

MEETING BETWEEN MINISTER FOR EMPLOYABILITY AND TRAINING AND A GROUP OF EMPLOYERS AND EMPLOYER REPRESENTATIVE ORGANISATIONS ORGANISED BY THE CBI																							
BT offices, Alexander Bain House, 15 York Street, Atlantic Quay G2 8LA																							
TIMING	Tuesday 23 August , 3pm – 4.30pm Minister to attend 3.30 pm – 4.30 pm																						
ATTENDEES	Official(s) in attendance: [Redacted]																						
AGENDA	<p>This is the second in a series of CBI organised Employer roundtables</p> <p>The Minister has agreed to attend for an hour of the meeting to discuss the consultation on the Scottish Government’s response to the introduction of the UK Apprenticeship Levy.</p> <p>The full agenda for the meeting includes:</p> <table border="1"> <tr> <td>3.30pm</td> <td>Welcome by venue Host</td> <td>[Redacted], BT</td> </tr> <tr> <td></td> <td>Welcome, objective and round of introductions</td> <td>CMS</td> </tr> <tr> <td>5 mins</td> <td>Initial remarks from Minister</td> <td>Jamie Hepburn Minister for Employability and Training</td> </tr> <tr> <td>5 mins</td> <td>CBI update on Apprenticeship Levy consultation</td> <td>Mari Tunby, CBI</td> </tr> <tr> <td>3.40 pm – 4.25 pm</td> <td>Roundtable discussion</td> <td>Chaired by CMS</td> </tr> <tr> <td colspan="3"><i>Please note: the Minister will have to leave promptly at 4.30pm</i></td> </tr> <tr> <td>4.25 pm</td> <td>Sum-up and thank you</td> <td>CMS</td> </tr> </table>		3.30pm	Welcome by venue Host	[Redacted], BT		Welcome, objective and round of introductions	CMS	5 mins	Initial remarks from Minister	Jamie Hepburn Minister for Employability and Training	5 mins	CBI update on Apprenticeship Levy consultation	Mari Tunby, CBI	3.40 pm – 4.25 pm	Roundtable discussion	Chaired by CMS	<i>Please note: the Minister will have to leave promptly at 4.30pm</i>			4.25 pm	Sum-up and thank you	CMS
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ADDITIONAL BRIEFING	<p>Annex A – List of Attendees</p> <p>Annex B – Additional Q&A material</p> <p>Annex C – CBI article Herald 15 August 2016</p> <p>Annex D – Bio’s – chair and speakers</p>																						

ITEM 1	Welcome
BACKGROUND	<p>This is the second in a series of CBI organised Employer roundtables</p> <p>The Minister is attending this meeting as part of the on-going Scottish Government's consultation on its response to the Apprenticeship Levy.</p> <p>A list of attendees is attached at Annex A.</p>

ITEM 2	Apprenticeship Levy
BACKGROUND	<p>This session has been arranged to allow the Minister to have a discussion with employers and employer bodies on the details of the current consultation on how the Scottish Government responds to the introduction of the UK Apprenticeship Levy.</p> <p>The Minister may find it useful to outline the key elements that we are consulting [Redacted] and ask attendees for their views on the overall ambition and the specific measures included.</p> <p>[Redacted]</p> <p>Additional Q&A which has been developed from questions raised and the answers you gave at recent meetings is attached at Annex B. This will be updated as further engagements take place.</p>
SUGGESTED QUESTION(S)	<ul style="list-style-type: none"> • [Redacted] • My main purpose in attending today is to hear from you directly on views of the questions asked in the consultation. These are: <p>Q1. Should the Government's commitment to 30,000 Modern Apprenticeships starts a year by 2020 a) be maintained or b) be increased?</p> <p>Q2. Should Apprenticeship Levy funding support growth in the number of Graduate Level Apprenticeships in Scotland?</p> <p>Q3. Should Apprenticeship Levy funding be used to establish a flexible skills fund to support wider workforce development?</p> <p>Q4. Should Apprenticeship Levy funding be used to support the expansion of Foundation Apprenticeships?</p> <p>Q5. Should Apprenticeship Levy funding be used to help unemployed people move into employment, and to help meet the workforce needs of employers?</p> <p>Q6. Are there any additional suggestions on how Apprenticeship Levy funding might be used.</p>

ANNEX A	Attendees
	[Redacted] Mari Tunby , Assistant director – policy, Scotland, CBI

What is the position on the Scottish funding from the Levy?

- Are in on-going discussions with Treasury but have yet to agree a final settlement with the UK Government.
- Is likely to come to Scotland through the existing Barnett / Block Grant arrangements.
- Under existing arrangement this would not be identifiable in the overall Scottish funding settlement from the UK Government.
- Ultimately, as with all areas of devolved responsibility it will be for Scottish Ministers to decide how to use Levy funding as part of the wider Scottish block grant.

