Introduction

Skills Development Scotland (SDS) welcomes the opportunity to respond to the issues highlighted in the consultation submissions to the Economy, Energy and Tourism Committee’s scrutiny of the Scottish Government's draft budget 2015-16 and specifically on the ‘increase exports’ national indicator in the National Performance Framework.

SDS is Scotland’s skills body, focused on contributing to the delivery of the Scottish Government’s Economic and Skills Strategies. Our services are further shaped in response to the Scottish Government’s Career Information, Advice and Guidance Strategy and the Youth Employment Strategy. The Scottish Government’s employability framework also provides further context for our work, as well as the recent recommendations of the report from the Commission for Developing Scotland’s Young Workforce going forward. We set out our vision, future development and delivery plans in our Corporate Strategy (2012-15) and annual Operating Plan.

SDS’s key aims include the delivery of support to young people and small and medium sized businesses. SDS has a key role in supporting people towards and into employment and to progress within their jobs. SDS is working collaboratively with individuals, employers, training providers and partners throughout Scotland to raise aspirations and create a more skilled workforce and thus contribute to Scottish Government’s overarching purpose of increasing sustainable economic growth with opportunities for all to flourish.

SDS contribution towards the aim of increasing exports

Although there is no dedicated budget allocated by SDS to increasing exports, we believe that together with partners, we can help contribute towards equipping growth companies with the talent needed to achieve international success and financial support is available through a number of our products and services. We are currently working with the Scottish Government on their plans for enhanced collaboration in action in internationalisation in exports. A Team Scotland approach is being adopted, in order to develop a deeply integrated programme to encourage a larger number of ambitious companies in Scotland to develop the capacity and the capability to achieve a significant increase in growth in international markets.

Points raised in written evidence

We have identified three main points raised throughout the written evidence submitted to the Committee, on which SDS can directly comment. These are:

1. Challenges around finding skilled labour;

2. A successful education system equipping young people with relevant skills / encouraging businesses to take a more active role in the education system, for
example helping to increase understanding of overseas business cultures, to ensure it provides those skills most relevant to employer needs and the wider requirements of a strong and sustainable economy;

3. Raising the profile of public sector support on offer to employers/sectors.

1. **Scarcity of labour as barrier to increasing exports**

*Meeting the skills needs of employers who want to export*

Targeted and integrated support for growth sectors will provide much greater growth in exports in selected target markets. It is therefore crucial that SDS and Industry Leadership Groups (ILGs) work closely on their export ambitions, most particularly on their skills needs. SDS already works with ILGs to deliver the ambitions of sectoral Skills Investment Plans (SIPs). SDS will continue to work through these existing channels to assist companies to internationalise more effectively by narrowing skills gaps.

Skills Pulse surveys, are also a way in which SDS can learn about employers' views on the impact of the current economic climate on business, challenges to recruiting the right skills and Scotland's training and education systems. SDS works in partnership with the SCDI and the Scottish Chamber of Commerce on the surveys. A future Skills Pulse Survey will include employers' views on the exporting challenges faced by Scottish businesses.

In a bid to provide greater, more direct support to help employers to grow and compete in key growth sectors, and as a result, the global marketplace, SDS has expanded its Industry and Enterprise Network Team (IEN) over the last 18 months. The SIP development process, undertaken by the team, is a crucial component in informing current and future skills needs. Through development of SIPs for the growth and high participation sectors, SDS has focused on identifying the skills needed to support industry growth, thereby improving the articulation of employer demand in a consistent way. SIPs outline the priorities and actions needed to enhance skills within those sectors. Through the SIPs and wider employer engagement across small and medium sized businesses, SDS aims to work with industry to help address the skills needs of companies.

The IEN team directly engages with employers, employer industry bodies (e.g. Financial Services Skills Gateway Employer Council, the Federation of Small Businesses (FSB) and the Confederation of British Industry (CBI)) and other key stakeholders on the development of SIPs, Regional SIPs and Regional Skills Assessments (RSAs), which all aim to respond to skills issues in specific sectors and geographical areas throughout Scotland.

**Skills Investment Plans and Regional Skills Assessments**

In the last year, SIPs were published for the Finance and ICT sectors, Life Sciences and Engineering sectors, adding to the existing Food and Drink, Tourism and Energy sector SIPs. Work has involved extensive engagement with ILGs, and creating a

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1 [http://www.ourskillsforce.co.uk/skills-planning-hr-support/skills-pulse-survey/scottish-council-for-development-and-industry-skills-pulse-surveys/](http://www.ourskillsforce.co.uk/skills-planning-hr-support/skills-pulse-survey/scottish-council-for-development-and-industry-skills-pulse-surveys/)
cohesive infrastructure for the ongoing interface between industry and the skills system in particular through supporting the development of the SFC’s Regional Outcome Agreements (ROAs) with regional colleges.

