

Skills beyond School, OECD Review of Vocational Education and Training

Background Report from Scotland

May 2013

This report was prepared as an input to the OECD Review of Postsecondary Vocational Education and Training, *Skills beyond School*. The document was prepared in Spring 2013 in response to guidelines the OECD provided to all participating countries in order to inform the OECD study team prior to their visit to Scotland in June 2013. Any opinions expressed are not necessarily those of the Scottish Government, the OECD or its member countries.

Further information about the OECD review is available at:
www.oecd.org/education/vet.

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1. POLICY BACKGROUND AND SCOPE OF REPORT

1.1 Definition of Post School Vocational Education and Training (PSVET)

PSVET provision in Scotland delivers the knowledge and skills required to access and progress in a given job role or occupation. Provision can include an element of work-based learning, relevant technical skills acquisition and the opportunity to develop or enhance employability skills and core skills relevant to employment.

This definition extends to some learning across Scottish Credit Qualifications Framework (SCQF) levels 4-11¹ (equivalent to ISCED levels 3-6) and in practice, includes:

- SVQs (levels 1-5).
- Provision under the Employability Fund (including college and private & third sector provision).
- Modern Apprenticeships.
- National Certificates.
- National Progression Awards.
- Higher National Certificates and Diplomas.

The definition excludes all school and university-based learning and is principally focused on three broad groups of provision.

College Provision

Provision flowing through **Scotland's colleges**², principally classroom based but with an increasing emphasis on work-based placements.

The colleges are largely public sector funded, but are independent bodies with their own Boards. They offer a broad range of provision relating to further and higher education, including access and pre-vocational courses. They are providers of off-the-job training for the MA programme, as well as training for employees funded directly by their employers.

Modern Apprenticeships

The **Modern Apprenticeship (MA)**^{3,4} programme is largely delivered at workplaces, but with classroom or off the job learning also involved. The MA programme covers 80 occupational frameworks.

The MA programme is delivered by a range of different types of organisation contracted by Skills Development Scotland to deliver MAs. In some instances SDS contracts directly with major employers (who act as registered training providers). In other circumstances SDS contracts with registered training providers who manage the process on behalf of employers, and these providers include colleges, private and third sector training organisations, and local authorities.

¹ National Certificates and Professional Development Awards qualifications span SCQF levels 2-12.

² <http://www.collegesscotland.ac.uk/colleges-scotland-homepage.html>

³ <http://www.skillsdevelopmentscotland.co.uk/our-services/modern-apprenticeships/>

⁴ [http://www.providercentral.org.uk/OurServices/NationalTrainingProgrammes/Modern Apprenticeships.aspx](http://www.providercentral.org.uk/OurServices/NationalTrainingProgrammes/Modern_Apprenticeships.aspx)

Other Employability Provision

This includes interventions such as the Employability Fund, provision under Opportunities for All as well as some private and third sector vocational provision. Much of this provision centres around providing second chance opportunities to students who want to re-enter the system. More detail on these interventions is provided in later sections of this Background Note.

1.2 Scottish Credit and Qualifications Framework (SCQF)

The SCQF⁵ is key to understanding the PSVET offer in Scotland. As stated above, for the purpose of this review we have defined PSVET as extending to some learning across SCQF levels 5-11 but excluding learning even within those levels where it is delivered through schools and universities.

The SCQF promotes lifelong learning by allowing for a better understanding of qualifications in Scotland and the planning of future learning. The Framework supports everyone in Scotland, including learners, learning providers and employers, by:

- helping people of all ages and circumstances access appropriate education and training so they can meet their full potential, plan their learning and develop “progression routes”.
- helping learners to make the most of the opportunities to transfer credit points between qualifications thus avoiding repetition of learning.
- helping employers, learners and the general public to understand the full range of Scottish qualifications, how qualifications relate to each other and to other forms of learning, and how different types of qualification can contribute to improving the skills of the workforce.

The Framework recognises different types of learning in a wide range of settings - for example, learning in the workplace or in the community. The Framework uses two measures, the level of a qualification or learning programme and the number of Credit Points awarded, to aid understanding and comparison of the various Scottish qualifications. The level of a qualification indicates the level of difficulty and the number of credit points indicates the length of time it takes to complete. One SCQF credit point represents an average of 10 hours of learning time.

The table below shows how vocationally based learning and qualifications map to the SCQF and the shaded areas outline those which are included in this review.

Table 1. Breakdown of learning and qualifications in post-secondary vocational education and training in Scotland

Provision / Group	SCQF	Description
School-based vocational learning/qualifications (16-18 age group) (e.g. <i>school-college collaboration projects; S3/S4 work experience placements and tasters</i>)	SCQF 3-7	This school based learning falls within the remit of Curriculum for excellence and is not part of government or employer funded VET provision in Scotland. Out with the scope of OECD PSVET definition and therefore out with the scope of this review
Activity Agreements (<i>non-formal support, work tasters and learning for young</i>)	No formal learning	This provision is focused on developing personal skills, esteem and confidence which enable vulnerable young people to move on to more

⁵<http://www.scqf.org.uk/content/images/misc/Framework%20Diagram%20blue%20-%20Updated%20Aug%202013.jpg>

<i>people not yet ready for formal post-16 learning)</i>		formal learning. It does not lead specifically to employment or contribute to formal vocational learning in itself.
Employability Fund <i>(including National Training Programmes, Get Ready for Work and Training for Work), FE college offer under Opportunities for All, and private and third sector vocational provision)</i>	SCQF 3-6	This part of the system brings together employability provision for 16-19s moving out of school and into the work place. It provides a combination of learning related to work readiness, work experience and skills development, much of which is geared towards a particular role or industry. It also provides a 'second chance' opportunity for older groups by offering vocational training or the opportunity to achieve job ready certification.
Modern Apprenticeships <i>(There are four levels of Apprenticeship in Scotland: Modern Apprentice at SCQF 5; Modern Apprentice at SCQF 6/7; Technical Apprentice at SCQF 8/9; and Professional Apprentice at SCQF 10+⁶.)</i>	SCQF 5-11	Skills development opportunity to learn key technical, vocational and core skills while earning in a full-time job role. Key mechanism for vocational skills development and economic growth in Scotland.
SVQs at levels 1-5	SCQF 4-11	Workbased qualification assessing competence of knowledge and skills used in the job. The qualification is based on national occupational standards developed by industry.
National Certificates	SCQF 2-6	Designed to prepare people for employment, career development or progression to more advanced study at HNC/D level and are predominantly delivered in colleges. Each one has specific aims relating to a subject or occupational area in addition to developing a range of transferable knowledge.
National Progression Awards	SCQF 2-6	Similar to National Certificates. These smaller qualifications may be embedded in National Certificates and are designed to help people reach their career goals, are available in a variety of sectors and are aimed at assessing a defined set of skills and knowledge in specialist vocational areas.
Professional Development Awards	SCQF 6-11	These are principally designed for those already in a career or vocation who wish to extend or broaden their skills base. They may also be embedded within HNCs and HNDs.
Higher National Certificates and Higher National Diplomas	SCQF 7-8	HNCs and HNDs contribute to Scotland's economy through the development of high level skills, equipping learners with both industry specific and transferable skills. They are mainly delivered in colleges. They have increasing importance in widening higher education provision participation through direct articulation to Scottish university degree programmes.

⁶ <http://www.skillsdevelopmentscotland.co.uk/our-services/modern-apprenticeships/modern-apprenticeship-group/guidance-for-sector-skills-councils/information-on-technical-and-professional-apprenticeships/>

University-based vocational learning <i>(e.g. advanced courses in medicine, dentistry, teaching, engineering etc)</i>	SCQF 11-12	Access to University-based vocational learning requires prior academic attainment and is therefore out of the scope of this review in line with OECD and other academic definitions of post-secondary VET.
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1.3 Geography of Governance

The Scottish Government is responsible for education at school, college and university levels and for vocational education and training. It also supports employability services for the unemployed building around the UK Government's provision.

At the local level, most Community Planning Partnerships⁷ are involved in funding and/or delivering employability and skills provisions. This often involves grant support from the Scottish Government and the EU's European Social Fund (ESF).

Although education and skills issues are devolved to the Scottish Parliament, the UK Government's Department for Work & Pensions is responsible throughout the UK for welfare payments, the JobCentre Plus network which delivers employment services and the Work Programme targeted at the long term unemployed. Some of the provision delivered through the Work Programme may involve PSVET activity⁸.

⁷ <http://www.scotland.gov.uk/Topics/Government/local-government/CP>

⁸ <https://www.gov.uk/moving-from-benefits-to-work/job-search-programmes>

1.4 Policy Background

Over the past 10 years the Scottish Government has provided strategic direction through a number of relevant policy frameworks. In 2003 the then Scottish Executive published its lifelong learning strategy *Learning Through Life, Life Through Learning*. This covered all aspects post-compulsory education including higher education. This was superseded in 2007 by the incoming administration's skills strategy *Skills for Scotland – A Lifelong Skills Strategy*. In part this was informed by the Review of Scotland's Colleges which was completed in 2007. This was updated following the financial crisis of 2008 with the publication of *Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth* (2010). In 2011 the Scottish Government published *Putting Learners at the Centre - Delivering Our Ambitions for Post-16 Education*, its proposals for the reform of post-16 education.

The adult and youth employability frameworks *Workforce Plus* and *More Choices More Chances* (both published in 2006) set out both policy direction and roles and responsibilities. A national youth transition policy and practice framework *16+ Learning Choices* (2010) built on *More Choices More Chances*, and this was recently updated to take account of the Scottish Government's Opportunities for All Commitment. In 2012 the Scottish Government published *Action for Jobs* its youth employment strategy. The adult employability framework was recently updated with the publication of *Working for Growth* (2012) which took account of the economic changes initiated by the financial crisis of 2008. A final publication of relevance is the Government's *Career Information, Advice & Guidance Framework* published in 2011.