Will the Scottish Government ring-fence Levy funding coming to Scotland for apprenticeships?

- Ultimately, as with all areas of devolved responsibility it will be for Scottish Ministers to decide how to use Levy funding as part of the wider Scottish block grant.
- Haven't drawn conclusions yet on the use of this funding and will wait to see the results of the consultation before making decisions.

When will the Scottish Government come forward with clear plans for implementing the Levy – April 2017 will be quickly upon the employers who will need to pay?

- Acutely aware of the concern that business is facing around the lack of clarity on this issue and the need for them to prepare around their own workforce planning needs.
- Currently consulting on a range of options for how Levy funding in Scotland could be used.
- The consultation will run until 26 August and I am aware of the need for a swift response and agreed mechanisms to follow as quickly as possible after that.
- Any response will have to be considered within the timings of the wider Scottish spending review.

Will employers in Scotland be able to use Levy funding to support its supply chain?

- There has been recognition from engagement with employers to date that levy funding in Scotland should be used to support the wider economy.
- No hard or fast view as yet on how that should happen, either through levy payers directing the funding to their supply chain or if this would be managed by the Scottish Government to achieve wider economic benefits.
- Consultation contains a number of options for areas that they funding could be used for, including a wider offer of apprenticeships including Foundation and Graduate Level apprenticeships, employability services that meet employer needs and a flexible workforce development fund – and will wait to see the results of the consultation before making decisions.

UK Government has recently published its proposed funding levels for apprenticeships in England – will the Scottish approach offer parity for employers.

- Early engagement with employers has offered a consistent view that the Scottish Government should not replicate the approach in England, particularly on chasing a higher volume target.
- Any difference to the approach in England will be predicated on wanting to do better, protecting quality and not simply repackaging existing training to meet funding requirements.
- The consultation is looking to develop a distinctly Scottish response to the Levy to ensure a quality offer to young people and employers.
- Officials from SG are working with UK Government and other devolved administrations to consider cross border issues and minimise any impact of different offers across nations.

Hugh Aitken CBI: Get the apprenticeship levy system right before launching it

A successful economic future for Scotland rests on our skills system and businesses are steadfastly committed to investing in and developing current and future talent. Firms are passionate about creating apprenticeships that enrich the opportunities of young people and develop future business leaders.

That is why companies have raised concerns with the design of the UK-wide apprenticeship levy, and why the CBI are calling on the UK government to take the time to get the levy right before launching it. The current design of the levy is deeply flawed and risks having numerous knock-on effects, including reducing investment in non-apprenticeship training. So much is yet to be resolved before the planned start date of April 2017 – and business concerns about the impacts of this policy must be listened to and addressed, as the CBI set out in response to the recently launched consultation on English funding rules.

Our message is clear – delay introduction of the levy to ensure we have the chance to make it a success, so that it contributes to raising productivity, competitiveness and prosperity.

In Scotland the government is currently running a welcome consultation on how the levy should interact with the Scottish skills system, with the UK-wide levy having a significant impact on devolved skills policy across Scotland, Wales and Northern Ireland.

The CBI has been working with business on how the levy can have maximum positive impact on skills investment in Scotland. We believe it will be vital to prioritise using the funds collected from the levy in a flexible skills fund that provides direct support to businesses that will be paying the levy.

A flexible skills fund would make sure that businesses can invest in their current and future workforce, and give them the ability to invest in all of their training needs – whether apprenticeships, reskilling current employees or working with supply chains to develop talent in the small and medium-sized companies they rely on.

With clear criteria for cost recovery developed in collaboration with business, training providers and government we can develop a system that gives levy-payers the ability to utilise funding to address skills gaps in the Scottish economy – not only for apprenticeships but also for broader skills development. Businesses know best what skills they need in their organisations and sectors, and should have a strong voice in shaping the system.

Current apprenticeship programmes delivered in partnership with the Scottish government are valued by businesses and we would encourage funding to continue with the spending arrangements already in place. With the levy, it is important to ensure the employers that will be major direct funders of the skills system are supported to invest in skills.

Hugh Aitken is director of CBI Scotland

[Redacted]



Mari Tunby, assistant director (policy) CBI

Mari Tunby is the assistant director for policy at CBI Scotland. She looks after the team's public affairs and public relations engagements and leads policy work around devolved economic powers in Scotland. Originally from Northern Norway, Mari has public policy degrees from University College London and the University of York and previously worked in the CBI's head office in London. Before that she worked in political monitoring and media analysis in UK and conducted freelance social research for the independent research and advisory group Counterpoint.