



**OFFICIAL REPORT**  
AITHISG OIFIGEIL

# Education, Children and Young People Committee

**Wednesday 15 December 2021**

**Session 6**



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**EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE**

**13<sup>th</sup> Meeting 2021, Session 6**

**CONVENER**

\*Stephen Kerr (Central Scotland) (Con)

**DEPUTY CONVENER**

\*Kaukab Stewart (Glasgow Kelvin) (SNP)

**COMMITTEE MEMBERS**

\*Stephanie Callaghan (Uddingston and Bellshill) (SNP)

\*Bob Doris (Glasgow Maryhill and Springburn) (SNP)

\*James Dornan (Glasgow Cathcart) (SNP)

\*Fergus Ewing (Inverness and Nairn) (SNP)

\*Ross Greer (West Scotland) (Green)

\*Michael Marra (North East Scotland) (Lab)

\*Oliver Mundell (Dumfriesshire) (Con)

\*Willie Rennie (North East Fife) (LD)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Dr Allan Colquhoun (Scottish Apprenticeship Advisory Board)

Sharon Drysdale (Scottish Funding Council)

Katie Hutton (Skills Development Scotland)

Frank Mitchell (Skills Development Scotland)

Karen Watt (Scottish Funding Council)

**CLERK TO THE COMMITTEE**

Stephen Herbert

**LOCATION**

The Robert Burns Room (CR1)



## Scottish Parliament

### Education, Children and Young People Committee

Wednesday 15 December 2021

*[The Convener opened the meeting at 09:30]*

### Decision on Taking Business in Private

**The Convener (Stephen Kerr):** Good morning, and welcome to the 13th meeting in 2021 of the Education, Children and Young People Committee. The meeting is in a virtual setting.

The first item on our agenda is a decision on taking business in private. Are members content to take agenda item 3 in private?

**Members indicated agreement.**

### Skills: Alignment with Business Needs

09:30

**The Convener:** Our main item of business is evidence on the alignment of skills policy with business needs. We are taking evidence from Frank Mitchell, chair of Skills Development Scotland; Katie Hutton, director of national training programmes with Skills Development Scotland; Dr Allan Colquhoun, representing the Scottish Apprenticeship Advisory Board; Karen Watt, chief executive of the Scottish Funding Council; and Sharon Drysdale, assistant director for access, learning and outcomes with the Scottish Funding Council. Good morning to you all, and welcome to our meeting.

I will start the questioning, and I will then invite my colleagues to follow. Last week, we had evidence from a number of employers and employers organisations, and they felt very strongly that they want better transparency in how the apprenticeship levy is spent. My question is for Dr Colquhoun. Is it permissible to call you Allan, Dr Colquhoun?

**Dr Allan Colquhoun (Scottish Apprenticeship Advisory Board):** Yes, of course—no problem.

**The Convener:** Allan, why do think employers feel that way?

**Dr Colquhoun:** It is because they are taxed through the apprenticeship levy and feel some ownership of the money.

**The Convener:** In your opinion, is their feeling that there is not sufficient transparency fully justified?

**Dr Colquhoun:** Yes, I would say that there is not sufficient transparency. I think that, in the first year of the levy, there was a publication showing how the notional funds were divided among various activities, but I have not seen anything since then. Clearly, the levy is used to fund modern apprenticeships, graduate apprenticeships and other things.

**The Convener:** The employers feel that they are not in the room when the decisions about apprenticeships are made. Is that opinion justified? Does the experience of your membership support that idea that was given to us last week?

**Dr Colquhoun:** No, I would disagree with that view. Obviously, the Scottish Apprenticeship Advisory Board, with which I have been involved since its inception, is employer led and covers a wide range of sectors and employers, large and

small. The board is charged with providing advice to Skills Development Scotland, the Scottish Government and the Scottish Funding Council on all things to do with apprenticeships, and we are now in charge of the definition of all apprenticeships.

**The Convener:** So, your view is that our witnesses last week were not justified in saying that they are not in the room.

**Dr Colquhoun:** Obviously, not everyone can be in the room, but SAAB is employer led and is chaired by an employer who is here today. All the chairs and the vast majority of the members are from employers, so they are well represented. Representatives of employer groups such as the Confederation of British Industry and the Scottish Building Federation are all members, so I suggest that there is a route for every employer in Scotland into SAAB.

**The Convener:** You kindly sent us written evidence, and it was helpful to read it in preparing for this session. One recommendation that you have made in relation to apprenticeships in Scotland is that there needs to be a

“demand-led funding system, driven by employer demand”.

Is that recommendation based on a conclusion from evidence that you have gathered from your members that that is not the case currently? How do we create a demand-led funding system that is driven by employer demand? What changes would you like to be made?

**Dr Colquhoun:** Basically, we would like that recommendation to be implemented. The current process is, in essence, top down from the Scottish budget to the various agencies. It does not recognise the contribution that large employers make to the funding through the levy. Because it is such a hypothecated tax, they naturally would like to see a return on that taxation for apprenticeships. There is no direct link from employers’ needs to the provision of apprenticeships from the apprenticeship system.

**The Convener:** Perhaps you could help me to understand what you said earlier. I said that our witnesses told us last week that they feel that they are not in the room. I put that view to you, and you said that it was not justified because the Scottish Apprenticeship Advisory Board is in the room. Describe to me what your organisation would prefer to be the arrangement in order to deliver a demand-led apprenticeship system.

