upon four priority themes:

- **Empowering Scotland’s People** – Ensuring all individuals have the right advice, support and opportunities to acquire the skills and attributes to both contribute to and benefit from future prosperity;
- **Supporting Scotland’s Employers** – placing greater emphasis on the skills demanded by employers for future success and ensuring a flexible, responsive approach to provision;
- **Simplifying the System** – focusing on how we can streamline our skills approach, making it more flexible and more efficient; and
- **Strengthening our Partnership Approach** – strengthening partnerships and collaborative working, reducing duplication and improving the sharing of services and integrating of activities.

Discussion of the themes focused around specific questions, with each discussion group covering two of the four themes (one theme in each 50 minute session).

**Theme 1 – Empowering Scotland’s People**

- What should be the Government’s priorities in terms of supporting skills development i.e. low skills/technical/higher level? How do we improve the skills profile of Scotland? – 3 suggestions
- What do you think are the 3 main issues that will impact on Scotland’s ability to provide the skills required for the people and economy now and in 10 years time? How do we address these?
- Are people choosing to study or train in areas of identified economic success and labour market demand? If not then what are the factors influencing choice? How should Government respond to these?
• What concrete actions would help Scotland to significantly improve both its skills levels and the impact of these skills on the performance of businesses, the economy and society over the next 10 years?

Theme 2 – Supporting Scotland’s Employers
• What are the skills that employers need (both now and in the future)?
• How can the skills system be more flexible around employer needs? What are the key barriers? What are the key opportunities?
• How can we improve the use of skills in the workplace? What is the role of Government, public bodies, training providers and employers in this?
• How can employers be encouraged to embrace workplace cultures that enable people to better use their skills?

Theme 3 – Simplifying the System (giving individuals and businesses the right skills support, advice and opportunities and the mechanisms for matching business demand and skills development)
• Does the current system allow people and employers to access the right parts of the system when needed? If not then how can it be improved? 3 suggestions
• Is the current organisational structure efficient in communicating with employers? If not then how can it be improved?
• How can we improve the knowledge amongst individuals about what skills are in demand?
• Is there sufficient advice to employers and individuals on the skills and training initiatives and incentives available? If not then how could it be improved?

Theme 4 – Strengthening Partnerships
• What are the 3 main options for improving partnerships with or between the public, private and voluntary sectors?
• How can leadership skills and attributes be used to deliver workplace cultures that enable people to better use their skills?
• How can we better monitor partnership working?

The views expressed in the report of the discussion below are those recorded and are not necessarily representative of all the participants who attended. However, they are intended to reflect the main points of discussion and those that appeared to have wide-spread support are marked in bold.
THEME 1 – EMPOWERING SCOTLAND’S PEOPLE

1.1 Background:
There is a need for stable, long-term policy framework – There is a need to balance immediate interventions, including responding to the economic crisis and the longer term redesign of the range of policies and interventions. Frequent policy changes: use up resources that should be used in directly providing services; lead to confusion for users; and mean that it is difficult to track progress and identify what works in the medium- and long-term.

Jobs - Skills development to improve job creation is crucial, particularly in terms of promoting entrepreneurship.

1.2 Types of skills
Levels of skills (low/intermediate/high) and transition between them – The UKCES presentation indicated that Scotland was relatively weak in the area of Intermediate skills. In the discussions that followed, the view was that a skills strategy should apply to all levels. It was felt that there needs to be more emphasise on progression from one level to another.

Several groups argued that there is no need to push more, or so many, people through degree courses. However, others recognised the need for high level skills to make Scotland competitive in a global economy.

Transferability of skills - People need to understand the transferability / portability of their skills between jobs and sectors and have confidence in articulating their skills.

General types of skills – There remains a need to emphasise core and flexible skills – levels of numeracy and literacy still need significant improvements. There is also insufficient emphasis on ‘personal’ or soft skills, flexibility, adaptability, resilience, and entrepreneurship.

Continuing Professional Development - More emphasis needs to be placed on Continuous Professional Development (CPD) and in-work training. Universities must play a part in the re-skilling agenda and CPD.

Groups who need support - All age groups need targeted support (in line with a lifelong learning approach) rather than a focus purely on younger people.

1.3 Employers demand-side
One Stop shop - Employers need a ‘one stop shop’ for skills support and advice. The current UKCES talentmap was seen as a step in the right direction but was not seen to offer enough. This is discussed further under Theme 2.
1.4 Supply-side of skills development

Skills supply should respond more to employer needs – Many argued that there was a clear disconnect between the jobs available and the training offered by colleges and universities, which is led by the demand of individuals. However, it was felt that these individual choices are often not based upon sound information, as prospective students are not given enough robust information about local labour markets and sustainable employment opportunities to enable sensible choice.

This touches on a fundamental issue – the balance between the scale of direction from government over funding that should be given to providers such as FE Colleges and universities and how much of the system should be demand-led by individuals and how much by employers?