Some of the key policy documents noted above and other relevant strategic frameworks are summarised below.

Pursuing National Outcomes

A good starting point is the system of National Outcomes introduced in 2007 as part of a National Performance Framework⁹.

A number of the 15 national outcomes are served by the development of a more effective PSVET system, including:

- 'We are better educated, more skilled and more successful, renowned for our research and innovation.' and
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens. '

In pursuit of these national outcomes Outcome Agreements have been established with local community planning partnerships and also now with colleges and universities where these bodies specify how and to what extent they will help meet Scotland's national outcomes.

Government Economic Strategy (GES)

A major policy driver for large sections of the public sector in Scotland in terms of their spending and delivery is GES, initially published in 2007 and refreshed in 2011¹⁰.

At the heart of the GES is the aspiration to increase Scotland's sustainable economic growth rate relative to comparator economies, enabling Scotland to become a top

⁹ <http://www.scotland.gov.uk/About/Performance/scotPerforms/outcomes>

¹⁰ [Government Economic Strategy](#)

quartile performer in the OECD. Two of the key drivers behind increasing the rate of sustainable economic growth are:

- Raising **Participation** levels so that a higher proportion of the population is employed.
- Increasing **Productivity** levels so that the average employee is producing more.

Skills investment, to include general education, vocational education and workforce development by employers, all impact upon productivity, and in particular general and vocational education help make people entering the workforce from school, college, unemployment, etc more employable – so increasing participation rates.

Skills Strategy

Originally developed in 2007 the Skills Strategy¹¹ was refreshed in 2010 to take account of the impact of the recession.

The central focus is on improving the skills and employability of Scotland's people but also on the need to create high skill and high productivity employment opportunities. Within this, important themes are supporting employers more effectively to understand and respond to their skill needs and also a requirement to greatly simplify the skills system for individuals and employers. The Scottish Government has embarked upon processes to bring about the improvements required by the Strategy, including *Making Training Work Better* and *Better Aligning Scotland's Employability Services*¹²¹³.

Youth Employment Strategy

Published in 2012 the Youth Employment Strategy¹⁴ seeks to coordinate and support a wide range of youth opportunities, including training opportunities. The 3 central strategic pillars of the strategy are:

- An all-government approach.
- Enhancing the package of supports available for young people.
- Engaging more effectively with employers by supporting them to recruit and train young people.

Post-16 Education Reform

The aims of reform are to improve the life chances for young people, support economic growth and increase the number of jobs. Colleges play a critical role in business growth- they help people get a job, get a better job and develop their career.

There are five key areas to reform:

- Improving **governance**: to ensure our institutions are run with appropriate levels of democratic accountability, transparency and effectiveness;
- Offering **student support** that is more coherent and easier to understand, removing barriers to education and offering better support for learners;
- Implementing a **regional structure** for the **college sector**, making it more efficient and responsive to the needs of students and local economies.

¹¹ [Skills for Scotland: Accelerating the Recovery and Increasing Sustainable Economic Growth](#)

¹² <http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/ntp/mtwb>

¹³ <http://www.scotland.gov.uk/Topics/Education/post16reform/employability>

¹⁴ <http://www.scotland.gov.uk/Resource/0039/00396371.pdf>

- Enhancing the **learner journey**, so that learners are able to make more successful transitions from school, into post-16 education or training and then into work; and
- Increasing the **employability** of our young people through better alignment of skills and employability services and offering opportunities for all to engage in learning or training.

The Post-16 Education (Scotland) Bill provides legislative underpinning for proposed changes to post-16 education in Scotland and will come into force in the Autumn of 2013¹⁵¹⁶.

The Scottish Government and the Scottish Funding Council issued a joint consultation to seek views on how best to address the challenges of implementing post 16 reform. A report of consultation responses was published in February 2012¹⁷.

Curriculum for Excellence (CfE)

Although this Background Note is focussed on PSVET it is important to point up the major change in Scotland's school system – Curriculum for Excellence¹⁸.

One of the objectives of this change is to bring young people through the school system in a way which will increase their ability to maximise their opportunities in the world of work. All children and young people are entitled to opportunities, through Curriculum for Excellence, to develop skills for learning, life and work at all stages of their learning from ages 3 to 18.

Building the Curriculum 3: A Framework for Learning & Teaching (2008)¹⁹ includes an entitlement for every child and young person to develop skills for learning, life and work throughout their learning, with a continuous focus on literacy, numeracy and health and well-being. The opportunity to develop these skills is embedded across all curriculum areas, including through practical, applied and/or experiential learning. Partnerships between schools, colleges, employers and other national and local organisations are key to the successful delivery of this.

Building the Curriculum 4: Skills for Learning, Skills for Life and Skills for Work (2009)²⁰ further supports planning, design and delivery of the curriculum in all learning settings (e.g. pre-school centres, schools and colleges), and provides guidance for all those who support children and young people to develop skills for learning, life and work. This applies to those working in early years through to the senior phase and beyond, across all areas of the curriculum and in a range of settings. As well as literacy, numeracy and health and well-being across learning (areas of responsibility for all practitioners under CfE), it covers developing skills in personal learning planning and career management, working with others, leadership, physical co-ordination and movement and enterprise and employability.

Skills for Work²¹ courses were developed in response to the Scottish Executive report: A Curriculum for Excellence (2004). They were the first qualification

¹⁵ [Putting Learners at the Centre – Delivering our Ambitions for Post-16](#)

¹⁶ [Post-16 Education Reform](#)

¹⁷ <http://www.scotland.gov.uk/Publications/2012/02/4185>

¹⁸ <http://www.scotland.gov.uk/Topics/Education/Schools/curriculum/ACE>

¹⁹ [Building the Curriculum 3: A Framework for Learning & Teaching](#)

²⁰ [Building the Curriculum 4: Skills for Learning, Skills for Life and Skills for Work](#)

²¹ <http://www.sqa.org.uk/sqa/5951.html>

developed to support CfE in vocational education for young people in the 14- 16 age group. They cover a range of vocational areas, from rural skills to hairdressing and focus on broad, generic employability skills required to succeed in the workplace. Learners undertaking the course will normally spend some of their time at a local college, training provider or employer to allow them to develop these skills through practical experiences in a particular vocational area.

To support practitioners to embed young people's skills development across the Broad General Education, Education Scotland published a Skills in Practice online resource²² in February 2012. The resource contains activities, video clips etc. which demonstrate how skills can be developed in classroom and other learning settings across the different curriculum areas at Curriculum for Excellence levels from early to fourth. The Scottish Qualifications Authority (SQA) is responsible for the development and delivery of the new National Qualifications which are being introduced to support CfE. SQA developed a new generic skills framework based on the principles of BTC4. The Skills for Learning, Skills for Life and Skills for Work framework²³ has been used in the development of the new National Qualifications to ensure coverage of these skills. The new qualifications have a clear focus on skills development.

Workforce Plus/Working for Growth

Originally published in 2006 *Workforce Plus*²⁴ established an Employability Framework to help drive a significant improvement in raising the employability of Scotland's population, principally those in or at risk of unemployment. Fundamental feature of Workforce Plus was to create more effective partnership working at the local level through Local Employability Partnerships, but also through more effective joint working between local and national levels of government.

In 2012 Workforce Plus was refreshed as *Working for Growth*²⁵. Whereas Workforce Plus was published at a time of expanding employment, the changed labour market environment has led to a refocus around providing more effective leadership, better integration across agencies, a greater focus on prevention in tackling inequality, and the need to increase the performance of the employability system as a whole.

1.5 Future Policy Developments and Initiatives

It is evident from the above that there has been a significant amount of policy development in and around the area of PSVET. However, there remains a desire to seek further areas for improvement, particularly in the area of allowing young people to make an effective transition to the world of work and to realise their full potential in the labour market. To further this a new Commission has been set up.

Commission for Developing Scotland's Young Workforce

Although there is recognition of the great strides made in developing Scotland's education and skills system, this commission was set up in recognition of the assessment that more could be done to raise overall effectiveness particularly for the benefit of young people in Scotland.

²² <http://www.educationscotland.gov.uk/resources/s/skillsinpractice/introduction.asp>

²³ www.sqa.org.uk/sqa/63099.html

²⁴ <http://www.scotland.gov.uk/Resource/Doc/129285/0030791.pdf>

²⁵ <http://www.scotland.gov.uk/Publications/2012/09/5609>

The Commission was set up in 2013 and is intended to build upon the Government Economic Strategy, Curriculum for Excellence and the Reform of Post-16 Education. Its task is to develop proposals which will realise the following objectives.

- enable young people to make the best transition from a broad general education under CfE into a comprehensive range of opportunities for vocational & further education and training;
- stimulate work awareness and work readiness, and make best use of work experience in the compulsory phase of schooling and thereafter;
- achieve a system of vocational & further education and training which meets the needs of the changing economy as set out in the Economic Strategy, and delivers the qualifications and skills which employers need;
- identify improvements in the methods of Schools, Further Education and Modern Apprenticeships, and their integration with advanced tertiary education, as required by the above considerations;
- improve the way in which schools tertiary education providers work together to change the extent and nature of vocational education;
- promote improved access and a genuine equality of opportunity, broadening the prospects of occupational choice in the years ahead; and
- make this a genuine national endeavour, with stronger employer commitment and investment.