**Dr Colquhoun:** Many different models are being tried in different places around the world. However, I think that we would prefer a model in which the employer has the ability to create and demand an apprenticeship from the system rather than ask for use of an apprenticeship from an

allocation that is set centrally. The apprenticeships would then need to be consolidated, because we cannot sensibly ask a provider of apprenticeship training—be it a private provider, a college or university—to run a course for an individual in a subject. There would need to be some consolidation and balancing of supply and demand to achieve sensible economics. However, I think that we need to flip from employers asking to use an apprenticeship to, in essence, a voucher-type system in which the employer can use the voucher to get an apprenticeship funded.

**The Convener:** Is it fair to say that that is pretty much the system in England, where, in effect, employers have access to the money to spend on apprenticeships?

**Dr Colquhoun:** I do not think that it is the same. There are similarities but, as I said, we need to balance the broader social and economic aspects for the Government as a whole with the needs of individual employers. There are major problems with the system in England, and it is subject to revision. I have been directly involved in some of that work and I know the challenges there. I think that we can come up with a Scottish demand-led system that reflects the strengths of our education system and that has a better balance between a supply-side system and a demand-side system.

**The Convener:** That is helpful. Frank Mitchell would like to come in on the questions that Allan and I have been discussing. Frank, what is your take?

**Frank Mitchell (Skills Development Scotland):** I am the chair of Skills Development Scotland and I am also the chief executive officer of SP Energy Networks, which is a large employer in central and south Scotland and in England and Wales.

Ultimately, the decision on allocation of budget is driven centrally by the Scottish Government. The way in which the budget is formed is a question for the Scottish Government. SAAB does not allocate the budget.

SDS does multiple reviews every year of the nature of the demand. We do that in concert with employers and industry in the various sectors and regions. However, the reality just now is that there are still issues where demand outstrips supply. The nature of that is probably best seen in the fact that we have a higher demand for graduate apprentices than we have supply. We have demand for about 4,000 and currently the financial provision is for around 1,370. Throughout the year, if funds become available, we try to push on that to help to meet demand.

The financial allocation is initially a question for the Government rather than for the agency or SAAB. However, we try to ensure that we

understand the demand, feed that into the machinery and then administer the system against the standards in the areas that we work with—the employers, SAAB and so on—to use the funds where they will have the biggest impact.

**The Convener:** Allan Colquhoun suggested some kind of voucher system whereby the money is basically released back to employers and they can then use it effectively to match the demand, which would lift the numbers. You say that there are 1,370 graduate apprentices while the demand is 4,000. Allan Colquhoun has suggested that vouchers should be available to employers to get the apprentices that they want. I may have misinterpreted Allan—he will come back in if I have done so—but what is your reaction to that?

**Frank Mitchell:** There are various systems. A demand-led system with purchasing using vouchers or whatever is one of them. The number of apprenticeships has grown from 10,000 to almost 30,000 in 2019 on the back of demand. Those are real jobs in the real economy. We have about 12,000 businesses that support the apprenticeships. We need to ensure that small and medium-sized enterprises, which make up 90 per cent of those, do not lose out to larger companies, which have resources to do more in the area if it was purely down to the employer to drive that, with all the administration. Given the make-up of the economy in Scotland, we have to support small and medium-sized enterprises, so we need to have a balance and help such businesses with the administration through SDS. Obviously, we have a lot of contact with them to make sure that we understand their demand.

In this world, you never please everybody, but we try to strike a balance, within a financial envelope.

**The Convener:** To be fair to Allan Colquhoun, I should bring him back in, because I may have misquoted him. I will let him correct my misinterpretation of his comments.

**Dr Colquhoun:** Thank you, convener. Just to clarify, I was trying to say that, in a demand-led system, the employer would make the proposal. We must remember that the employer employs the apprentice and makes the largest commitment in the transaction. In a demand-led system, the employer would have the ability to use an apprenticeship place that they want, rather than ask to use one that somebody else has set up. It is really about flipping the approach. As I said, there are many different mechanisms in use—the voucher concept was just an illustration of how that could be implemented.

**The Convener:** It would be bottom up rather than top down. Is that a fair comment?

**Dr Colquhoun:** Yes. In essence, that is what “demand led” means. We have a finite amount of public money that has to be spent wisely and efficiently. As I suggested, we cannot allow every employer to do whatever they want with whatever training provider, so there has to be some balancing between top-down and bottom-up approaches. Both extremes produce unintended consequences.

09:45

**The Convener:** Absolutely.

Karen Watt, the chief executive of the Scottish Funding Council, would like to come in on that point. I will then turn to my colleague Willie Rennie.

**Karen Watt (Scottish Funding Council):** Thanks very much, convener. The Scottish Funding Council is a fairly new entrant into the debate because this is our first year of funding foundation apprenticeships for young people in the senior phase of school and graduate apprenticeships through universities. I will therefore not proffer a view on vouchers or demand-led systems. Obviously, we are part of the process in which the Government sets a budget and asks us to distribute it through colleges and universities.

I will, however, say a couple of things. First, although levy-paying companies fund, through the tax system, the apprenticeship programmes, they are also enabling flexible workforce development funds, which come through us. Those funds are much more bespoke to individual employers. We have spent about £13 million through colleges to enable them to engage with employers on specific training programmes for particular needs. That works for levy-paying employers and there is now a small amount for SMEs.