Encouraging direct communication between training providers and employers – Greater liaison is required between business and providers. It is important that the provision of training etc. is flexible and responsive to demand from employers. While the SSCs and other industry bodies represent the needs of employers other mechanisms may also be required to ensure full coverage.

Working together better - Skills Development Scotland, Sector Skills Councils, business organisations, trade and professional bodies and JobCentre Plus need to better work together to develop routes back into employment. There is a continued need for close working between UK and Scottish bodies.

In-work training (where skills development takes place) – More emphasis is needed on skills development (training) in the workplace and outside further and higher education. More skilling and re-skilling needs to happen in the workplace rather than through external institutions

Timing of provision - All year round, more flexible college provision is needed – training/sandwich courses in, for example July. More outreach provision is required where possible.

Over- and under-supply of provision - Public money is leading to over supply in some sectors and college provision that is not informed by local labour market conditions or opportunities.

Colleges need to work more closely with businesses in their areas. There is a need to identify the needs of local economies and address these. Careers guidance must be linked to this.

Curriculum for Excellence - Benefits of Curriculum for Excellence were recognised by some discussion groups. Curriculum for Excellence needs to recognise that we teach and enable people to develop skills, and then knowledge can be developed as required. Whilst acknowledging the opportunity presented by Curriculum for Excellence, some argued that there needs to be a greater understanding of the point of education – that of the greater good, not to further the teacher’s subject.

Careers advice - There needs to more effective identification of where jobs are, and will be, in the local, regional and national economy. There is a need also to ensure
that the provision of careers advice is effective in illustrating to people the potential paths into sustainable employment.

1.5 Funding

_Funding_ – Skills development includes public, private and individual resources (money, time and effort). So all have an input, but what is the right balance in different circumstances?

**Flexible, rapid response funding** - There is an over reliance on national programmes that are not always flexible enough and can take some time to develop or implement. There is a need for some flexible pot of money that can be used for short, sharp interventions that are more sector specific. We need to design products for key sectors but building in generic employability skills. 5,000 flexible places is a start for employers – but they need much more bite sized provision.

1.6 Local Labour Market Information

_Labour Market Information_ - We do not have good and consistent information on local labour markets; we should have a shared understanding of where the demands and opportunities are.

Good local LMI is required to address mismatch between provision and job opportunities and also move beyond labour market information to labour market intelligence (interpreting the data for the various users such as careers, employers and individuals).

Sector Skills Assessments give a good Scotland level assessment of the labour market position in each sector. However, the process of gathering and pulling together high quality local data needs to be addressed and then used. SDS, LAs, SEn and others all pull together information but there needs to be a consistent process in each area and Government needs to ensure its use to develop curricula in our colleges and universities.

Labour Market Information and Intelligence is important in understanding growth sectors. There is quite an immobile workforce in Scotland so real-time local labour market information is crucial. An overview of what the economy will look like will lead to intelligent choices. Improved LMI should build on existing tools. One organisation or body could be responsible for providing sectoral and regional information.

**THEME 2– SUPPORTING SCOTLAND’S EMPLOYERS**

2.1 Background

The refreshed Skills Strategy needs to set out for employers what _the clear priorities are for Scotland_. There needs to be a greater clarity of vision for Scotland’s future.
2.2 Overcoming the complexity of the skills system

There is a view that the current skills system is complex and difficult to access and understand. The skills system is also considered to be too broadly focussed. Provision needs to be strongly aligned with demand.

Map of the skill system - The refreshed skills strategy should include a map of the current system and where key stakeholders are involved and which skills areas they are responsible for, so employers can understand what support is available and where to access it.

One Stop shop – a repeated point was the need for a ‘one stop shop’ which would signpost employers to where they can get skills development support, access to training and funding; and would help employers through the system to get what they want (including some sort of one-to-one help).

This raises the question of the role of a one-stop shop: e.g. whether this would also be the place to get support on assisting (small) employers to identify their skills needs, including how to overcome skills gaps and improve skills utilisation; how, or if, LMI should be linked to this; and should it have control over the funding for skills development). These shops should reflect regional pictures, but also pictures for Scotland and the UK (for multi-nationals).

One group suggested that SDS play a pivotal role in the skills system so they may be a sensible focus for this.

2.3 Types of skills required

Skill types - Employers want technical skills and generic soft skills. They can easily set out technical skills but need to get better at being able to communicate soft skill requirements.

Modern Apprenticeships – One group felt that the focus on Modern Apprenticeships was not employer led, but that employers participated in the scheme due to funding provision. The current system is not inclusive or open to all employers, especially to small ones.

2.4 Skills utilisation

Leadership and management – The key factors to allowing individuals to use and expand their skills base are the management team and leadership within an organisation. The role of management and leadership for the employer is crucial to the skills agenda.