The Commission is led by prominent individuals from Scotland's business community, and the other members are drawn from leading individuals in business and education. The Commission's Interim Report²⁶ was published in September 2013 making a number of recommendations which move beyond the current Post 16 Reform agenda. These cover

- employability in school education including careers advice;
- school/college partnerships;
- alignment of college education with economic growth and labour market demand;
- development of the Modern Apprenticeship programme;
- a shift toward STEM within school and college education and within apprenticeships; and
- quality assurance and improvement.

In the second half of its work the Commission will focus on measures to encourage and support more employers to engage with education and on increasing youth employment. The Commission will also make a number of recommendations across its full remit on a number of equalities issues. Recommendations will be tested with employers before the final report is published in April 2014.

1.6 Key agencies involved in the funding and delivery of PSVET

A range of agencies are involved in the delivery of Scottish Government policy.

Scottish Funding Council (SFC)

The SFC²⁷ is a Non Departmental Public Body (NDPB) of the Scottish Government. The Scottish Higher and Further Education Funding Council funds Scotland's Colleges and Universities. Its funding is deployed in pursuit of priorities set by the Scottish Government.

²⁶ <http://www.scotland.gov.uk/Publications/2013/09/7161>

²⁷ <http://www.sfc.ac.uk/aboutus/aboutus.aspx>

Skills Development Scotland (SDS)

SDS²⁸²⁹ was formed in 2008 as a Non Departmental Public Body (NDPB) of the Scottish Government with a broad remit to promoting Scotland's economic future by supporting individuals to realise their full potential in the workforce, helping to create the skills that employers need and generally improving the skills and learning system. Some of its main responsibilities are in relation to the delivery of the Modern Apprenticeship programme, building career management skills on all age basis and supporting individuals to secure and sustain employment by developing their employability and vocational skills using the Employability Fund. They also have responsibility in relation to supporting employers with their skills and workforce development needs.

Joint Skills Committee

The Skills Committee³⁰ is a joint committee of SFC and SDS and comprises representatives from employers, trade unions, Colleges and Universities. The aim of the Committee is to become a significant platform for skills policy development and interventions in Scotland, enabling SFC, SDS and other partners to deliver the skills strategy and help take forward relevant key priorities in Scotland's economic strategy.

Scottish Qualifications Authority (SQA)

SQA³¹ is the national accreditation and awarding body in Scotland.

In the accreditation role, SQA accredit vocational qualifications that are offered across Scotland, including Scottish Vocational Qualifications and approve awarding bodies that wish to award them.

As an awarding body, SQA work with schools, colleges, universities, industry, and government, to provide high quality, flexible and relevant qualifications. They strive to develop and improve access to qualifications and assessments through identifying and removing barriers, that they recognise the achievements of learners, and that they provide clear pathways to further learning or employment.

Education Scotland

Education Scotland³² was established in 2011 as a new public body, charged with supporting quality and improvement in Scottish education and thereby securing the delivery of better learning experiences and outcomes for Scottish learners of all ages.

Among other functions, Education Scotland aims to provide assurance on the quality of Scottish education and promote improvement and innovation to enhance learners' experiences and lead to better outcomes. Our inspections also contribute to National Performance Framework reporting. Education Scotland inspect and report on the quality of education in pre-school centres, primary schools, secondary schools, special schools, community learning and development services, colleges, and residential educational provision. They also inspect the education functions of local authorities.

²⁸ <http://www.skillsdevelopmentscotland.co.uk/about-us/who-we-are/>

²⁹ <http://www.skillsdevelopmentscotland.co.uk/about-us/what-we-do/>

³⁰ http://www.sfc.ac.uk/about_the_council/council_board_committees/council_committees/skills_committee/about_us_committees_skills.aspx

³¹ <http://www.sqa.org.uk/sqa/>

³² <http://www.educationscotland.gov.uk/>

Sector Skills Councils (SSCs)

Sector Skills Councils³³ (SSCs) are independent, employer-led, UK-wide organisations and are licensed by the UK Commission for Employment and Skills (UKCES). The SSCs and UKCES are committed to working in partnership across the four nations to create the conditions for increased employer investment in skills which will drive enterprise and create jobs and sustainable economic growth. They share a belief that the sectoral approach is the most effective way to do this.

The network of licensed Sector Skills Councils provides the employer leadership to address skills needs within and across sectors. The SSC licence is the unique identifier which signals to employers and government that they are a focal point for raising skills in sectors to drive enterprise, jobs and growth.

Through their sectoral reach, SSCs are ideally placed to articulate the voice of employers on skills; to develop innovative skills solutions and to galvanise employer ambition and investment in skills and job creation. In doing so, they are key strategic partners in creating the conditions for increased investment in skills. SSCs have a responsibility for the development and maintenance of National Occupational Standards (NOS). NOS are used for many purposes and, in Scotland, they underpin the development of Scottish Vocational Qualifications (SVQs) and are therefore a key requirement for MA frameworks. SSCs develop and own MA Frameworks for the programme in Scotland.

UK Commission for Employment and Skills (UKCES)

The UK Commission³⁴ is a national body with which the Scottish Government works closely in a number of ways. UKCES 'manages' the network of Sector Skills Councils which develop National Occupational Standards. Through its surveys of key players in the labour market, including employers, and its labour market forecasts UKCES assists skills planning in Scotland as well as other parts of the UK. The wide range of research reports commissioned and/or carried out by UKCES inform policy development around PSVET and other skills issues in Scotland.

Scottish Enterprise/Highlands and Islands Enterprise

These are Scotland's Enterprise Agencies charged with promoting the growth of Scotland's businesses, key sectors and markets. Scottish Enterprise are leading on the Framework for Action³⁵ to improve leadership and ambition among Scottish businesses.

Industry Leadership Groups

Industry Leadership Groups³⁶ are charged with bringing forward long term strategies to help educate the industry and agencies in the public sector able to provide support. They are made up of leading figures from key businesses within the sectors as well as senior officers in the Scottish Government and its agencies. Senior trade union representation is also involved. The groups are commonly co-chaired by a leading politician and the Chief Executive of a major business. Skills issues are important in the realisation of long term development strategies for these sectors.

³³ <http://www.ukces.org.uk/ourwork/sector-skills-councils>

³⁴ <http://www.ukces.org.uk/about-us>

³⁵ <http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation/FrameworkforAction#>

³⁶ <http://www.scottish-enterprise.com/about-us/our-leadership/industry-leadership-groups.aspx>

Department for Work and Pensions (DWP)/JobCentre Plus (JCP)

DWP is the UK government department responsible for pensions, benefits and employment programmes for the unemployed. These are provided on a UK-wide basis. DWP JCP is the service delivery end of DWP with offices all around the UK. DWP JCP staff deal with payments of benefits to working age people and providing advice and support for those seeking work, focussing principally on shorter term unemployed people but from June also taking responsibility for people returning from the Work Programme.

The Work Programme is contracted out by DWP to major private and voluntary sector employability providers. It is targeted at longer term unemployed people and lasts for 2 years. Provision is based on the 'black box' approach and so there is little detail on this. Some of this provision is likely to include short periods of vocational training.

2. PROVISION

2.1 Planning the mix of provision

Planning the mix of provision is undertaken at a variety of levels in Scotland from national to local level. There are a number of emerging mechanisms to inform this work which are supported by evidence from the labour market.

Scottish Government level

The Scottish Government sets multi-year budgets as part of its regular Spending Review process. Given the links between UK spending decision and the quantum of the overall Scottish budget, this process generally mirrors the UK Spending Review process. While there is no fixed period for Spending Reviews they tend to span periods of around 3 years. As part of the Spending Review process the Government matches its priorities to the funding available. Within post school education and training this generally leads to a block allocation to universities, colleges and other training programmes.

Funding Agencies

Decisions on the allocation of funding to individual programmes and institutions and the mix of provision are the responsibility of the boards of the Scottish Funding Council and Skills Development Scotland. Their decisions are informed at a strategic level by formal letters of guidance from Ministers. In terms of breaking funding allocations down to a micro level the relevant boards take account of a range of factors including learner need and labour market demand. Significant attention is paid to emerging economic demand for skills as well as to existing employer demand and a balance is struck between the two. For key areas of the economy these needs are increasingly being expressed through an emerging set of Skills Investment Plans and through Regional College Outcome Agreements.

The boards of the relevant funding bodies have representation from a range of stakeholder groups. Their decision making is also informed by the views of providers, industry representative bodies such as sector skills councils and local authorities. The Skills Committee includes a wide range of representation and its work directly informs the spending decisions of the Funding Council and Skills Development Scotland.

College and Provider level

College Provision

The Scottish Government has committed to maintain the volume of student places in college this Parliamentary session and is providing a college sector budget for the 2013/14 academic year of £546m.

The Cabinet Secretary set out the priorities for college provision in his letter of guidance to the Scottish Funding Council in October 2012. This focuses on providing a balanced portfolio of courses which respond strategically to the different groups of learners in their regions, and giving colleges flexibility in how they plan for and use funding from the SFC. Particular priority is given to young people, but not exclusively so. Specific high level priorities, which should be developed through strategic planning with key partners, are:

- continued delivery of Opportunities for All;
-

- ensuring improved progression in access level provision; and
- industry linked vocational provision with a focus on employment.

The new Regional Colleges are expected to respond to labour market and skill needs identified in their wider regions, and Regional College Outcome Agreements³⁷ are a key process for making this transparent.

2.2 Modern Apprenticeships

Approval is given by the SDS Board for the broad approach to the prioritisation of funding for MA starts following Scottish Government policy.

A contracting statement is then prepared based on a range of information including:

- SDS Board/Scottish Government priorities.
- Sector Skills Council estimates of demand by age, level and framework.
- SDS Industry Team apprenticeship demand intelligence;
- Performance to date of the existing provider base.