Secondly, employer engagement, which is critical to making the system work, happens at a number of levels. Obviously, there is an important national level through SAAB, as Allan Colquhoun has described. The other important engagement is at institutional level. We will not get the system working effectively unless our institutions and the bodies that are funded to provide apprenticeships and training and development opportunities for business are engaging effectively.

We have lots of forums where employers engage. We have very programme specific engagement. One recommendation from our review of tertiary education and research was that we need a much more strategic and comprehensive set of engagements between our institutions and employers if the system is to work. That engagement should be not just programme specific and should be over the longer term. We

need to invest in our institutions to be able to have those engagements.

I wanted, at the outset, to make those points on levy payers and the flexible workforce development fund, and on the importance of engaging at institutional level with employers so that the products can be tailored to the needs in regional economies.

**The Convener:** Are you saying that there are too many strands? Generally, the education landscape in Scotland is quite cluttered. Is that true in this sphere, too?

**Karen Watt:** I suspect that there are many routes for employers and others to try to engage with institutions and products. It is a complex system, so we need complex routes—I am not suggesting that any of those routes is not in itself valuable. In our review, we found that colleges and universities have disparate sorts of funding streams coming to them for specific issues. There is the young persons guarantee, the national transition training fund and the flexible workforce development fund. We put upskilling and reskilling funds of about £6 million into universities for short bite-sized courses.

There needs to be a much longer-term investment in those relationships so that we get a deeper understanding of what employers and industry need and so that the institutions can make the products work in real time and in regional economies for employers and industry.

**The Convener:** Strategic relationships are what you might be describing there.

**Willie Rennie (North East Fife) (LD):** Is the situation with the apprenticeship levy not quite a guddle? We have a mixture of policies from the UK Government, which sets the levy, and the Scottish Government, which sets how the funds that come through the funding system are applied. Not every company that pays the levy requires an apprentice. The flexible workforce development fund is not really that flexible and it certainly is not big enough. It was designed to compensate levy payers in the apprenticeship scheme, because not every company needs an apprentice. The flexible workforce development fund has now been diluted by the inclusion of non-levy payers in the system. Is it a surprise that many companies are now doing less training than they were before the apprenticeship levy was brought in? Do you have any reflections on what I have said?

**Dr Colquhoun:** We should be clear about the difference between apprentice employers and levy payers. The levy payers are only a very small fraction of the number of employers in Scotland, although they represent a lot of the employment. It is for the Government to decide how to distribute the funding that it receives. The allocation of the

flexible workforce development fund to levy payers—as Karen Watts said, a small amount goes to non-levy payers—is a welcome response to work that SAAB did in response to the apprenticeship levy during the creation of the scheme.

Clearly, employers would like more than is currently there—£20 million is not a huge amount. The fund is structured so that each employer can receive only £15,000 each year, which is significant for some employers and not so significant for others. Most employers that I am aware of have made good use of that fund and have done things that we could not otherwise do. The question of the distribution to non-levy payers, again, is a political decision for the Government to make and it falls outwith the remit of SAAB.

**The Convener:** I will bring in Katie Hutton.

**Katie Hutton (Skills Development Scotland):** [*Inaudible.*]

**The Convener:** Oh—you are on mute.

**Katie Hutton:** Can you hear me?

**The Convener:** Yes. You are on now.

**Katie Hutton (Skills Development Scotland):** Thank you.

As Allan Colquhoun said, the distribution of the levy in Scotland is obviously a matter for the Scottish Government. We know that apprenticeships get something like 4 per cent of post-16 education and training funding.

Willie Rennie talked about the number side of things. I do not think we should take last year's numbers as any indication of anything. Obviously, most education and training last year was hit by Covid. We know that, since the introduction of the levy, apprenticeship numbers had been going up. One could argue that the levy has stimulated some public sector organisations to do more on apprenticeships, because they have that tax on their wage bill as well.

From memory, according to one of the papers that SAAB sent to the Scottish Government on the flexible workforce development fund, employers have been saying, "We want our supply chains to be eligible for that flexible support, because that is important for the products and services that they provide to us."

**Willie Rennie:** I know that some companies that pay the levy now do less training than they did before. That cannot be right.

**Katie Hutton:** Is that with regard to apprenticeships, or is that general training?

**Willie Rennie:** They are just doing less training. They are not companies that would naturally take



on apprentices and now, with the way that the funds are set up, they are doing less training than they were before. How could that ever be credible?

**Katie Hutton:** Obviously, it is up to employers in their individual circumstances. I suppose that engagement in learning goes up and down depending on what happens in company's individual circumstances. I know that the levy has stimulated some companies to become involved in apprenticeships.

**Frank Mitchell:** It is difficult to respond to the point about an overall reduction in training in specific companies without knowing the detail. What has been going on with Covid has meant that there have been practical issues about general training provision. As Katie Hutton said, only 4 per cent of money that is spent in the skills system goes to apprenticeships. Obviously, a lot of money is being spent elsewhere, which Karen Watt commented on when she spoke about what the SFC is doing.

Companies are having to get ready for net zero, artificial intelligence and all the digitalisation. I am an employer myself, and we are investing a lot more in training now than we have ever done. I also see that in a number of other companies.