2.5 Information on skills needs

Some representatives felt that the SSCs were well informed about the skills needs for their sectors. However, others thought that a wider partnership was needed to fully identify skills needs (e.g. especially for SMEs). Government funding, and the refreshed skills strategy, should focus on addressing these needs.
Some groups felt that there should be regional and sub-sector levels of information on skills needs as well as sector level. In New Zealand they found that regional information was important.

Some groups felt identifying SME needs were not adequately covered (Fife SME Advisory Board was cited by one group as a good example of local SME work).

**Employer feedback** – There is a need to recognise that not all employers have access to the skills system through representative bodies like The Alliance of Sector Skills Councils. One example discussed was the OPITO Oil and Gas Academy who are no longer represented by COGENT but the Sector Skills Alliance continues to liaise with COGENT. There needs to be a recognised way of collecting skills requirements from all employers.

**Communication between key stakeholders is poor, for example between training providers, employers and other key stakeholders** - Communication needs to improve to make it clearer. Demand from the private sector has to be better communicated too although the public sector has to ‘sell’ the provision available better and raise awareness generally.

A strong focus should be on not treating employers as one homogenous group, so there is a need to communicate to sectors to clarify specific needs and be flexible.

**Less jargon** – This issue was also raised strongly in Theme 3 (below).

### 2.6 Supply-side issues

**Short courses are important** - It was felt that current funding was centred on ‘big qualifications’ – HND’s, apprenticeships etc. - with the requirement to complete a full course. It was suggested that more flexibility was required so that short courses or individual units could be used to meet specific skills needs with funding available ‘pro-rata’. The concern was as much about funding provision as training opportunities.

It was noted that employers want short sharp courses, which are unit based and not necessarily full qualifications, and that more CPD activity is needed (reinforced Theme 1).

**Funding** – Some suggested that this should be flexible, speedy and support short-term training, as well as major courses such as Higher National Certificates (HNCs).

**FE and University funding methodology** - Some considered that existing funding formulae were inappropriate and could better reflect the needs of the economy rather than the numbers of students recruited. This is consistent with certain Theme 1 responses. The funding mechanisms for colleges and universities should prioritise and reward the supplying of courses required by industry.

Colleges must be more responsive to business needs and should be better tied-into the regional and national picture, not only the local employer picture. The education and skills sector and industry need to work more closely together to refresh the skills offered. Colleges need to have unpopular subjects incentivised more as they tend to
‘cherry-pick’ courses popular with students but where there were insufficient jobs in the economy, e.g. hairdressing or sports.

There may be greater scope to use Centres of Excellence in colleges and universities for training for specific sub-sectors (See Theme 1).

2.7 Community benefit clauses

Community benefit clauses (or equivalents) - Potential opportunities for public sector procurement to favour organisations that invest in training their staff in a manner similar to community benefit clauses.

THEME 3 – SIMPLIFYING THE SYSTEM

3.1 Background, Some good news

It was argued that in Scotland we have a ‘good news story to tell’ around defining the learning, training and qualifications – both in terms of need and delivery. A number of organisations contribute to this: Sector Skills Councils, other industry bodies and business organisations, Colleges and Universities, SCQF, LTS, SDS and others, as well as employers. A pan-UK body suggested that the system is much better in Scotland in terms of matching supply and demand, compared to other UK countries. However, there is room for improvement.

3.2 Complexity of the skills system

The skills system is too complex - Almost all relevant discussion groups agreed that the system was complicated in terms of different funding streams and advice routes. The learning and skills system was not always joined up or coherent.

There are too many initiatives, too much information, and the skills system is too confusing. There needs to be greater clarity of purpose for all those working in skills system – reduce duplication and overlap. Frustration was expressed that the current system was overly complicated and it was not clear what organization to contact for what help.

Individuals and (especially small) employers struggle to understand and identify appropriate support from the system - People in work and businesses struggle to understand what is available for them and how to find out more.

There is a need to reach, engage and involve individuals and employers.

Too many public funding sources – There are too many partners around the table with their pots of money (mostly derived from the public purse) according to some groups. Combining some would make the system clearer and less complex.

3.3 Operation of the system

Need to make the system friendlier to SMEs - There is a need for clarification of all the various programmes, too many different Government initiatives e.g. suggestion
that Training for Work is difficult to understand especially for smaller employers. More support is required for small businesses as opposed to larger employers. There is a survival issue for small businesses. It was suggested in some discussion groups that there is too much bureaucracy in the skills system for businesses.

Too many players - The increasing volume of organisations talking to employers in the skills agenda was noted - SG, SDS, Local Authorities, Scottish Enterprise, colleges and universities. However, universities (or at least those more geared towards the Scottish economy) are a missing piece of the infrastructure and should be aligned with others.