SDS seeks bids on a public contracting portal and the statement acts as a guide to the recommendations on individual provider awards by age, framework and VQ level.

On an ongoing basis, Sector Skills Councils carry out consultations with employers and trade unions on the refinement and development of MA frameworks, which set out the content of learning. As a minimum, MA frameworks are required to have an SVQ (or an alternative competence based qualification) and workplace core skills. Other qualifications may be added to the framework, either as a mandatory enhancement or as an option, depending upon the requirements of the sector. SQA Accreditation is required to accredit the SVQ or the alternative competence based qualification. MA frameworks sit at levels 5 to 7 in the SCQF.

The Scottish Government has recently introduced Technical and Professional Apprenticeships. Whilst MAs have always been available from SCQF levels 5 to 12, it was felt that there could be more flexibility created at SCQF levels 8 and above. With the introduction of the Technical and Professional Apprenticeships, SSCs and their sector can include a broader range of qualifications such as HNDs. The workplace core skill element of these frameworks have been replaced by career skills (essentially these are units from a range of SVQs such as Management, Business and Administration). SQA Accreditation is still required to accredit SVQs if the sector deems these to be the most appropriate qualification but if other qualifications are included then there is no requirement for these to be accredited.

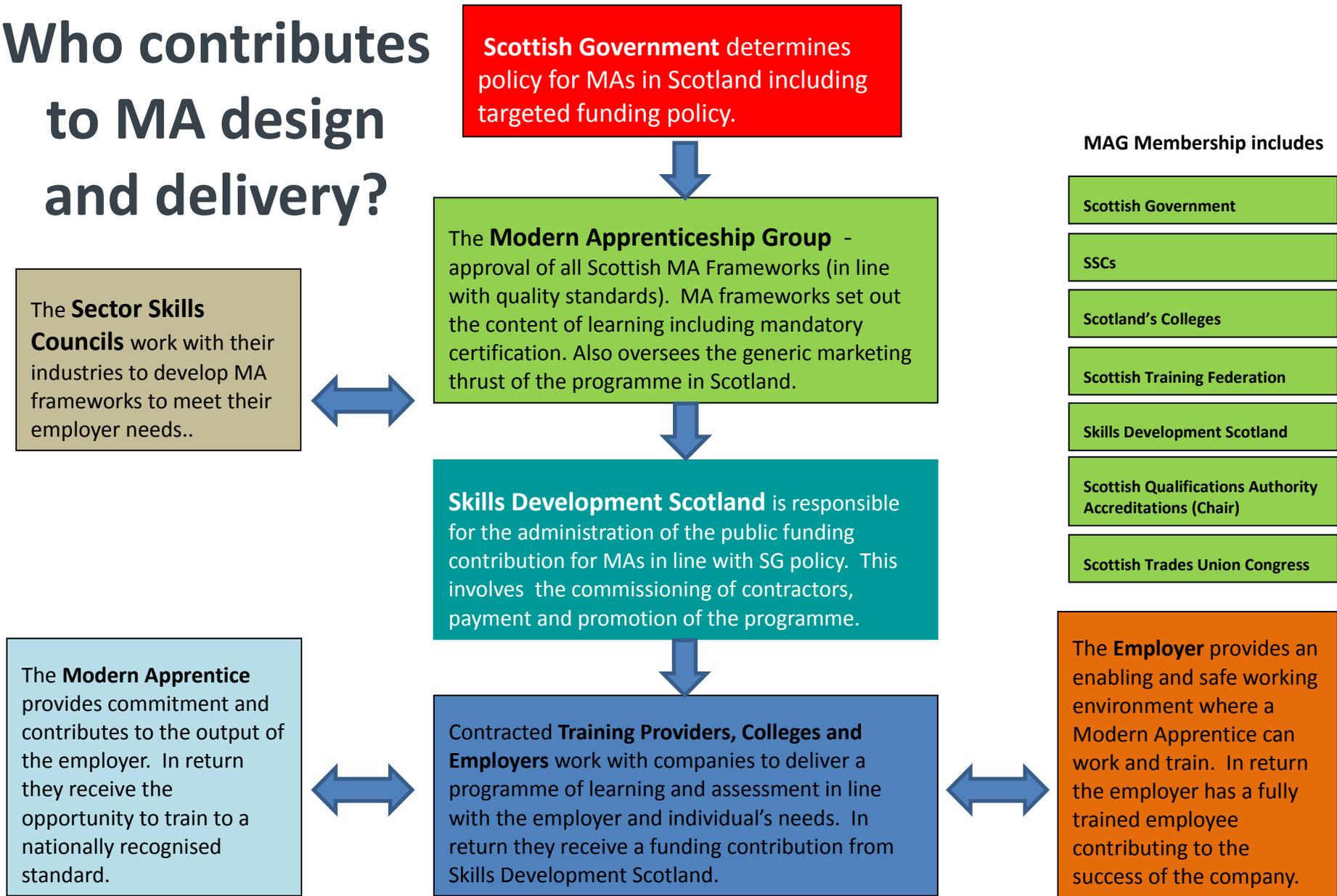
Modern Apprenticeship Frameworks themselves are designed by industry through the relevant SSC. The Modern Apprenticeship Group³⁸ (MAG) is responsible for approving all MA frameworks, in line with agreed quality standards. This includes specification of mandatory certification. The membership of MAG includes the Scottish Government, SDS, Sector Skills Councils, Scotland's Colleges, Scottish Training Federation, industry representatives and Scottish Trades Union Congress.

The diagram below summarises the key elements in the MA system and how they relate to each other.

³⁷ <http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreementsOverview.aspx>

³⁸ <http://www.skillsdevelopmentscotland.co.uk/our-services/modern-apprenticeships/modern-apprenticeship-group.aspx>

Who contributes to MA design and delivery?



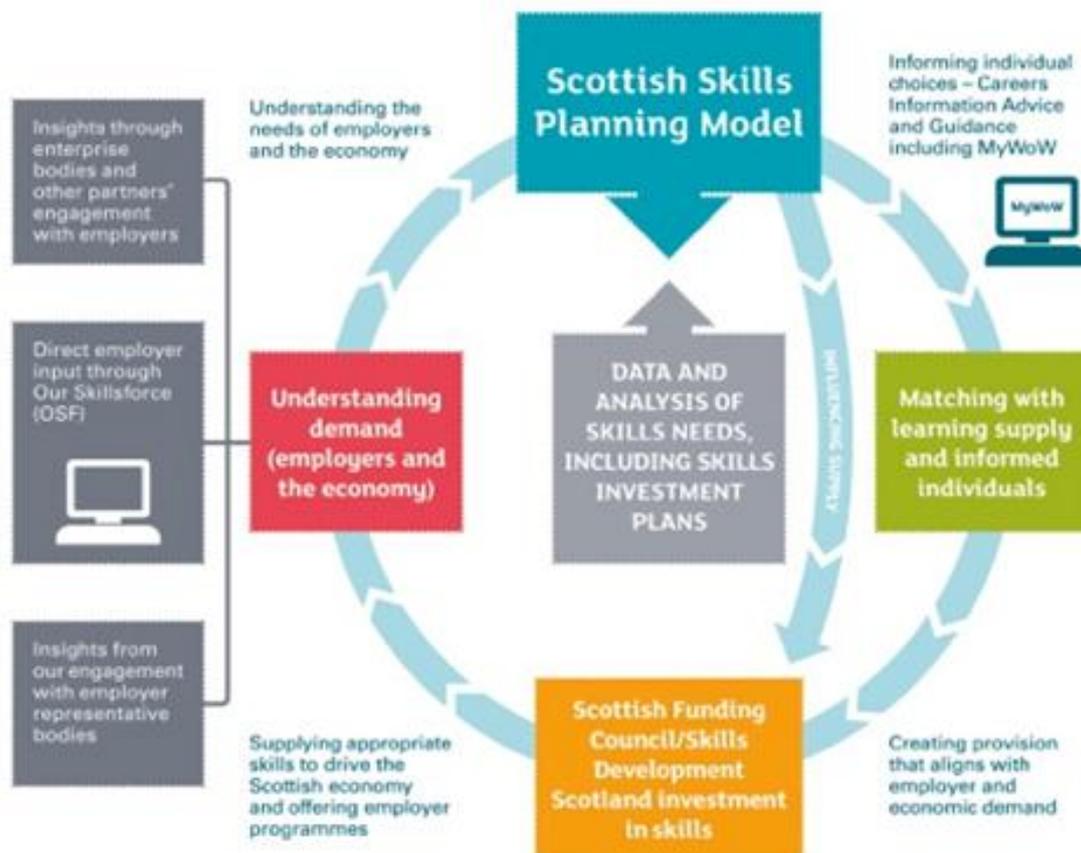
2.3 Developing Mechanisms to inform the mix of provision

There are a number of mechanisms in development to inform the mix of provision in Scotland including:

- Skills Planning Model
- Skills Investment Plans
- Regional Skills Assessments and Skills Investment Plans
- Labour Market Intelligence & Research mechanisms

Skills Planning Model

The Skills Planning Model is in development. Its fundamental purpose is to provide the evidence base to drive a needs-based approach to funding of PSVET. The SIPs and RSAs focus on the demand and supply sides for the growth industries and Scotland's regions.



Source: Skills Development Scotland Corporate Strategy 2012/15³⁹

³⁹http://www.skillsdevelopmentscotland.co.uk/media/301280/sds_corpstrategy_2012-15_web_1_hr.pdf

The skills planning model is informed by a range of data sources including the following:

Skills Investment Plans

Skills Investment Plans⁴⁰ (SIPs) are being drawn up for Scotland's growth industries (as specified in the Government Economic Strategy), but also some other key supporting industries. The process involves:

- Background analysis of data on current and prospective patterns in the demand for and supply of skill.
- Consultations with businesses and business-facing organisations e.g. SSCs.
- Consultations with bodies providing educational courses and delivering training relevant to the industries.