SDS intends to publish RSAs over the next few months and it is hoped that over time, they will serve as an authoritative source of evidence and insight on regional skills demand and used as an important part of the evidence base upon which to inform skills investment decisions. RSAs are informed by industry insight and underpinning principles include clear commentary and analysis of economic and employer demand for skills, as well as evidence on existing skills supply. RSAs will support the negotiation of Further Education ROAs and University Outcome Agreements.

Employer Engagement Team Local Network

The SDS Employer Engagement Services Team also works closely with local and regional stakeholders such as Business Gateway, local authorities and employability partnerships to ensure SMEs are fully informed of all skills and training support available, as well as providing direct, hands-on support to employers and their representative bodies including the FSB, Chambers of Commerce, Business Gateway, Local Authorities and trade bodies such as the Scottish Retail Consortium. In addition, SDS focuses on large growth companies and high participation sectors, working in close collaboration with partner NDPBs with the common aim of providing the right services at the right time.

2. Encouraging businesses to take a more active role in the education system and Careers, Information, Advice & Guidance (CIAG)

This is a key theme outlined throughout many responses, and rightly recognises the valuable contribution employers can make in ensuring that young people learn to think more globally and foster a workforce with the skills to operate internationally. Young people also need to be equipped with skills to meet the needs of companies who wish to increase exports.

SDS is has been working on encouraging employers to engage with schools for some time now, as well as liaising with partners across Scotland to identify good practice in education and employer engagement. Learning from this work is informing our plans for the coming year. Our online web service, My World of Work, is also an essential tool in promoting different types of jobs and growth sectors to young people, as well as their parents.

Work coming up in this area includes Learning Through Work Week, a locally-focused programme of events throughout schools in Scotland to engage people in the value that work-based learning presents for pupils. With a focus on Modern Apprenticeships (MAs), it will be held during the week beginning 3 November 2014. Another recent development has been the introduction of workplace learning while in school through foundation apprenticeships, which offer pupils the opportunity to take
part in vocational learning while in full-time education with the aim of boosting their employability skills.\(^2\)

We are also further developing both the Employability Fund and the Certificate of Work Readiness (CWR). Both programmes are designed to align with the needs of individuals and employers.

With regard to the suggestion to ensure career coaches have up-to-date information on evolving job markets, SDS’s in-house Labour Market Research team equips local careers staff with information on the jobs market so that they can advise customers about where jobs currently are and where the jobs of the future will be. As mentioned above, the SIPs also help to articulate employers’ future skills needs and our CIAG work reflects this.

This ongoing work at SDS directly reflects the Commission for Developing Scotland’s Young Workforce’s recommendation for young people to be exposed to a wide range of career options at school, which it has concluded can only be achieved by schools and employers systematically working together in meaningful partnership to expose young people to the opportunities available across the modern economy. The Commission has recommended that a comprehensive standard should be developed for careers guidance which would include involvement of employers and their role and input.

3. **Raising the profile of the support on offer from SDS to employers**

*Our Skillsforce*

Our Skillsforce is a web service\(^3\) which brings together the skills related support on offer from the public sector to Scotland’s employers. Research suggested that while there was a wide range of support on offer, employers often struggled to find information about it and what was available was often fragmented and confusing.

Established in November 2012 through close working with partners, Our Skillsforce provides ease of access to funding and expert advice. The aim is to make it easier for businesses to locate the information relevant to them, take a strategic approach to developing their skills requirements and help them take the steps necessary to meet staff development and training objectives.

Our Skillsforce provides a combination of Scotland-wide, local and key sector initiatives, news and events and signposts employers to more information and direct support. Promotional activity has included integrated business-to-business marketing and communications, the promotion of SDS’s core skills development offers through event marketing and social media, as well as specific initiatives, such as the youth employment driven Make Young People Your Business campaign which took place in July and August this year.

*Promotion of SDS services*

SDS promotes the value of its programmes in partnership with schools and industry leadership groups, to young people, parents and teachers, to encourage greater


\(^3\) [www.ourskillsforce.co.uk](http://www.ourskillsforce.co.uk)
participation in the programme. We hold events throughout the year, such as the annual Scottish Apprenticeship Week which promotes the programme as a quality training opportunity to individuals and employers of all sizes and in a wide range of industries. The 13th annual MA Awards this November will showcase and recognise those who have excelled in the programme. In addition, we work closely with our partners on a range of activities to improve recruitment and participation of under-represented groups in the programme.

SDS services will also be promoted at the upcoming Learning Through Work Week, as well as through our regular, targeted campaigns which have in the past included the promotion of STEM opportunities to women and the uptake of MAs and other opportunities in key growth sectors.

**Conclusion**

We hope that this has provided the Committee with an insight into how SDS is responding to the needs of those who have commented on the call for evidence, as well as our interest in contributing to the NPF indicator of increasing exports. We look forward to following the Committee’s further scrutiny of this specific area of the budget.

**Skills Development Scotland**

*September 2014*