There was a call by one group for a lead agency to be identified for the skills agenda – SDS should have this role but this is not felt to the case by some groups. There were also some calls for one funding agency, replacing SDS and the SFC, to allocate all funding for education and training informed by a national and local articulation of priorities. It is not clear how much general support there is for this.

Dissemination of good practice - There is a need for a clearer role for SDS and the SSCs and other industry bodies in networking and disseminating good skills practice.

3.4 Funding

Need to take brave decisions on cutting courses – It was suggested by some groups that Scotland has never been good at ‘de-funding’ initiatives. Curriculum for Excellence is making a start on this. Need to have robust evidence on which to make policy decisions on what to support and what to stop supporting. We should cut those courses with poor outcomes from the system and simplify things.

One group proposed a “kitemark” provision so that we can be clear what the benefits of certain courses are to individuals, employers and the state and then the ‘market’ would cull poor courses However, this might involve a major new bureaucratic system.

3.5 Improving access to information and funding

Need clearer mapping of existing provision for use by individuals, employers and skills organisations - Need to map these out more to see what we have, what the gaps are and how we make them more accessible. This is not about developing new tools, but being more sophisticated in their deployment - e.g. SCQF, SWAP, PACE, Armed Forces Transition Service, SDS Tools, talentmap etc. - then consider what the journey of the user through these might be – for the employer, individual and/or other.

What is needed is a one-stop shop – this would have information on skills development courses, training opportunities and funding systems and how to access these. There needs to be greater recognition that information, advice and guidance needs to be accessible and understood by all individuals, and not just focussed on school pupils. There needs to be awareness raising at a national level of where to access careers advice, and this needs to be done in such a way that it appealed to all ages.
Employers expressed the need for a simple ‘one phone number and some money’ system with one organization that would walk employers and training providers through the whole process. There is a need for a ‘one portal’ system that offers employers the answers to the questions they have without them needing to understand the system. The UKCES talentmap should do this but is, according to one group, currently insufficient at a Scottish level and needs significant development.

There is a need for a portal - virtual and/or physical - that can provide all the information required at a geographic level for employers and individuals alike and provide information on LMI, provision and jobs in the area. It would pull together all data from the relevant public bodies (JCP, SDS, SEN/HIE, FE/HE, Business Gateway etc) and be clear on who does what. One to one support is still required for some individuals and employers.

Note that similar one-stop shops were suggested for employers (see Theme 2).

Reduce jargon, let’s speak in English - There is too much jargon around and we need to simplify what is offered to individuals and employers and the language used to communicate that to people.

The need to improve knowledge amongst individuals about what skills are in demand - There is a strong view that the individuals providing advice, wherever they are based, should have the knowledge and skills to deliver the right advice to anyone. Do those engaging with individuals and employers have the skills? Do they really know everything that is available and who it would suit?

**THEME 4 – STRENGTHENING PARTNERSHIPS**

4.1 Background

Outcome orientation and clearly accountable - Partnership working needs to: have clear common goals, identify where it adds value and have clear outcomes with action plans to achieve them. One group gave the positive example of the national renewables action plan which outlines all actions required and is managed by the Scottish Government to ensure partners are held to account.

Action orientated - Partnership working needs to be action-orientated with a clear focus and monitoring of their effectiveness to avoid them becoming ‘talking shops’. The time and other costs of meetings to private employers must be recognised. Partnerships should be about getting things done, not talking about them.

Who should be involved? – A group argued that SSCs, business organisations and trade and professional bodies need to be at the heart of the employer skills agenda. These and other trade bodies are good contact points for developing and disseminating messages to employers. However, a group suggested that the large number of overlapping SSCs do not necessarily provide this in Scotland, especially at a local level.
4.2 Improving Partnerships and joint working

Local partnerships need to be improved in terms of responsiveness to local business need. The roles of colleges, SSCs and other industry bodies need to be strengthened in this. There needs to be more flexibility around SSCs and their clustering.

Need local models that are distinct but related to national models. This already exists through the National Performance Framework and Single Outcome Agreements with local authorities. It was felt by some that Community Planning Partnerships and SOA’s provided a strong model for partnership and that the skills agenda could be further enhanced through this model.

PACE is a good example of partnership working that is clearly focused and glued together by SDS.

4.3 Monitoring Partnerships

A responsive policy with a responsive monitoring framework is desired - Partnerships should be obliged to monitor progress and more local monitoring to assess targets and outcomes is needed.

Tracking results at the level of individuals was thought to be significant, including tracking longer term outcomes. The example of Modern Apprentices was cited – with concern that the number of starts was being recorded rather than the number of completed apprenticeships or long term jobs resulting from the scheme.

Individuals in various groups emphasised the importance of monitoring the added value of the partnership. It is not clear who should carry out evaluations or if they might be self-evaluations.

4.4 How can leadership skills and attributes be used to deliver workplace cultures that enable people to better use their skills?

There is a need for greater alignment between business objectives and skills utilisation - It was suggested that there is not enough understanding of how skills utilisation can link to business objectives.