SFC, SDS and colleges will be expected to take account of SIPs in the planning of their detailed provision. SIPs have already been published for Energy, Tourism Food and Drink and Financial Services.

Regional Skills Assessments (RSAs) and Regional Skills Investment Plans (RSIPs)

As part of the Post-16 Reform process a number of major changes are happening in Scotland's college sector:

- Colleges are now being required to make a more demonstrable contribution to Scotland's economy and employers going forward.
- A number of regional colleges are being set up through a process of amalgamations.

To help the colleges meet the strategic objective of serving among other things their employing communities, the new system of Regional Skills Assessments (RSAs) is being developed. These will also help provide a better understanding of skills demand and supply issues across Scotland's regions to build a more secure base for public sector interventions more generally.

On the back of the RSAs, RSIPs will be developed to help underpin the new Regional College Outcome Agreements

2.4 Role of Evidence on Labour Market Needs

The Joint Skills Committee of SDS and SFC have placed increasing emphasis educating skills investment decisions from a foundation from economic and labour market evidence which is both robust and high in quality. This approach is required to produce effective and credible SIPs and RSIPs.

SQA, as the national awarding body for Scotland, has a duty to ensure that the qualifications required to meet the needs of the people of Scotland are in place. This is done through a decision making process which involves representatives from across SQA, and is based on evidence and an analytical approach. As part of that approach, labour market information is used, in conjunction with consultation with relevant stakeholders, to establish whether there is a need for a proposed qualification, and how many learners are likely to undertake a qualification. SQA then makes a decision on whether to develop the qualification, looking at these factors, along with information on social and cultural reasons why a qualification may be necessary, and on how a proposed qualification fits in with government policy.

⁴⁰ <http://www.skillsdevelopmentscotland.co.uk/resources/skills-investment-plans/>

Scottish Labour Market Information and Intelligence Framework

Launched in 2012 the Scottish LMI Framework⁴¹ provides both information on labour markets but also intelligence. Its purposes are to:

- Clearly identify current LMI provision in Scotland
- Provide LMI users with a common understanding of current provision and gaps
- Focus action to ensure LMI meets Scottish user needs

SDS Evaluation and Research

The SDS evaluation and research team are an internal resource providing LMI which will help various parts of the organisation deliver effectively, including staff involved in CIAG, the MA programme and industry skills activities. This team also develops and delivers support and training for SDS colleagues to enhance their understanding of the labour market. The team is also responsible for customer research and evaluation within SDS to help provide a robust evidence base to drive continuous improvement in services⁴².

Our Skillsforce

Our Skillsforce⁴³ was launched in 2012 as an online and contact centre service to provide information on national, regional and local services related to recruitment, training and workforce development. Hosted by SDS, the website acts as a portal to other sites offering complementary services. Local employability partnerships have a presence on the site, allowing the diversity of services available to be communicated more effectively. The hope is that Our Skillsforce will act as a platform for improving significantly access to these services for employers, and will over time help build up intelligence about employer recruitment and skill needs.

Skills Pulse Surveys

Facilitated and funded by Skills Development Scotland the skills pulse surveys⁴⁴ involve partnerships between Scottish Chambers of Commerce, Scottish Council for Development and Industry and the University of Glasgow Training and Employment Research Unit (TERU). Quarterly online surveys of employers are carried out to capture current skill needs as well as employer perspectives on government employment and skills programmes and support for training more generally⁴⁵.

2.5 Scottish Qualifications Authority's Qualifications

National Certificates

National Certificates are designed to prepare people for employment, career development or progression to more advanced study at HNC/HND level. They also aim to develop a range of transferable skills including *Core Skills* (Communication, Numeracy, Information and Communication Technology, Problem Solving and Working with Others). These certificates are aimed at 16-18 year olds or adults in full-time education and are at SCQF Levels 2-6. Each one has specific aims relating to a subject or occupational area. They are predominantly delivered in colleges although, as part of the broadening of the curriculum, the ability to deliver these in schools will start to happen under Curriculum for Excellence.

⁴¹ <http://www.scotland.gov.uk/Resource/0038/00389485.pdf>

⁴² <http://www.skillsdevelopmentscotland.co.uk/resources/labour-market-intelligence/>

⁴³ <http://www.ourskillsforce.co.uk/>

⁴⁴ <http://www.skillsdevelopmentscotland.co.uk/resources/labour-market-intelligence/spotlight-articles/skills-pulse-survey/>

⁴⁵ http://www.scdi.org.uk/sr/Docs/Skills_Pulse_Survey_October_2012_Final.pdf

National Progression Awards

National Progression Awards (NPAs) are similar to *National Certificates*. These smaller qualifications may be embedded in National Certificates. NPAs are designed to help people reach their career goals, are available in a variety of sectors and are aimed at assessing a defined set of skills and knowledge in specialist vocational areas.

Higher National Certificates and Diplomas

Higher National Certificates (HNC) and Diplomas (HND) have a long history and a positive reputation in Scottish vocational education. HNCs are positioned at SCQF level 7 and HNDs at SCQF level 8. The qualifications make an important contribution to Scotland's economy through the development of high level skills and equip students with both sector skills, knowledge and understanding and transferable skills (e.g. employability, enterprise, project management and leadership and the Core Skills of Communication, Numeracy, Working with Others, Problem Solving and ICT). They are predominantly delivered in colleges and can be delivered part-time for (typically) employed learners. As part of the broadening of the curriculum, the ability to deliver these in schools will start to happen under Curriculum for Excellence.

The above contribution includes their primary role as *work-related* qualifications supporting both initial and continuing vocational education. Additionally, the qualifications have an important complementary role as Scotland's primary short-cycle higher education (SCHE) provision. This includes their importance in widening higher education provision participation through direct articulation to second and third years of Scottish university degree programmes. This widening participation is particularly apparent among female and mature students and also those from low participation socio-economic backgrounds – which contribute to Scotland's maintenance of a good comparison with other OECD countries.

Professional Development Awards

Professional Development Awards are principally designed for those already in a career or vocation who wish to extend or broaden their skills base. They may also be embedded within another qualification such as Higher National Certificates (HNC) and Diplomas (HND). Professional Development Awards are positioned at SCQF levels 6 to 11.

Scottish Vocational Qualifications (SVQs)

As the national awarding body in Scotland, SQA provides a broad range of SVQs in all vocational sectors, including areas of low uptake which are important for Scotland's economy. SVQs are described in more detail in the earlier section on Quality Assurance for Workplace Training.

“Licence to Practice

A number of sectors, such as security, have requirements whereby the individual is required to undertake a qualification, some of which must be accredited by SQA's Accreditation function (SQA Accreditation)."

2.6 Role of Workplace Training

Modern Apprenticeships

Already described in this Background Note, the MA programme, with its minimum of 25,000 starts annually (during the lifetime of the current Parliament), is the major public sector funded effort in the area of workforce training. MAs in Scotland are all

employed status and so the central experience is in the workplace, although underpinning skills are typically delivered off the job.

Other Approaches

Scottish Union Learning

The Scottish Government recognises the importance of workplace learning and the key role that unions have in this.

- Unions are able to reach individuals in the workplace where others can't, particularly in relation to adult literacy and numeracy
- Union Learning activity enables individuals in the workplace to undertake learning opportunities at a time and place to suit their needs, bringing them both personal and professional benefits
- The Scottish Government's refreshed Skills Strategy, published in October 2010, set out the Scottish Government's vision for ensuring Scotland emerges strongly from the current economic downturn. The Strategy makes clear its ongoing commitment to Union Learning and the vital role it plays in encouraging individuals in the workplace to develop their skills

The Scottish Government supports the development and delivery of union learning through investment in Scottish Union Learning⁴⁶ (SUL). This was launched in 2008 and is equivalent to *unionlearn* in England.

- For 2013/14, SUL have been awarded £1.4m to continue delivery of Union Learning Activity in workplaces across Scotland.
- ESF Funding provided by the Scottish Government is used by SUL as match to secure ESF support. For April 2013 to June 2014, the STUC have been awarded £500k through ESF. This funding will be used by SUL to ensure delivery of learning opportunities in workplaces throughout Scotland.
- In the 2013/14 round 20 projects have been approved for funding.

Flexible Training Opportunities (FTOPS)

FTOPS⁴⁷ are delivered by SDS to support skills investments for existing employees by providing small and medium sized businesses the opportunity to apply for up to £5,000 to support employee training - with SDS and the business sharing the cost on a 50/50 basis.

Skills Utilisation

SFC have supported processes to improve the utilisation of skills by employers and so drive the **demand** for higher and more appropriate skills⁴⁸.

Increasing the use of skills within the workforce has long been recognised as at the heart of the problem with skills in relation to productivity. Scotland has a high percentage of people with further and higher education qualifications. However, these high levels of skills supply aren't matched by the demand for industry. Since the inception of the Skills Strategy - Skills for Scotland - there has been a significant policy push to help businesses to raise their demand for skills in the workforce and to better utilise the skills in their own workforce. In order to understand what public policy can do in this arena, the Scottish government established a skills utilisation leadership group. Central to the work of this group was a publicly funded suite of projects supported by the SFC to pilot innovative ways for universities and colleges

⁴⁶ <http://www.scottishunionlearning.com/files/News/Press%20Releases/SUL-Annual-Report-11-12-Final-web.pdf>

⁴⁷ <http://www.skillsdevelopmentscotland.co.uk/our-services/flexible-training-opportunities/>

⁴⁸ <http://www.sfc.ac.uk/funding/FundingOutcomes/Skills/SkillsUtilisation/SkillsUtilisation.aspx>

to help businesses to increase the use of skills and to help them to better understand the value of work based learning and workforce/workplace development. This pilot programme was deemed to be successful and the SFC through its joint Skills Committee with SDS is considering how work based learning and organisational development can be supported and mainstreamed.