We are a levy payer. As has been said already, 90 per cent of the businesses that are involved in apprenticeships are not levy payers. There is always going to be help in the model for those smaller companies to be able to take on apprentices. That is just the nature of what goes on.

From our point of view, as a large company, we look at the levy as a general tax. If we did not do our training and did not bring young people into our business—whether apprentices or graduates, we typically take on somewhere between 200 and 250 young people a year—our business would not be sustainable. I struggle to recognise why companies are not investing in training generally. If they are not investing because of the practical reasons last year, going forward they certainly have to. The degree of change that we have in front of us in the workplace is enormous and, if businesses do not invest in upskilling—and reskilling, which is going to be a key topic, going forward—I worry for their sustainability.

**The Convener:** You are saying that, in effect, the levy is a training tax. Businesses might have been spending or planning to spend that money on training, so you can understand where Willie Rennie is coming from if those businesses say, "Actually, our margins, profitability and budgets are not sufficient to sustain an additional payment towards training." That is understandable, is it not, from a business point of view?

**Frank Mitchell:** At the beginning, when the levy started, there was certainly a bit of a knee-jerk reaction by a lot of companies because of the general view that, ultimately, the levy would come out of a training budget and it would cut the amount of internal training. The vast majority of businesses have got over that now, and they just put it in the pot of general taxation and try to maximise what they can do. Ultimately, businesses now require more training than ever before, because the degree of change that we have and the volatility that businesses face is enormous. I have touched on a few of the challenges.

If they want to be successful in the future, businesses need to invest in their people through not only general training but apprenticeships. As I said, spending on apprenticeships is only 4 per cent of what we spend in the skills system. It is just a small part of the overall challenge but, ultimately, businesses need to make sure that they attract the right people and keep them trained. The amount of retraining and upskilling that is going to happen in the workforce now and in the future is going to be far more than there has ever been in the past.

**The Convener:** Do you mention the 4 per cent because you think that it should be more?

10:00

**Frank Mitchell:** I am the chair of Skills Development Scotland and I also represent a large employer that takes on apprentices, while Allan Colquhoun is here representing SAAB. We are very much pro growing the apprenticeship family and work-based learning. If we look at other successful economies, we see that growth in work-based learning is a core part of it. It is seen as equal to purely academic learning. That is not to say that pure academic learning is not a great pathway, but we want to see more work-based learning through apprenticeships, because we believe that that is a really strong pathway for individuals, businesses and the economy. That is not to say that there are not other very strong pathways, but, of course, I would want to see more on apprenticeships.

**The Convener:** Some people might say that apprenticeship is a higher road rather than an equal road.

**Frank Mitchell:** I am not known for my diplomacy, but I will say that it is equal just now.

**The Convener:** That is good, Frank. Michael Marra has a short supplementary question.

**Michael Marra (North East Scotland) (Lab):** My questions are probably slightly more

substantive. I may hang off until my turn, if that works.

**The Convener:** That is absolutely fair and fine. We will go to Bob Doris.

**Bob Doris (Glasgow Maryhill and Springburn) (SNP):** I had better dig out my paper. You called me sooner than I expected, convener.

This is all good—it is really interesting. I will keep my powder dry until the private session, when I will give some thoughts on the apprenticeship levy, but that was an interesting exchange.

I want to turn to the role of colleges in helping to address the skills gap and align the training needs of business with education. I am interested in the funding council's submission on the young persons guarantee, which states:

“SFC secured £10m from the fund in 2020-21 to work with colleges and universities to develop proposals to meet the aims of the fund. This collaboration resulted in a series of interventions, linked to key priority sectors, which included courses to increase the employability skills of those furthest from the job market”.

It is those funds from the labour market that I am interested in. I would like to know a bit more from the Scottish Funding Council about the colleges and the spending of that £10 million.

I met the principal of Glasgow Kelvin College the other day, and he told me that a lot of very short courses—sometimes of as little as 10 hours at a time, which are pre-employability intensive work with people furthest away from the labour market—have effectively disappeared during Covid and that colleges serving the most deprived parts of the country have major challenges ahead of them. In that context, I would like to know a lot more about the £10 million. How is that helping those furthest away from the labour market, and what is the role of colleges in that?

Depending on what I hear, I might have a couple of short supplementary questions on that theme. One of the representatives from the funding council is probably best placed to answer.

**Karen Watt:** I will start, and I will then ask Sharon Drysdale to come in.

The young persons guarantee has been important, and we have had about 240 courses during this year's spend in colleges for the second half of the academic year. About 2,500 students went through those courses, and about 70 per cent of them were from the 16 to 19-year-old cohort. We understand that that has been an important part of the colleges' provision.

I have written to colleges in the past couple of weeks to redefine some of the flexibilities that I think it has been very important to put into the

college sector, particularly as we look at the consequences of the pandemic and the fact that it has not affected everybody equally. There are particular parts of our communities that have suffered most from it.

We have put some flexibilities into the system, and we have written to all principals—including the principal of Glasgow Kelvin College—to suggest that they can use their credits in more flexible ways. For example, where there is a need for shorter, sharper courses, we are enabling colleges to use their credits for that. We are also very clear that some students have additional needs—particularly those who might not have had the same access to placements or to practical engagements. We have increased the number of credits that the colleges can claim for what they now need to put in for additional learning for particular students.

We are trying to reach out to those who have been most affected through this particularly difficult period, and we are putting more flexibility into our existing funding to enable colleges to reach out to those young people but also to those who are furthest away from the jobs market.