It was suggested that the Scottish Government and the public sector more broadly could share useful mechanisms or tools – e.g. skills matrix – to encourage skills utilisation.

To improve skills utilisation we need - Leadership training and good examples of leadership, give opportunities within companies to be innovative with procedures and processes, and branch into new markets.

Organisations need to consider where technology can support innovation and workplace cultures (e.g. distance working) and allow individuals to be more innovative.

Organisations need to look for global examples of good workplace cultures.
Organisations need to act as role models for industries or sectors and provide leadership support for individuals as they progress through an organisation.

We need to increase options for better delivery of learning, including considering alternatives to lectures e.g. e-learning or m-learning.

Employers need to recognise and establish their role as a “learning organisation” and focus on effective knowledge transfer.

Government needs to sell the “transfer of benefits” to employers so they recognise the value to them in terms of productivity and profitability.

We need to look at existing support for leadership and management and evaluate whether it is effective. Where an approach is seen to be successful we need to have a mechanism in place that allows others to benefit, although competition will always be a barrier.

We need to deal with the problem that SMEs do not have time or resources to invest in skills development and to find more practical ways of supporting them.

**CLOSING PANEL SESSION**

The key issues that were put to the closing panel were:

*Selling the need to up-skill to businesses*
- Need to stimulate ambition in SMEs to increase productivity. Employers need to be more vocal on what they need to help their understanding of target market. More flexibility is needed in the system.
- Employers are now able to make more informed choices. Small businesses are looking for shorter, sharper skills with industry recognised/focussed training.
- Asymmetry of information is a key barrier. The public sector needs to understand this barrier and policy should support employer networks and better transmission of information and knowledge. Establish good practice and look at dissemination. But we also need to understand why the system is not working. Key is how we ensure faster transmission on strong leadership and management.
- Need to move away from generic offer to employers and have something that is more responsible to individual and business need. The skills strategy needs a more focussed approach around LMI. Questions need to be answered first: what information is needed and who is best placed to provide it? A consistent approach will inform choices, improve the supply system and lead to more efficient investment decisions.
- We need a ‘one-stop-shop’ for information on programmes and funding that are available in Scotland. Key questions: What is on offer? How do we access it? How do we better articulate the offer?

*Ensuring businesses understand the qualifications system*
- The qualifications system needs to meet the needs of businesses as well as being easily understood. Support the notion of lifelong learning. Flexible learning needs to
be institutionalised with career guidance based on value and on realistic career opportunities.
- The systems need to be simplified in their organisation and presentation. A skills map for Scotland would assist in the latter.
- There needs to be a system where credit is given for what you have in terms of qualifications and skills that have been developed on the job. Need credit for module components which can cumulate to a person being fully qualified for certain jobs.

Incentivising businesses to recruit graduates
- The focus will be on university education so we cannot get away from that. However, this needs supported with flexible, cumulative learning. A key role is for SCQF in supporting recognition and transitions.
- Colleges need to work more closely with businesses in their areas. They need to identify the needs of important local market economies and address these. Careers guidance must be linked to this.

Assisting individuals make better choices
- Individuals need to focus more on realistic career opportunities. Labour Market Intelligence is important in understanding growth sectors. In Scotland there is a relatively immobile workforce so real-time local labour market information is crucial. An overview of what the economy will look like will help lead to intelligent choices. The issue of transparency of price is also important to intelligent choices. Social partnerships will be crucial given pressures on public sector resources.
- The long-term unemployed are an important group. It is not just about provision of opportunities but also selling better outcomes. Targeting this group will require more resources but could potentially generate greater social outcomes.
ANNEX A

Presentation of Michael Davis, Director of Strategy and Performance, UK Commission for Employment and Skills

SKILLS: SCOTLAND’S OPPORTUNITY
Tuesday 27th April 2010, Surgeon’s Hall, Edinburgh

Michael Davis
Director Strategy and Performance
UK Commission for Employment and Skills

Lead advisor to UK governments for skills and jobs

• Remit of the UK Commission
  – to provide analysis to UK governments and advice on the policies and strategies needed to achieve our ambition of being amongst the top 8 countries in the world for skills, jobs and productivity

• Purpose of our advice is to
  – set out proposals which we believe lay the foundations for transforming the trajectory of skills progression in the UK
Towards Ambition 2020: skills, jobs, growth for Scotland
Expert advice from the UK Commission for Employment and Skills
January 2010

Figure 3: Current international skills position (2006 latest comparable data)

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<th>Country</th>
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<th>Upper secondary</th>
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Looking ahead – Employment & Productivity

To attain top 8 position on employment and productivity Scotland needs to

• Increase its employment rate by almost 2% points
• Increase its productivity levels by nearly 13% points
• Improve its skills utilisation
• Every 1% increase in each is worth almost £1 billion a year to the Scottish economy in perpetuity

What are the challenges to be addressed?