Skills Academy Models

Through the academies, businesses are being supported to develop their own solutions to meeting their skills and workforce needs:

- The Energy Skills Partnership⁴⁹ is an interesting example of collaboration between employers and colleges to help bring through more technicians with industry recognised qualifications.
- The Nigg Skills Academy has been developed by industry (Global Energy Group) to meet their and other local employers' needs, working in partnership with SDS and the local college. Through employer-focused, short and intensive courses the NSA provides skilled and qualified fabrication and engineering staff who can then complete their training through mentored shop floor work.

Employer Investment Fund

Managed by UKCES the fund⁵⁰ is intended to raise employer investment in skills and support the more effective utilisation of skills. The fund supports licensed Sector Skills Councils as opposed to individual businesses.

2.7 Qualifications for Workplace Training

Qualifications are not homogenous and different types of qualifications perform different roles, for example, *Scottish Vocational Qualifications* assess workplace competency and *National Certificates, Higher National Certificates and Diplomas* develop knowledge, understanding and skills beyond the needs of the immediate work environment. *Higher National Certificates and Diplomas* may be viewed as *work-related* qualifications and SVQs as *work-based* qualifications. This does not preclude the inclusion of performance evidence or work-based evidence in *Higher National Certificates and Diplomas* and SQA recognises the value which workplace and/or work-based learning and assessment can play in HN qualifications. Many *Higher National Certificates and Diplomas* include assessed work experience components to reflect the needs of the vocational area.

2.8 Quality Assurance for Workplace Training

As stated previously, SVQs are the main component of MA frameworks. SVQs are Scotland's primary work-based qualifications. The qualifications are wholly-based on NOS and are developed by Sector Skills Councils (SSCs) or Standards Setting Bodies (SSBs) working in partnership with employers. They assess the application of skills, knowledge and understanding as specified in the standards through performance evidence in the workplace or a realistic working environment (RWE) as appropriate. They delivered in workplaces, by training providers and in colleges.

SVQs are based on the idea of competence in a job role; they focus on what a person in that job role can actually do. There isn't a formal written exam — people doing SVQs collect and submit evidence, usually from their work. The evidence

⁴⁹<http://www.esp-scotland.ac.uk/news/50179-energy-skills-partnership-and-scottishpower-renewables-working-in-partnership>

⁵⁰<http://www.ukces.org.uk/assets/ukces/docs/investment/employer-investment-fund3-prospectus-final.pdf>

submitted will normally be gathered as part of their normal work routine. Where they are unable to provide evidence (this can happen for a number of reasons), evidence can be generated by simulating working environments, in certain circumstances. Where this is the case the assessor (more on this person later) will arrange for simulation to take place. The evidence collected is assessed against the standards of competence the SVQ is based on. To achieve an SVQ, candidates have to gather evidence that proves that they can do what the SVQ standards say they must be able to do.

Candidates can gather their evidence in any suitable way. We find evidence gathering tends to fall into three main stages:

- Generate evidence.
- The assessor looks at the evidence and makes a judgement about the candidate's competence.
- The assessment judgement is recorded.
- The assessor is the person whose job it is to make sure that the person doing the SVQ is competent. The assessor is likely to be a supervisor, manager or a trainer.

SVQs must be accredited by SQA Accreditation, and the awarding body must first be approved by it before it can seek accreditation for the SVQ. Once the SVQ has been accredited, SQA Accreditation then regulates the qualifications and the awarding body. A model of risk-based regulation is used whereby by SQA Accreditation focuses its regulatory activities on those awarding bodies which have weaker quality assurance arrangements. As part of this activity, SQA Accreditation undertakes visits to a sample of each awarding body's approved centres on an annual basis. These visits will include training providers, colleges and/or employers which may be delivering the SVQ as part of an MA. SQA Accreditation adopts this approach for all qualifications which it accredits.

Awarding bodies, including SQA, are required to quality assure their qualifications through their provider network. Typically this is carried out through the deployment of External Verifiers.

SVQs are increasingly allocated SCQF level and credit points although, unlike other qualifications, the credit will vary depending on the learning outcomes of the SVQ units i.e. SVQs are not designed to be of a particular credit value, rather they are designed to meet the needs of industry first.

Quality Assurance for Modern Apprenticeships

SDS ensures that all Training Providers, that contract with SDS, meet SDS Training Provider Quality Standards⁵¹.

2.9 Tackling Barriers

SQA's vocational qualifications act as a point of reference for individuals on their Lifelong Learning journey and act as an anchor for the wider system of vocational education in Scotland. SQA's unified vocational and academic unit-based system is flexible and actively promotes progression within and between the vocational and academic areas of our portfolio. The SCQF is an important tool in facilitating learners moving within and across levels and areas of education. All SQA qualifications are designed around SCQF level and credit points. SQA also strive to improve access to

⁵¹ [SDS Quality Assurance Framework](#)

qualifications and assessments for disabled candidates and/or those with additional support needs through identifying and, where possible, removing barriers to access.

2.10 Second Chance Opportunities Through PSVET

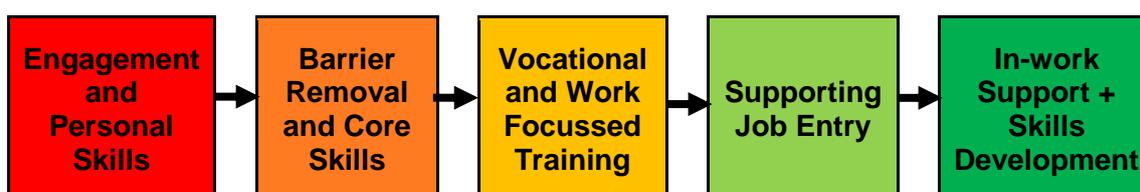
Opportunities for All

16+ Learning Choices, the Scottish Government's post-16 transition planning model, supports delivery of both Curriculum for Excellence and Opportunities for All. It facilitates the offer of an appropriate place in learning or training for every 16-19 year old in advance of them leaving school and before leaving subsequent episodes of learning or training. The offer focuses on personalisation, choice and progression encompasses relevant supports to help young people to progress on their career path. This model is central to facilitating delivery of the Scottish Government's National Indicator to **increase the proportion of young people in learning, training or work**. It is against this Indicator that the success of Opportunities for All and, by extension, 16+ Learning Choices will be measured.

Opportunities for All⁵² is an explicit Scottish Government commitment to offer a place in learning or training to every 16-19 year old not engaged in employment, education or training. It requires the post-16 learning system to re-engage those young people with learning or training between their 16th and 20th birthdays and to enable support to be offered to young people more effectively beyond that age. It ensures access to a range of opportunities, including staying on at school, employability training programmes, university and college courses, Activity Agreements, additional opportunities offered through Inspiring Scotland, Community Jobs Scotland and other ventures and opportunities offered by DWP Jobcentre Plus.

Strategic Skills Pipeline

Developed initially in a number of innovating Local Employability Partnerships, the Strategic Skills Pipeline⁵³ underpinned Scotland's ESF Priority 5 bid and budget and is now used to align employment and skill spending of national and local funders, to articulate employment and skills needs of local populations and to identify gaps and overlaps in employment and skills provision. The pipeline has been used principally for guiding the allocation of resources available to help unemployed people find and sustain their jobs. A simplified version of the pipeline is illustrated below.



Activity Agreements

Activity Agreements provide support and provision at the initial stages of the employability pipeline for young people after school who are not yet ready for formal learning include VET programmes. This helps to prepare for and remove barriers to the provision outlined in 1. Scottish Government are providing £3.5m this year to local More Choices More Chances partnerships for this.

⁵² <http://www.scotland.gov.uk/Publications/2012/11/7618>

⁵³ <http://www.scotland.gov.uk/Publications/2012/09/5609/8>

Employability Fund

From April 2013 a new Employability Fund⁵⁴⁵⁵ was launched, managed under two tranches by SDS and the SFC. In broad terms this amalgamated prior funding for more disadvantaged young people under Get Ready for Work and for unemployed adults under Training for Work but will now offer this on a more flexible way to better meet the needs of the individual. This funding has supported a range of employability enhancing interventions delivered by colleges, third sector and private training providers as well as local authorities. Training for Work, for example, has been frequently used to fund short vocational training programmes linked to vacancies with particular employers for groups of employers. An innovative feature of the Employability Fund is that activity is being co-commissioned by SDS and Local Employability Partnerships to focus on meeting local labour market needs.

Work Experience

The Certificate of Work Readiness⁵⁶ is one a number of interventions available to support young people gain accreditation for work experience often sought by employers. Developed and piloted by SDS, unemployed young people are given the opportunity to gain the Certificate based on college-based learning together with a minimum of 190 hours work experience. The Certificate is certified by SQA and has the backing of a number of industry and employer bodies.

Individual Learning Accounts (ILAs)

ILAs⁵⁷ are targeted at people aged 16+ who have no qualifications at degree level or above, are not already involved in a number of specified programmes, and who are on benefits or have an income below £22,000 per annum. Their ILA allows them to purchase appropriate learning provision.

2.11 Equity Function of PSVET

Learning for All

In 2005 Learning for All⁵⁸ was published, a strategy for widening access to learning in Scotland. An annual report on the success in implementing the strategy has been published since then. Some of the key points from the latest review most relevant to PSVET are noted below.