I ask Sharon Drysdale to come in on this.

**Sharon Drysdale (Scottish Funding Council):** Good morning. I am happy to come in on that. Can you hear me, convener? I am just checking.

**The Convener:** Loud and clear.

**Sharon Drysdale:** Thank you. Great.

On those who are furthest away from the labour market, what we have identified in the colleges around the young persons guarantee and the national transition training fund is where colleges have worked very closely with those who are furthest away from the labour market, marrying up with employers to ensure that there is a progression pathway for learners to undertake what they call a skills boost to increase their employability chances.

We saw some great examples across the sector—for example, West Lothian College working with the Scottish Ambulance Service to identify the skills gaps for its mobile training units and to ensure that those people who would ultimately become redundant due to—I was about to say the lack of mobile testing units, but that service is about to ramp back up again. At that point, those people who were about to become redundant were given a course that was developed with the ambulance service that identified how they could move on to health and social care. Edinburgh College, through the young persons guarantee, developed a course in a collaborative approach with NHS Lothian that looked at the hardest-to-reach skills gaps and jobs

that were hard to fill, marrying those up to students in the system who were furthest away from the labour market. That course was really successful, and, after the first two cohorts, 30 people were put into full-time employment, so there was quite a great success rate.

We still look for and encourage collaborative ways of working within the college sector—working with employers to identify skills gaps and ensure that there is a pathway for learners to get into employment.

**Bob Doris:** That is very helpful. I mentioned the young persons guarantee because there is a quantifiable £10 million investment in that. More generally, it is clearly not just young people but those in the most-deprived areas who have the most fragile learning experiences and are the most likely to have been impacted by the pandemic more generally. Although I have follow-up questions on the young persons guarantee, I want to show an awareness of that.

I see from the papers that 2,438 students were recorded as having enrolled in the young persons guarantee and that 53.6 per cent of those were from the four most-deprived Scottish index of multiple deprivation deciles, with 18.2 per cent coming from the most-deprived decile. Are you comfortable with that balance? Should it be greater? Do you have some thoughts about that? Do we need more intensive funding? How would we follow the outcomes of that? If you were back at this committee next year and you said it was 2,438 students last year, how many would have entered in the following year? What would be the breakdown by SIMD and what would be the outcomes for those students? It would be very helpful to know that.

When I spoke to Derek Smeall, the principal of Glasgow Kelvin College, he was very sighted on the challenges that the sector faces, but it is well up on those challenges and is well placed to address them. I want to make sure that appropriate funding streams get to the colleges, to allow them to address the challenges.

**The Convener:** Would you like someone to comment on that, Bob?

**Bob Doris:** The question is about how we monitor the outcomes for those 2,438 students, what number of students we anticipate being involved next year, any breakdown of outcomes and how the young persons guarantee is spread across the country, so we get beneath the figures and do some monitoring work as a committee.

**The Convener:** Is that question for Frank Mitchell or Allan Colquhoun?

**Bob Doris:** I am not sure who does the monitoring. The young persons guarantee is

funded by the funding council. Is it the funding council that measures the outcomes?

**The Convener:** Sharon Drysdale is saying that she wants to come back in on that. That would be very helpful. Maybe Allan Colquhoun can tell us what he would like to see the outcomes being the next time he is invited to appear before the committee.

**Sharon Drysdale:** We monitor outcomes for students and learners in each college individually. We have monthly meetings with the colleges about the YPG and the national transition training fund, to understand what the output looks like. It also comes through our further education statistics—FES—system, which is our normal reporting system; but, because of the nature of this and because of how relevant it is to economic recovery, we are working closely with every single college in the sector. We meet them monthly to understand the outputs that are coming, and they report to us on a bi-monthly basis. We will be able to give you some of those outputs and outcomes by the end of this academic year, once we clear the requirements for our reporting and cleanse that data. If you ask next year, we will be able to give you an update on YPG, the national transition training fund and our upskilling fund.

**Bob Doris:** Can I ask for that now rather than wait until next year? I think that the committee is interested in on-going monitoring of this rather than rehearsing this again next year. That is the point I was making. There was £10 million for the young persons guarantee. Would the funding council have use for additional funds for additional places next year, and would you be keen to see those targeted at the SIMD bottom 20 or 40 per cent? I am trying to find out what the funding council thinks about this instead of its just telling me the numbers.

**Karen Watt:** I will pick that up first, and Sharon Drysdale might have some additional comments to make.

This is a really valuable programme. We would like to see it sustained and, if possible, increased, but it is entirely a matter for the Government how much it continues to put into the young persons guarantee. We are still waiting to see how much will come through into the college sector, because that was not in the budget that was announced recently. As you will know, our national view was very clear. These are extremely valuable funds and we would like to see them continue.

I think there is huge value in targeting the funds to areas that are most in need of encouragement and helping young people to get involved. So, part of the review that we will do this year will be seeing whether, for colleges working with us, the

Government's policy needs to go into a slightly more targeted phase.

My answer is that we would like to see the funds continue and be effectively bedded into future years. It is an open question whether they become even more targeted and whether the funding is sufficient. I am not giving you an absolute answer, because I want to see, from the monitoring that we are doing, how the funds are working in real time, what colleges are finding is working well and what is more of a challenge in these funds.