– Scotland has too few businesses in high skill, high value added industries, too few high performance workplaces and is creating too few high skilled jobs. Not enough employer demand for skills and employers do not utilise available skills effectively.
– Too many young people fail to gain the essential and lower level skills – too few adults have the skills to succeed in tomorrow’s labour market.
– Current employment and skills systems are neither fully integrated nor sufficiently aligned. The systems do not empower customers to drive demand, performance or quality improvement.
Our vision for Scotland’s future employment and skills system

- Government’s role is to empower individuals, employers and providers
- Individuals are inspired, motivated and empowered
- Learning and qualifications are shaped by sector and industry needs
- Employer collaboration in identifying future skill needs
- More ambitious world-leading businesses
- There is an active economic strategy
- Public funding is prioritised towards essential and lower level skills
- Stimulate co-investment from employer and individuals for higher level skills
- Provider success defined in terms of outcomes and responsiveness to community/market needs
- Colleges, universities and providers are trusted as valued assets
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‘Reaping the Wind’: For Scotland
Skills: Scotland’s Opportunity 27th April 2010
Steve Green Training Manager Siemens Wind Power

The imperative for change – industry resource challenges

- Rapid wind fleet growth
- Expansion of offshore
- Finding the right entrants
- Developing ‘entry streams’
- Training quality and capacity
- Qualification framework
- Correct mix of skills
- Career development
- Controlling cost
- Maintaining culture
- ‘Professionalising’
Conclusion

Summary

- Needs a seismic shift in attitude
- Scottish Government must take the lead now by setting targets and deadlines to make this happen
- Successful resourcing is critical to the future of renewables in the UK
- We have a huge challenge ahead

Practical steps towards the future

- Engage with Employers
- Simplify access to funding
- Employer Incentives
- Workforce development funding
ANNEX C

Acknowledgements

Opening session

Keith Brown MSP, Minister for Skills and Lifelong Learning
Hugh McAloon – Deputy Director, Employability and Skills Division
Michael Davis, Director of Strategy and Performance, UK Commission for Employment and Skills (presentation in annex)
Steve Green, Training Manager UK, Siemens Energy Renewables

Introducing the discussion and reporting on the Summit

Ronald McQuaid, Employment Research Institute, Edinburgh Napier University

Final Panel Session

Hugh McAloon, Scottish Government (chair)
Mark Batho, Chief Executive, Scottish Funding Council
Janet Brown, Chief Executive, SQA
Michael Davis, Director of Strategy and Performance, UKCES
Jackie Hepburn, Director Alliance of Sector Skills Councils Scotland
Damien Yeates, Chief Executive Skills Development Scotland

Roundtable Facilitators

David Whitton MSP, Labour Party Spokesperson
Michael Levack, Chief Executive, Scottish Building Federation
John Burt, Principal, Angus College
Mike Duncan, Skills & Learning Development Director, OPITO
Jim Sweeney, Chief Executive, Youthlink Scotland
Michael Kowbel, Scotland Manager, eskills UK
Simin Abrahams, Senior Policy Officer, Universities Scotland
Aileen Ponton, Chief Executive, SCQF Partnership
Gordon Jenkins, Principal, North Highland College
Mark Batho, Chief Executive, Scottish Funding Council
Peter Hughes, Chief Executive, Scottish Engineering
David Hume, Chief Executive, Scottish Borders Council
Celia Carson, Policy Manager, SCVO
Administration and Roundtable Scribes
Julie Bilotti, Employability Team, Scottish Government
Katherine Tierney, IAG, Scottish Government
Martin McDermott, IAG, Scottish Government
Anna Kynaston, Modern Apprenticeship Team, Scottish Government
Alex Young, Strategic Funding & International Policy, Scottish Government
Beverly Francis, Employability Team, Scottish Government
Lynn Forsyth, Manufacturing & Economic Response, Scottish Government
Scott Gray, SFC & SDS Sponsorship Team, Scottish Government
Margaret Sutor, PACE Policy Manager, Scottish Government
Christine Mulligan, European Funding Advisor, Scottish Government
Helen Young, Modern Apprenticeship Team, Scottish Government
Mike O’Donnell, Employability Team, Scottish Government
Steven McMahon, Economic Response Unit, Scottish Government
**ANNEX D**

Scottish Government Response though Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth

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<td><strong>Skills policy</strong></td>
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<td>1 There is a need for a stable, long term policy framework with a balance between immediate interventions, including responding to the economic crisis, and the longer term redesign of the range of policies and interventions.</td>
<td>The Scottish Government is clear that our skills and training support needs to be substantial, sustainable and flexible if economic recovery is to be accelerated. The Skills Strategy sets out the priority areas we have identified which we believe will help accelerate Scotland’s economic recovery and achieve faster progress towards our national economic targets. This includes a clear commitment to the development and use of skills with provision for over 40,000 training opportunities in 2010-11, including 20,000 Modern Apprenticeships and 5,000 flexible training opportunities to support the needs of businesses. We also acknowledge however the ongoing uncertainty economic recovery and the tightening of public sector finances. The Skills Strategy therefore makes clear that, whilst we have identified areas which we can target at the moment, additional flexibility around provision is needed to respond effectively to emerging needs and opportunities.</td>
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<p>| Types of skills       |                              |
| 2. The refreshed skills strategy should apply to all levels of skills (low / intermediate / high). View that there needs to be more emphasis upon progressing from one level to another. | The Strategy makes clear that Scotland cannot expect to be an internationally-competitive economy if we do not remain competitive with the skills levels attained by other developed countries. Continuing to develop a highly and relevantly skilled population, whether in schools, colleges, universities, communities or workplaces, and ensuring this talent and ability is applied effectively, is a key priority. The Scottish Credit and Qualifications Framework will continue to help people gain credit for learning in various contexts and to use this as a basis for progression into further learning or work. |</p>
<table>
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<tr>
<th>Supply-side of skills development</th>
<th>3. The supply of skills should respond more to employer needs and encourage direct communication between training providers and employers</th>
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<td>The refreshed Skills Strategy commits the Scottish Government and partners to work with employers, particularly small and medium sized enterprises, to better understand and inform their skills needs, ensuring that skills provision can be responsive to these needs as well as emerging local and international opportunities.</td>
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<td>Skills Development Scotland will work closely with the Alliance of Sector Skills Councils Scotland, individual SSCs, Industry Advisory Groups, the Third Sector Skills Partnership, the STUC and trade unions, and other industry bodies in identifying and articulating the skills needs of employers and employees across all sectors.</td>
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<tr>
<td>4. In-work training (where skills development takes place) needs a strong emphasis in the strategy.</td>
<td>Workforce development is a key feature of the refreshed Skills Strategy. The Flexible 5,000 training scheme is providing employers with support to enhance the skills of their employees and bring real benefits to the business, including improved productivity and a stronger more confident workforce. The Strategy makes clear the intention to continue to look to develop new, innovative models of skills support to encourage greater employer investment in skills and training.</td>
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<td>The Strategy also makes clear the intention to work with employers, SDS and SSCs and other industry bodies to encourage employers to provide appropriate learning opportunities for their employees where possible, including the continuation of modern Apprenticeships.</td>
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<td>The Scottish Government and partners will also continue to work with the SCQF to ensure that employers better understand the qualifications framework and how it can be used in recruitment and workforce development. We will also continue to promote the provision of ILAs - a key demand focussed source of funding for workforce development and lifelong learning.</td>
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<tr>
<td>5. Careers advice needs to more</td>
<td>High quality information, advice and guidance (IAG) is vital in helping those people to make informed</td>
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effectively identify where jobs are, and will be, in the local, regional and national economy. There is a need also to ensure provision of careers advice is effective illustrating possible career paths for people.

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<th>6. Short courses are important and there was a perception that current funding was overly centred on ‘big qualifications’ including HNDs, apprenticeships etc.</th>
<th>The Strategy recognises the importance of all courses and qualifications and the requirement to channel resources accordingly. It provides a commitment to 5,000 new shorter, sharper flexible training opportunities in 2010-11, designed to specifically meet the needs of businesses. The Strategy also identifies a commitment to continue to develop innovative models of skills support to encourage greater employer investment in skills and training. The Strategy also outlines changes the Scottish Government has made to Training for Work to enable people to access it more quickly following a period of unemployment and introduced some further flexibility to get people job-ready.</th>
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<td>7. Suggestion that college and university funding methodology could better reflect the needs of the economy rather than the numbers of students recruited.</td>
<td>The funding methodology for universities and colleges is a matter for the Scottish Funding Council. Recent research confirmed that Scotland’s higher education sector makes a substantial contribution to the Scottish economy. Scotland’s colleges also make a significant contribution to the range of training opportunities open to employers of all sizes across Scotland. A significant part of the investment in colleges goes toward supporting this.</td>
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**Local labour market information and intelligence**

| 8. Scotland needs a shared | We are clear that our skills system needs the flexibility to both anticipate and deliver the strategic |
understanding of where the demands and opportunities are. Good LMI is needed to address the mismatch between provision and job opportunities. Improving the quality, reliability and understanding of Labour Market Intelligence at a national, regional and local level is a key priority in the Skills Strategy. We look to SDS to continue to work with the SSCs and other industry bodies to improve the quality and reliability of sectoral LMI. A new LMI Framework will be established which will bring key stakeholders and partners together to strategically examine current LMI, future needs and opportunities, and options for improvement.