- Residents of deprived areas are more likely to participate in college education than those from more affluent areas.
- The proportion of college students with a disclosed disability has continued to increase over the course of a decade.
- The proportion of Scottish-domicile students described as – non-white – has not changed over the last 10 years.

2.12 School Leaver Destinations

The survey is carried out in September each year with an additional follow up survey of the same leavers in March of the following year⁵⁹⁶⁰.

⁵⁴ <http://www.scotland.gov.uk/Topics/Education/post16reform/employability>

⁵⁵ <http://www.skillsdevelopmentscotland.co.uk/our-services/employability-fund/>

⁵⁶ <http://www.scotland.gov.uk/News/Releases/2013/05/Young-people-ready-for-work01052013>

⁵⁷ [Individual Learning Accounts](#)

⁵⁸ http://www.sfc.ac.uk/web/FILES/Access/2013_LFA_full_report.pdf

⁵⁹ http://www.skillsdevelopmentscotland.co.uk/media/580914/sldr_2011-12_external_national_results.pdf

⁶⁰ <http://www.skillsdevelopmentscotland.co.uk/media/128771/SDS%20National%20SLDR%202010-11%20Report.pdf>

Based on leaver destinations for 2010/11 the following key points emerge.

- 56% of school leavers go after completing S6, 28% after S5 and 16% after S4.
- Most school leavers move to positive destinations (defined as further learning, work, training or undertaking voluntary work).
- The figures for young people leaving for negative destinations ranges from 20% for S4 leavers to 6% of S6 leavers.
- Young people leaving school at 16 are more at risk of being unemployed on leaving, but also of moving from an initial positive destination into unemployment at the 6 month follow-up date.
- Whereas 42% of S4 leavers move into further education and 16% into training the figures for S6 leavers are 18% into further education and 1% into training – but with 60% going into higher education.
- In terms of those starting in a positive destination but ending up in a negative one 6 months later, this was more likely for S4 leavers, for young people from the most deprived areas and for young males as opposed to females.

2.13 Returns to Different Types of Education

The existing evidence on the earnings return associated with different levels of qualifications for Scotland is based on survey data for the period 1996-2005⁶¹. The key findings are as follows.

- There is a positive effect on earnings for all levels of qualification from none to Level 4.
- Typically the earnings advantage associated with academic qualifications is greater than for vocational qualifications at the same level.
- MAs generate positive returns, but these are much higher for males (22%) relative to females (8%).

⁶¹ <http://www.scotland.gov.uk/Resource/Doc/919/0065442.pdf>

3. STEERING, GOVERNANCE AND FUNDING

3.1 Broad Approach

Government policy provides overall guidance to the shape and delivery principles of postsecondary VET programmes (as described in the section on Policy Background). This is currently informed by the Government Economic Strategy and the National Performance Framework. An annual letter of strategic guidance to the Scottish Funding Council and Skills Development Scotland is provided to their boards by the relevant Ministers. SQA's annual key objectives, developed with the Scottish Government, are set out in its corporate and business plans which are approved by ministers.

Local authorities have the opportunity to influence sub-national arrangements through Community Planning Partnerships and their employability and economic development sub-groups. These are guided by Single Outcome Agreements which align local service delivery with national strategic direction expressed within the Government Economic Strategy and the National Performance Framework. As part of current reforms, college provision will in future be informed by regional college outcome agreements which will align at a regional level to the national strategic direction set by Ministers. These too are informed by and inform Single Outcome Agreements.

Individual institutions and training providers are governed by autonomous boards and have full academic and operational autonomy. As part of the reform of post 16 education, colleges within a region will have a regional governance structure in the shape of regional college boards which will be responsible for the delivery of Regional Outcome Agreements.

3.2 Financial Incentive Mechanisms

Incentives for Employers

*Modern Apprenticeships*⁶²

In Scotland, all apprentices must be employed. Scottish Government funding, through Skills Development Scotland, represents a contribution towards the cost of training the apprentice, with the employer retaining liability for the apprentice's wages, as well as any balance of training costs.

*Employer Recruitment Incentives (ERIs)*⁶³

ERIs are provided through SDS. They represent a subsidy to an employer recruiting a disadvantaged young person (targeted ERI) or a 16-19 year old doing a sport or cultural related MA. (Commonwealth Games legacy ERI).

- Targeted ERI for 16-24s for up to £2,000 per person. Targeted at care leavers/ young carers/ ex-offenders.
- Commonwealth Games Legacy ERI - £1,500 per person for 16-19s.

⁶²http://www.providercentral.org.uk/OurServices/NationalTrainingProgrammes/Modern_Apprenticeships.aspx

⁶³<http://www.skillsdevelopmentscotland.co.uk/our-services/services-for-employers/recruitment/employer-recruitment-incentive.aspx>

Energy Skills Scotland

Energy Skills Scotland⁶⁴ works with the industry to ensure that it has the skilled workforce required to strengthen Scotland's overall ambition as a major centre for energy activity

- In direct response to feedback from industry Energy Skills Scotland is not a place based academy but an initiative designed to simplify access to energy skills support across Scotland.
- Funding will be used to develop capacity and capability across Scotland which will be able to respond to industry demand for skills in a flexible, co-ordinated and effective way. This includes supporting:
 - a number of capital projects across a range of colleges and universities to build capacity and capability to respond to industry needs
 - at least 1000 transitional training places in 2013/14 to move experienced personnel into the sector
 - the recruitment of a senior Director of Energy Skills Scotland
 - the development of an Energy Skills Scotland Gateway to provide a one-stop shop approach for employers and individuals seeking support on energy skills
- The Energy Skills Challenge Fund may support recently qualified graduates and others with relevant transferable experience to undertake short intensive training to enhance their skills, allowing them to move into employment in the energy sector.

Low Carbon Skills Fund

- The Low Carbon Skills Fund⁶⁵ provides match funding to support up-skilling of SME businesses' existing workforce in ways to reduce carbon emissions and support the transition to a low carbon economy.
- A key target group for this programme in the coming year will be to improve the skills of those working in the built environment, include those operating the Green Deal.
- Scottish Government's key partners include SE/HIE, SDS, SFC, Energy Skills Partnership, The Carbon Trust and employers to ensure the highest quality of this training, which has already supported over 2,000 episodes of training since its introduction in October 2010.

Learner Funding Arrangements and Subsidies

Education Maintenance Allowance (EMA)

EMA⁶⁶ is an entitlement which provides financial support to 16 to 19 year olds from low income households who are attending non-advanced full time education in school, college, community or voluntary provisions, or who are home educated. To be eligible to receive EMA support young people must meet a number of criteria which includes household income, residency status and course eligibility. The EMA payment of £30 per week is intended to help young people overcome any financial barriers they may encounter that would prevent them from staying in learning.

Modern Apprenticeship Training Providers

SDS invites bids – using a public procurement portal - from training providers, colleges and employers to deliver MAs through an annual contracting process. Contractors can draw down staged payments up to the full value of the contribution set by age, VQ level and MA framework. The staged payments are based on the

⁶⁴ <http://www.scotland.gov.uk/News/Releases/2013/05/energy10052013>

⁶⁵ <http://www.scotland.gov.uk/Resource/Doc/94257/0107918.pdf>

⁶⁶ <http://www.emascotland.com/>

apprentice's achievement of milestones towards, and completion of, the full Modern Apprenticeship certificate requirements.

Fees and Bursary in FE

FE student support funds comprise bursary, discretionary and childcare funds. Bursaries are aimed at students undertaking courses up to, but not including, HNC level: no eligible full-time students studying an FE course are required to pay fees provided residence criteria is met. Students studying part-time FE courses are eligible to pay tuition fees, however, students in receipt of certain benefits, on a low income or disabled may be eligible for free tuition.

Students who are 18 and over can get a non-repayable bursary of up to £89.07 per week, depending on age, family circumstances and income. FE support is discretionary while support for HE courses is entitlement-based (and is paid by SAAS rather than by the college). This is because FE courses are often short, modular and flexible. Decisions on who gets support are for each individual college who receive funds for the purpose from the Scottish Government via the Scottish Funding Council (SFC).

Employability Fund Training Allowances

- 16 and 17 year olds participating on SDS contracted Employability Fund provision will receive a training allowance of £55/wk.
 - Individuals aged 18+ will receive a training allowance equivalent to what they would otherwise receive in DWP benefits.
 - Participants on SFC contracted Employability Fund provision are subject to college bursary arrangements
-

4. KEY RELATIONSHIPS AND PROCESSES

4.1 Planning and Management of PSVET System

The social partners (employers and trade unions) play into the high level direction of the PSVET system in a variety of ways some of which have already been described.

Boards of Key Agencies

Employers and unions sit on the Boards of:

- SFC which is responsible for the college and university sectors.
- SDS which is responsible for the Modern Apprenticeship programme, careers information, advice and guidance, skills support for key sectors.
- Modern Apprenticeship Group which is responsible for approving all MA frameworks.
- Skills Committee which is a joint committee of SFC and SDS.
- SQA which is the national accreditation and awarding body in Scotland

College Boards

Employers and unions are to be found on the Boards of Scotland's colleges and employer inputs in particular will be extremely important in steering the work of new Regional Colleges⁶⁷.

Industry Leadership Groups⁶⁸

Senior business representation drawn from Scotland's key sectors is involved in these groups. These are typically co-chaired by a senior business person and senior politician. Trade union representation through STUC is also common.

Skills Investment Plans

Consultations with businesses and business-facing organisations are key to the creation of Skills Investment Plans⁶⁹.

Sector Skills Councils

SSCs will work with employers and Trade Unions when reviewing or developing an MA framework.