If it would be useful and if we feel that the data is ready to share, we would be very happy to give you early sight of our monitoring of the funding rather than wait until the end of the year. It might, at times, be slightly more anecdotal than based on hard evidence. However, if it is helpful, we will give the committee updates more regularly instead of waiting until the end of the academic year.

**Bob Doris:** Thank you. That would be very helpful. I have no further questions.

**The Convener:** Thank you. We now turn to the deputy convener, Kaukab Stewart.

**Kaukab Stewart (Glasgow Kelvin) (SNP):** Good morning, everyone. It has been an interesting and informative chat so far.

One of the reasons why we are all here is that we know that we need to upskill and reskill, but we also have skills shortages and labour market shortages. In the light of that, there are untapped human resources out there—women, for instance, but also people from black and Asian minority ethnic heritage and cultural backgrounds. I am interested in hearing about what actions are being taken to encourage people from those backgrounds to come into the skills market and the labour market using the national training programmes.

I put that question to Katie Hutton first, and perhaps Dr Colquhoun could come in and give us an update on the gender commission that is referred to in the papers.

10:15

**Katie Hutton:** We have just published a report on five years of the equalities action plan in apprenticeships. It highlights the range of actions that we have taken and the progress that has been made on the important issue of reaching out to groups that participate less in some of the programmes. I could talk about other things around upskilling, but I will focus on apprenticeships. We have made progress on apprenticeships but we have much more to do. Our target is to reach the population share for BME participation. It is 2.7 per cent at the moment,

up from 1.6 per cent. There are interesting things behind that.

If you look at the 2020 participation figures for 16 to 19-year-olds, you will see that ethnic minority populations tend to stay on more at school and tend to get into higher education—the figure is 27 per cent in higher education compared to 19.1 per cent for white ethnicities. We have said that, if you want more people from that background in apprenticeships, you might have to take them from higher education. There are all sorts of cultural factors around the destination of choice and so on.

Interestingly, the percentage of the graduate population in graduate apprenticeships at the moment is slightly higher than the percentage of ethnic minority participation, as it is in foundation apprenticeships. I think that there are good signs in the graduate apprenticeship programme, and also in FAs, of the work that we have been doing through outreach to community groups in matching up training providers with the range of agencies to make sure that we get as much participation as possible.

**Kaukab Stewart:** Your statistic of 2.7 per cent is interesting. I think that the last census figure was sitting at just over 4 per cent, and, 10 years later, we were expecting the figure to be much higher. There is quite a significant gap. It is also interesting to hear about the higher level in graduate apprenticeships. Do you think that, in certain communities, there is a problem with the perception of apprenticeships and skills development?

**Katie Hutton:** It is a peril to generalise, as you know, but, in some ethnic minority communities, there is a real parental drive to make sure that people go on to university and take certain types of subjects. Karen Watt and Sharon Drysdale will know more about that than I do, but there are certain subject areas in which there is a higher proportion of ethnic minority individuals than there is in the population. There are perceptions about apprenticeships and the preferred route, and we have been working on those in order to get the graduates to say that an apprenticeship is a really good route. That is why we are engaging around apprenticeships in schools. You have to get the messages right down into the school system rather than just into secondary education, and foundation apprenticeships and graduate apprenticeships are a fantastic addition in making sure that the message about apprenticeships is heard.

**Kaukab Stewart:** It is important that one size does not fit all. I am very keen that the decisions come from the young people themselves and that they see parity between the different pathways. What you have said is very helpful.

Dr Colquhoun, could you come in and tell me a little bit about the work of the gender commission?

**Dr Colquhoun:** SAAB set up the gender commission a couple of years ago, and it has been led by Natalie Buxton of Weber Shandwick. We have held a large number of meetings and have consulted a wide range of participants right across society, working closely with SAAB's equalities group. It is finalising a report at the moment, and we expect that to be published in the new year, full of clear recommendations that can be implemented. The diversity and inclusion agenda is very clear throughout all SAAB's activities, and principle 4 of our apprenticeship is that it is available to all people of all backgrounds, regardless of gender, race, neurodiversity and so on. Employers recognise that they need to cover the full population in order to address the challenges, which you have highlighted, with skill shortages and the position of the labour market. We have to make best use of all the talent that we have in the UK.

**Kaukab Stewart:** Who is responsible for monitoring the application of those recommendations? What normally happens? I am not sure about that bit.

**Dr Colquhoun:** They are recommendations from SAAB to the business community and the employer community as a whole. There are huge efforts going on in those areas within my company and, I am sure, within Frank Mitchell's. It is all of us addressing the issue, talking about it and making positive moves to address barriers to employment that exist for whatever reason. It is about putting in measures such as Katie Hutton talked about and providing the role models early in people's careers and in the education system to show them the pathways to get experience. The best way to learn something is to go and do it—for example, through work experience or visits to factories.

We are working closely—and I know that NMIS is, too—with the Association for Black and Minority Ethnic Engineers, which is focused on the recruitment of engineers into the sector from a wide range of ethnic communities.

**Kaukab Stewart:** Where I am going with this is that good work has been going on for many years—I have seen that myself in the education system—but there are stubborn areas where there is a lack of movement. I do not want to pick on one area, because that would be unfair. However, let us say that a workforce or a type of business consistently had an underrepresentation of female employees. How would you monitor that? How would you break that cycle? We have been doing all of these other things in the past, but is there anything else that we, as a committee, could push for or suggest?