### Complexities of the Skills System

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<td>9. The learning and skills system is not seen as joined up or coherent. It is confusing and individuals and (small) employers struggle to understand and identify appropriate support.</td>
<td>The Strategy recognises the critical importance for people to get the right information, advice and guidance, and part of that process is explaining to them the likely employment outcomes of pursuing courses of study and training. A new Careers IAG will be published later this year which will ensure that careers services are available for all with intensive services targeted towards those who need it most. The Strategy makes clear the intention to promote a “no wrong door” approach both within SDS and other public sector agencies providing support to employers. The Scottish Government will work with partners to improve the accessibility of skills advice and support for individuals and businesses by increasing the integration of services, improving accessibility, providing better information, advice and guidance, reducing bureaucracy and improving standards. The integrated employment and skills services of Job Centre Plus and SDS have been rolled out nationwide, ensuring easy access to skills assessments and careers advice.</td>
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<td>10. There are too many partners with pots of money. Combining some would make the system clearer and less complex.</td>
<td>The Skills Strategy includes a commitment to work better across the public sector and with employers, trade unions and other partners to encourage more collaboration, reducing duplication and improving the sharing of services and integration of activities. The Strategy recognises that local problems can require local solutions and outlines our intention to</td>
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<td>Operation of the system</td>
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<td>11. Need to make the system friendlier to SMEs through greater clarification of all the various programmes and Government support initiatives available.</td>
<td>The development of Skills Gateways by SDS across the key sectors will help improve access to relevant information and services for employers, individuals and training suppliers. SDS will complement this with additional measures to ensure that engagement across all entry points is simple and effective and can immediately respond to the needs of employers. The concept of the “no wrong door” approach will also be promoted beyond SDS, simplifying and better coordinating the services and support available across all the key public agencies providing support to employers.</td>
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<td>12. Communication between key stakeholders is poor and needs to improve</td>
<td>The Skills Strategy makes clear commitment to ensure that partnerships between all key bodies with an interest in skills, including local and national Government, Skills Development Scotland, employers, SSCs, business organisations and trade and professional bodies are built upon and developed to ensure best use of resources. We are confident that the further development of these partnerships will lead to improved communication between all concerned bodies.</td>
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<td>13. Partnerships should be outcome orientated and clearly accountable. We need local models of partnership that are distinct but related to national models</td>
<td>The Skills Strategy emphasises the importance of strengthening partnerships and collaborative working in order to achieve more with less and to deliver better outcomes for individuals and employers. The Scottish Government is committed to help improve the linkages between colleges and local businesses; increase university collaboration at a local, national and international level; work with employers, the STUC and trade unions and other partners to encourage more collaboration and collective action; and support the linkages between the new Third Sector Skills Partnership and skills and qualification bodies. We will also host an annual skills and training summit to engage with all key stakeholders, providing a forum to collect new ideas and suggestions and to make them a reality.</td>
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<p>| Improving access to |   |</p>
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<th>information and funding</th>
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<td>14. A ‘one stop shop’ is needed to ensure careers advice, information on courses, skills development, funding systems and how to access them is accessible and understood by all.</td>
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<td>As part of the Step Forwards Scotland scheme introduced a One Stop Shop, providing specific guidance to employers on all skills and training offers. As detailed above, SDS (and other public sector agencies providing relevant support, will complement this with additional measures to ensure that engagement across all entry points across the system is simple and effective and can immediately respond to the needs of employers.</td>
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<td>15. We must reduce jargon and focus on support provided in plain English. The Scottish Government and public sector more broadly could share useful mechanisms or tools to encourage more effective skills utilisation.</td>
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<td>Simplification is a priority theme running through the refreshed Skills Strategy. It recognises the need for information, advice and guidance to employers to be readily understood and accessible. Through their Corporate Plan SDS are committed to make skills work for employers. This will be taken forward through the Skills Gateways and employer skills service, which will provide a single point of contact for employers seeking to improve their skills. The Skills Strategy makes clear the importance of effective skills utilisation and the positive impact that best use of skills can have on workplaces. The Strategy outlines the commitment within the Skills Development Scotland Corporate Plan to ‘make skills work for employers’. This work will be taken forward through the Skills Gateways and Scottish Employer Service (SES), which will provide a single point of contact for employers seeking to improve skills utilisation.</td>
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<th>Leadership, workplace development and skills utilisation</th>
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<td>16. Need for greater alignment between business objectives and skills utilisation. Scottish Government action needed to</td>
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<td>A Leadership Group was established in September 2008 to champion more effective skills use in the workplace. The Group provided strategic direction for SFC funding of £1.8m over two years for twelve projects. Chaired by the STUC, a wide range of organisations have been brought together in a new cross-sectoral network to support them to deliver messages about effective skills use.</td>
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<td><strong>improve skills utilisation.</strong></td>
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<td><strong>17. We need stronger, more focussed leadership training with a stronger articulation of the opportunities that strong leadership can provide.</strong></td>
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<td><strong>Community Benefit Clauses</strong></td>
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