Qualifications Requirements

Awarding bodies and Providers delivering SVQs need to meet the requirements for assessors, internal and external verifiers as specified by SQA Accreditation.

Currently new assessors and verifiers are required to undertake one of the following depending upon their job role:

- Learning and Development Unit 9D - Assess workplace competence using direct methods
- Learning and Development Unit 9DI – Assess workplace competences using direct and indirect methods
- Learning and Development Unit 11 – Internal Quality Assurance
- Learning and Development Unit 12 – External Quality Assurance

⁶⁷ <http://www.scotland.gov.uk/Topics/Education/UniversitiesColleges/17135/College-Regionalisation-Plans/College-Regionalisation-Plans>

⁶⁸ <http://www.scotland.gov.uk/Topics/Business-Industry/Energy/resources/working-groups/energy-advisory-board/SkillsThemed>

⁶⁹ <http://www.skillsdevelopmentscotland.co.uk/resources/skills-investment-plans/>

Alternative qualifications/units are acceptable provided that these are accredited by SQA Accreditation or by Ofqual (in England). Existing assessor and verifiers are not required to update their previous achievement⁷⁰.

4.2 Careers Information Advice and Guidance (CIAG)^{71,72}

Scottish Government has a legal requirement to provide Career Information, Advice and Guidance (CIAG) to anyone taking part in education apart from those in Higher Education. In the main, this is provided via SDS.

SDS have been modernising their offer to focus on building the Career Management Skills (CMS) of young people to enable them to make decisions about their future all through their careers. This is supported by web based resources through My World of Work⁷³ (MyWOW) and intensive targeted support for those young people who would benefit from it most.

Developed and maintained by SDS, My **World of Work** is available as an information base to students and career advisors. All young people and others seeking employment have access to the CMS environment that provides access to information and a range of interactive tools designed to offer assistance in completing a CV, preparing for interviews and other key tasks involved in moving towards employment.

My WOW is being further developed to support teachers, parents and other partners. Other elements in the CMS approach are better and earlier access to the world of work through strengthened education/employment links and improved partnerships with other agencies to ensure that SDS is able to focus its efforts efficiently and effectively on getting the best outcomes for those seeking employment or making the transition into work

Career Management Skills⁷⁴

The SDS approach to CMS is to make people as independent as possible in planning their careers by supporting them to develop the skills that they need to make decisions about their careers: understanding themselves, their strengths, the horizons that they wish to set for themselves and the networks and resources that will help them reach these horizons.

As well as developing skills, the approach offers support through Career Coaches who engage with young people through talks, group sessions and individual coaching. Young people who need support to make a successful transition into employment will receive one to one sessions, as will any young person who is at risk in terms of the decisions that they might make, or who lack confidence in their ability to make such decisions.

Training and Support for Career Guidance Professionals

SDS Career Advisors are professionally qualified individuals. The CIAG strategy underlines the importance of this practice continuing and that staff be trained in the new approach that SDS is taking including the move to a coaching approach. Additionally as part of the drive to build the Career Management Skills of young

⁷⁰ <http://www.sqa.org.uk/sqa/46373.html>

⁷¹ <http://www.scotland.gov.uk/Topics/Education/skills-strategy/adviceandguidance>

⁷² <http://www.scotland.gov.uk/Publications/2011/03/11110615/0>

⁷³ <http://www.myworldofwork.co.uk/>

⁷⁴ <http://www.skillsdevelopmentscotland.co.uk/our-services/career-management-skills/>

people SDS are encouraging all those involved in the provision of Information Advice and Guidance to improve their:

- Knowledge and understanding of the Scottish economy;
- Coaching and facilitation skills
- Joint working to support young people and build capacity;
- Competence and confidence in the use of new technology.

Partnership Action for Continuing Employment (PACE)

PACE⁷⁵ is the Scottish Government's national strategic partnership framework for responding to redundancy situations. Through providing skills development and employability support, PACE aims to minimise the time people affected by redundancy are out of work, and support their effective re-employment.

- PACE is tailored to meet individual needs and local circumstances. It includes DWP services; one-to-one counselling; comprehensive information packs; access to high-quality training; seminars on skills such as CV-writing and starting up a business; and access to IT facilities, as well as provides support on health and wellbeing, financial issues and literacy and numeracy.
- There are currently 18 local PACE teams in Scotland. They involve local and national agencies, including Skills Development Scotland, Department of Work and Pensions and Local Authorities. Other agencies are also involved in the PACE Partnerships including HM Revenue and Customs, the STUC and its affiliated Trade Unions, Citizens Advice Bureaux, local training providers, colleges and universities.
- Skills Development Scotland co-ordinates PACE at a national level and facilitates the local level response teams to provide help and support for those facing redundancy situations.

Labour Market Intelligence

SDS has developed labour market intelligence (LMI) tools⁷⁶ and resources to support the efforts of frontline careers advisers but which can also be used to brief teachers, parents and other groups of influencers. These tools and resources also help advise other key staff within SDS. UKCES highlighted this as UK good practice⁷⁷.

4.3 Quality Assurance

College Provision

College provision is quality assured externally from two perspectives: (1) the arrangements for and management of teaching and learning and (2) the systems and capacity for the delivery and assessment of specific qualifications. Education Scotland is responsible for the first and for all national qualifications; SQA is responsible for the second.

SFC has a statutory duty to ensure that provision in Scotland's colleges and universities is quality assured. Education Scotland is responsible for delivering the quality assurance process. College inspectors address the following questions.

- How well are learners progressing and achieving relevant, high quality outcomes?
- How effective are the college's learning and teaching processes?
- How well are learners engaged in enhancing their own learning and the work and life of the college?

⁷⁵ <http://www.skillsdevelopmentscotland.co.uk/our-services/pace-redundancy-support/>

⁷⁶ <http://www.researchonline.org.uk/sds/search/download.do?ref=B27682>

⁷⁷ <http://www.ukces.org.uk/assets/ukces/docs/publications/lmigoodpracticeguide.pdf>

- How well is the college led and how well is it enhancing the quality of its services for learners and other stakeholders?

Inspectors summarise their evaluations through *Statements of Effectiveness*⁷⁸. These statements provide an overarching summary which encompasses all evaluations in to one judgement. The judgement is expressed in terms of the colleges arrangements being *Effective*, having *Limited Effectiveness* or *Not Effective*.

Every year, college Inspectors undertake the following activities:

- annual engagement visits;
- subject-based aspect tasks;
- thematic (cross-cutting) aspect tasks; and
- external review.

All activities are developmental as well as evaluative and are further supported by visits from the college link Inspector, at least four times per year per college.

In addition, with a view to raising quality and performance:

- SFC has funded a *Colleges Development Network* to build college capacity and share best practice.
- SFC and Education Scotland are working to align the intelligence gathered as a result of inspection activities with the ongoing development and monitoring of college Outcome Agreements⁷⁹.

SQA Quality Assurance Processes

In SQA's accreditation role, it accredits vocational qualifications that are offered across Scotland, including Scottish Vocational Qualifications, and approve awarding bodies that wish to award them (including SQA Awarding Body).

For regulated qualifications, such as SVQs, the awarding body must first of all be approved by SQA Accreditation before it can seek accreditation for the qualification. Having gained approval, awarding bodies can then submit the qualification for accreditation.

As stated earlier, SQA Accreditation applies a risk based model of regulation and this determines the frequency of each awarding body's audit e.g. an awarding body deemed to be high risk will be audited on an annual basis, whilst one deemed to be low risk will be audited a minimum of once every three years. The risk rating of each awarding body is reviewed on a regular basis.

In addition to the awarding body audits, SQA Accreditation conducts visits, on an annual basis, to a sample of each awarding body's centres. These visits focus on the awarding bodies' quality assurance processes as well as considering the delivery and assessment of the qualification⁸⁰.

Awarding bodies are required to have their own quality assurance processes and using SQA as an example to outline the areas covered by awarding bodies⁸¹.

⁷⁸ A sample report is available here:

http://www.educationscotland.gov.uk/Images/HBCT%20Aspect%20Report%20September%202012_tcm4-731597.pdf

⁷⁹ <http://www.sfc.ac.uk/funding/OutcomeAgreements/OutcomeAgreementsOverview.aspx>

⁸⁰ Reports from the awarding body audits and centre monitoring visits are published and can be found at <http://www.sqa.org.uk/sqa/42791.2731.html>

⁸¹ <http://www.sqa.org.uk/sqa/42165.2702.html>

There are various stages of quality assurance in SQA Awarding Body. At the initial approval stage SQA ensure that an institution (or centre) which wishes to deliver SQA qualifications has the management structure and quality assurance systems to support the delivery, assessment and internal verification of the qualifications. SQA also ensure that once a centre has decided on delivering a qualification it has the staff, reference and learning materials, assessment materials, and the equipment and accommodation needed to deliver and assess the specific qualification.

SQA's quality assurance processes⁸² have been developed to ensure that national standards are applied to internally assessed Units. Verification is the procedure SQA use to make sure that centres' assessment decisions are valid and reliable and are in line with national standards. Centres are responsible for the internal verification of their assessments. This means that centres should have an internal verification system - a system of having quality checks in place - which can be operated throughout the centre. To ensure national consistency in assessment decisions, SQA appoints experienced practitioners who have good, recent experience in the delivery and assessment of their subject to carry out external verification in centres.

Modern Apprenticeships

SDS ensures that all Training Providers, that contract with SDS, meet SDS Training Provider Quality Standards⁸³.

⁸² <http://www.sqa.org.uk/sqa/66051.html>

⁸³ [SDS Quality Assurance Framework](#)

GLOSSARY

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