**Dr Colquhoun:** Reporting is the easiest way to see the problems and encourage employers to set targets for representing the communities that they serve. Legislation is a possibility. There have been some moves in that direction with things like the gender pay gap that highlight certain parts of the issue. It is about encouraging positive action where you can.

I was involved with SFC in a lot of the work that it did in the education system to address such issues, as well as with SDS on the gender issues in apprenticeships in certain sectors, so they have had a lot of attention. I think that the biggest driver is that employers require skilled staff and they are blind to all those things. They are open to people with the right skills and the right attitudes to doing the jobs that need doing.

**Kaukab Stewart:** Thank you for that reflection. As I said, I think that there is an untapped workforce out there, so it is about reaching out and encouraging but also, I suppose, incentivising. People's attitudes towards work have changed. They want fair pay and conditions, they want access to skills, and they want up-levelling and to increase their own repertoires.

Thank you very much for that. It was very helpful.

**The Convener:** I think that Katie Hutton wanted to come in on that line of questioning.

**Katie Hutton:** SAAB will monitor the recommendations, so there will be recommendations in there for policy makers as well.

I think that what will come out is a whole-system approach to this, because cultural normalisation starts early on in the system. When we survey employers, they tell us that most or all of their applicants in electrical, automotive or construction are males, and the reverse is true in dental nursing and childcare. Expand in Scotland has just put out a piece of work in which it interviewed 400 young people, mostly from deprived backgrounds, and 100 front-line staff working with them. It highlights that young people tend to stick with what is familiar to them. We have all been in a shop, and we have all had a meal in a restaurant, so retail and hospitality figure quite highly. If they can't see it, they can't be it, which is why early exposure in the school system, involvement in work experience, exposure to the workplace, and work-based learning in the school system through foundation apprenticeships are all important in trying to change what is happening.

Applications have to come forward to employers. I know that Frank Mitchell's company does an awful lot around gender and so on. A whole-system approach is required.

**The Convener:** “If you can’t see it, you can’t be it.” I like that. Should I have heard that before? It sounds like something that could be made into a good strapline.

**Kaukab Stewart:** Convener, the other one is “Nothing about us without us.”

**The Convener:** I like that as well. That is very good—very inclusive.

**Stephanie Callaghan (Uddingston and Bellshill) (SNP):** I thank the witnesses for coming along today. I was going to quote, “Nothing about us without us”, which Kaukab Stewart mentioned, because it is a very popular and pertinent saying at the moment.

My questions are about diversity, equality and untapped talent. We already have a focus on gender imbalances, which are well recognised across various sectors, and work is going on to encourage women into those sectors. As has been mentioned, work is also being done with black and minority ethnic communities, people from different socioeconomic groups and people with disabilities, including learning disabilities.

There are quite high rates of unemployment among people with neurodiversity, who often cannot make it through recruitment processes that involve interviews. Common skills that employers look for, such as communication, teamwork and networking, are challenging for those people, so, in effect, they can be screened out at the recruitment stage, but they have lots of unusual and valuable skills. In our evidence, we have heard about skills gaps in digital computing, information technology, data analytics and so on. Often, such skills can be strengths for people who are neurodiverse, including those with autism, attention deficit hyperactivity disorder, dyslexia and a range of other conditions.

I have a quick question for the representatives of SDS, SAAB and the SFC. What is the current representation of neurodiverse individuals on your boards?

10:30

**Frank Mitchell:** With my employer hat on, I note that it is important that all parts of society are given the right opportunities and the right pathway to have a role in the economy. As a business, we try to provide those opportunities—there is a huge responsibility on businesses, particularly large businesses such as mine, to do that.

We need to encourage people into particular areas in which they have strengths, such as digitalisation, as you mentioned, and mathematics. We have been working with the industry on how we can transition into employment people who are out of employment but have skills that could be

useful to employers in those sectors. We have carried out work programmes, particularly on digitalisation, in which people have done courses for 15 or 16 weeks in order to transition and be much more employable in the sector. Those people might come from a different place, but they have the fundamental competencies in mathematics and coding. Without a bit of training, though, they might not be able to enter the sector. That work is being done with employers.

Quite a detailed question has been asked, so I will need to take it away and come back with a written response. Katie Hutton might have some insight and detail on that group of people.

**Katie Hutton:** [*Inaudible.*—figures to hand on that, but a heck of a lot of work has been done in the digital sector, as has been mentioned. In 2020, we published a report about neurodiversity in the digital sector. Since then, there has been a range of actions, including work with colleges on supporting individuals with neurodiversity to enter the tech sector. Technology provides fantastic opportunities for those individuals to engage with the sector, given the skills that they have, as Frank Mitchell outlined. We can provide details on the programme of work behind that.

**Stephanie Callaghan:** That is great.

**Dr Colquhoun:** SAAB is made up of representatives from, in most cases, employers, training providers and so on. We have a diverse range of members, and they represent a range of different groups of people. In addition, the equalities group clearly focuses on the area that we have been discussing. I think that we are well covered. As I said, all our activities consider the effects of diversity, including neurodiversity.

My primary interest is in the scientific and engineering sector. To be flippant—but slightly serious—I note that we are all on the spectrum somewhere, and the range is quite broad within that sector. At Leonardo, we make efforts in recruitment to accommodate as many routes in as possible and to tackle things such as dyslexia and dyscalculia during the recruitment process. If anybody flags something up, we make great efforts to try to accommodate them and to provide support in the workplace. We are taking some positive action on that through a trial with some apprentices this year.

