

## **Discussion Report 3**

### **23rd MEETING - NATIONAL ECONOMIC FORUM: 4 DECEMBER 2019 DISCUSSION REPORT: Ensuring financial sustainability for the skills system**

Host: Derek Mackay, Cabinet Secretary for Finance, Economy and Fair Work  
Speaker / facilitator: Audrey Cumberford, Enterprise and Skills Strategic Board,  
Principal, Edinburgh College  
Scribe: Julie Bilotti, Future Skills Team, Scottish Government

#### **Summary**

This was a wide ranging discussion on Scotland's skills system and the need to consider Government priorities in relation to inclusive economic growth. The group agreed that employers have an important role to play in ensuring their workforce is ready for the skills challenges ahead and in supporting upskilling and retraining. There was concern however that many small or medium sized organisations may not be well placed and will require support, either from government or the larger companies whose supply chains they are in.

Delegates felt that how success in skills training/FE/HE is measured should be considered as part of this work. Numbers through courses don't consider whether the course either helped the individual into employment or – for those in work already – met the needs of the employer/individual.

#### **Introduction and Background**

Audrey Cumberford (facilitator), set out the background to the discussion. She noted that there are three areas to consider in relation to future skills;

- The current skills system and whether it is set up to meet future skills needs?
- A range of challenges that need to be addressed which she noted are: the Ageing population; Brexit; Climate; Digital; and (inclusive) Economic growth; and
- Resources – demands are increasing at a time when resources are shrinking and we need to agree priorities, and what we should stop doing as part of that.

The Cabinet Secretary for Finance, Economy and Fair Work added that the session shouldn't be wholly about what Government should do. Rather this is about collaboration with businesses. He believed that those businesses who invest in the skills of their workforce are the most successful.

#### **Topics discussed:**

##### **1. How do we ensure public investment in skills has the maximum impact and is sustainable in delivering the change required through the vision and themes of the Future Skills Action Plan?**

- Delegates noted the need for skills provision to be truly demand led, with some discussion about specific sectors and the types of skills particularly needed. These include digital in every employment sector. However, the importance of ensuring digital skills are developed across the school curriculum was noted, rather as a ring-fenced subject. (This was noted as a

challenge in Highlands where it was felt there are insufficient teachers of technology for all secondary schools).

- Transferable skills including communications, problem solving and team work were noted as crucial. Delegates agreed that meta-skills are required for all, but some felt concern that young people were not developing these in secondary school. There was a view business could do more in schools to support this. It was further suggested that more meta-skills funding should be focussed in schools with employers expected to fund/deliver more for their workforce.
- Those in work need to be supported to develop meta-skills where required to enable a successful working life, whether they enter work from school or FE/HE. Meta-skills should be the foundation stone of learning, rather than an add on.
- Working age people in every job will need to be able to work in multi-disciplinary teams throughout their working lives and this should be a priority for learning.
- Delegates agreed that a degree should not be a proxy measure for skills and that qualifications are perhaps less important than accredited learning once people are in the workplace.

**2. How should this public sector investment be prioritised, across areas such as who can access support, what type of support should be available, and how can it help to deliver inclusive economic growth?**

- Delegates felt that there is a need to make sure we reach those who are currently exclude. There was a view that Scotland can't afford young people who struggle with the strictures of mainstream education to slip through the net. Mentoring should be available for young people as part of any skills development offer.
- People will need interdisciplinary education and qualifications – people will have to be able to do undertake varying roles in their job and the SQA should look at how this is accredited. SMEs will be looking for talented multi-taskers but they may need support to train staff. In terms of how their staff are trained, they are likely to find online provision more attractive.
- Group members felt that the Graduate Apprenticeship programme should be expanded. It is less costly than a degree and offers skills development in the workplace, producing more work ready graduates.
- Rural delivery is a real challenge. The predominance of HE institutions in the central belt means that many young people move away, and this impacts demographics. FE/HE across all relevant sectors should be available in rural areas.
- There is a need to consider how to structure/prioritise skills demand.

### **3. How might this public sector investment need to diversify to encourage co-investment between the skills system and employers in Scotland to create a culture of shared investment in Scotland's future workforce?**

- Some delegates thought that Government should work with large employers to support SMEs. Government investment could be used to enable SMEs to make use of large firms' training facilities. Businesses in turn should support their supply chain.
- It will be important to look at provision developed by sectors for their workforce to learn what works for employers and workers.
- Government and employers need to think beyond apprenticeships when talking about alternatives to higher education. College delivery and outcomes work best when they are co-developed and co-delivered with business. The Flexible Workforce Development Fund is a good example of what can be done when colleges and businesses work together.
- Implementation of the Learner Journey recommendations should be pushed forward – some will be resistant to change but it needs to happen.
- It's important to harness the good examples of aligned collaborative practice that exists and to build on that.

#### **General**

- Leadership across every part of the system including Government, business and was highlighted as key during the discussion.

#### **Closing Comments**

In summing up, the Cabinet Secretary said he felt that we can deliver demand led support now in Scotland but there is a time lag from request to delivery that needs to be addressed. Delivering bespoke courses when they are needed is an urgent and necessary change.

In his experience, larger organisations and groups of organisations have more influence. The Financial sector is an example of a group of organisations who have leverage because they came together to work with government. It's important for organisations and Government to think about the convening power of sectors and small businesses in particular – coming together to work with the enterprise and skills system at national or regional level.

It is important to reconsider how we measure success in the skills system to align with inclusive growth ambitions.

He thanked delegates for their contribution.

**Scottish Government  
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