

DISCUSSION GROUP 4

LABOUR MARKET AND SKILLS; AND EU FUNDING

Host: Shirley-Anne Somerville, Minister for Further and Higher Education and Science

Co-host: Maggie Morrison, Vice President, CGI

Speaker: Ian McKay, Edinburgh College

Summary

The discussion acknowledged that many of the issues faced by Scotland on labour market and skills are not caused by Brexit, but may well be exacerbated by it. A number of solutions were noted which both government institutions and business can act on now to put Scotland in a stronger place both for any negotiations and for a post-Brexit world. These include developing skills across all ages in the workforce, an emphasis on digital and creative learning, and continuing to make and maintain international links both as companies and as a country.

Introduction and Background

The Minister for Further and Higher Education and Science introduced the discussion and asked Ian McKay and Maggie Morrison to make introductory remarks. Both noted the propensity of all businesses to dislike uncertainty, but to nonetheless make the best of every situation in order to survive.

Ian McKay stressed the connections between talent and productivity and investment, and introduced the idea of a 'patchwork Brexit', picking what works for Scotland on all levels of negotiations. This might mean looking for additional funding or support for upskilling the workforce alongside initiatives on R&D and Capital Expenditure tax breaks within the UK, whilst simultaneously seeking to be able to retain and attract the best talent from across Europe and the world. He also stressed the responsibility of business in this, including finding the willingness to release staff to part time working and part time learning and abandoning the preference for full-time hours.

Maggie Morrison stressed the need to focus on what we can already control, as well as looking to what we might additionally gain (or lose). She noted a number of positive initiatives, including the Developing our Young Workforce regional groups involving business, reviewing the learner journey and the focus on regional vocational skills needs.

Topics discussed:

Scotland and Scottish Government should develop a focus on what it can proactively control

- Investment in domestic skills (government and employers have a responsibility)
- Maintaining the Fair Work agenda in the face of political noises about unpicking labour rights in the UK
- Simplify the support landscape, there are too many training and skills organisations and over 180 avenues to commercialisation support. No SME can hope to make sense of it.

As part of this, we need to be clear about what is most important to protect

- Scotland can speak with one voice, and fewer, more focused priorities will help do this.
- Access to market and ability to export remains critical, as does access to labour and talent, with high skills and low skills equally valued. It was noted that 20% of the tourism workforce are overseas and EU nationals, and that a similar 20% of graduate and post-graduate interns are EU nationals.
- Funding is less important than clear priorities, but funding which supports cooperation and talent mobility is more important than other forms and should be protected first.

We need to make more of technology and flexible learning to upskill the entire labour market

- To reach genuine productivity growth, we need less of a focus on 16-24 year olds and more of a focus on entire workforce.
- Digital and part time learning should be the norm, we need to move away from the notion that learning is only what you do at school.
- There is a possible opportunity in using the apprenticeship levy to start this culture.
- Learning and skills have to be genuine and have buy-in from business, preference to see less basic courses and more ongoing learning and development.

Digital skills and automation are here already, and we need to respond now

- Need to stop designing solutions for problems as they are now and get ahead of the curve.
- This will help us keep important and creative start-ups here, as well as support new growth sectors and disruptive technology development.

We need to take the lead and “live as we want to be seen”

- Make international connections now, don't be afraid of Brexit.
- Pick collaborators and allies, show our international credentials through practical cooperation and projects.
- Important that not only government can do this: every business operating in Scotland can do this, and should be doing it now.

Closing Comments

The Minister thanked everyone for their lively contributions, and noted particularly the ability of both government and business to do now what we want to see more of in future, and maintaining an equal focus on what we can resolve and what we must negotiate our way towards. The group as a whole noted labour mobility and talent mobility as a critical concern, and talent and workforce development as a joint business-government endeavour to address this concern.

**Scottish Government
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