That is a summary of where we are. We recognise what the neurodiverse population brings to engineering, particularly on the creativity side of things.

**Stephanie Callaghan:** Even with the best will in the world, if those individuals are not represented, what can seem to be really good solutions to improve accessibility for neurotypical people—or “normal” people, if we like—and people with

disabilities might not always be what people need in practice. We need to ensure that we have that representation at the levels at which ideas come through.

What pathways into employment do we have for neurodiverse individuals, and are there any plans for the future? I am interested in Sharon Drysdale answering that question.

**Sharon Drysdale:** The college sector is key, because it reaches people who are furthest away from the labour market. People come into the college sector with a wide range of additional needs, including neurodiversity, and the data shows that those numbers are increasing. Colleges are well placed to adapt their provision to ensure that they bring people through the process and pathway, from early access through to people getting their higher national certificate and going on to university. That is clearly documented. I do not have the data to hand, but we could provide it, if that would help.

I did not come in on the question about representation on the board. We have a commitment to ensure that there is a diverse board. We have made good progress in achieving a 50:50 gender balance; we worked hard to ensure that that was achieved. In our next recruitment round, we will have the opportunity to go a bit further. We have signed a memorandum of understanding with the Equality and Human Rights Commission, which is coming to our February board meeting to speak about governance responsibilities in relation to such issues. We have also addressed the matter through our directorates receiving diversity training from the EHRC. We are making progress, but there is still a way to go.

**Stephanie Callaghan:** That is great. I appreciate your answer. The training is incredibly important, but representation at the highest levels is also vital.

**Katie Hutton:** I agree that, when you are delivering services, skills programmes and so on, you have to understand what the needs are and to co-design those services. Lived experience is a huge part of equalities work in ensuring that there is diversity in participation and outcomes. That is core to our equalities work.

The point about pathways is interesting. We are trying to mainstream our provision and not to ghetto-ise individuals by saying, "That is a course for that group of individuals." Our approach to the equalities strategy is to mainstream as much as possible, but lived experience is crucial to the design of services to ensure that they hit the mark.

**Karen Watt:** Sharon Drysdale might have covered the point that I was going to make. Our memorandum of understanding with the Equality

and Human Rights Commission is incredibly important, because it is not only challenging us on how we engage with the sector and on our expectations, reporting and action plan, but getting to the heart of the persistent inequalities on which we need to spend greater time and energy.

We have a publicly appointed board. In 2023, we will have another opportunity to look at the diversity of our board and to explore other ways of doing things. As Sharon Drysdale said, the EHRC is coming to address the board in February. We will look at different options and consider how, even in its existing state, the board can become more open to understanding representation and needs across the piece, whether that is through different observers or different participation around our board table.

We have some extremely good case studies that involve colleges looking at, for example, neurodiverse communities. West Lothian College is looking at digital and computing skills, and it has done some groundbreaking work with neurodiverse communities. I am sure that we could provide the committee with some specific details on that work, if that would be helpful. The issue is how we use that good practice to more fully embrace all pathways for particularly challenged groups in society, in order to make the most of the opportunities that are available from our institutions.

**James Dornan (Glasgow Cathcart) (SNP):** I have a question for Allan Colquhoun. How does SAAB ensure that its membership is representative of industry in Scotland in respect of both the current labour market and expected or emerging demand? Particularly after Covid, how do you recognise what the demand will be?

**Dr Colquhoun:** There are several parts to SAAB, as I am sure you have seen from the papers. At the top level, we have the group board, which provides an overview, and we receive briefings from SDS on labour market intelligence and things that are changing. I am also a member of the standards and frameworks group, which defines and designs the frameworks for apprenticeships, and they are approved through the apprenticeship approvals group. We have a work programme that covers what needs to be refreshed, what is new and what is no longer required.

The employer engagement group is the voice of the broader employer market. As I mentioned in previous answers, a range of bodies feed into that, including the CBI. There is a broad funnelling effect, with individuals representing organisations that have hundreds or thousands of members. We have already covered the equalities group.

Between all those parts, we have the ability to foresee across the skills landscape where the issues are, what is required—digitalisation, machine learning and artificial intelligence are a hot topic just now—and how that feeds into the skills system. We have heard about the types of people that we need with those skills. There is that marrying between the technological advances, the work of individual companies and what they require, and the groupings of organisations, which are largely trade bodies.

**James Dornan:** I see that Frank Mitchell wants to comment.

**Frank Mitchell:** SAAB is an employer-led organisation that is focused on apprenticeships. We try to encourage people who have an interest in apprenticeships to join SAAB, although it is voluntary. People put their own time into it and companies invest people's time in it. It is a big commitment, because a lot of work goes on behind the scenes, including the heavy lifting on standards. Where we can get people from the appropriate companies involved, we look to them to help in these areas so that we get the best advice. Equally, there is on-going engagement with the industry leadership groups, regional groups and enterprise agencies to ensure that we understand what is going on both regionally and sector-wide.

As Allan Colquhoun outlined, SDS tries to inform the process through the work that it does annually on what demand looks like, and we check that with the people who are represented in SAAB. We depend on volunteers, and the particular focus for SAAB is those who have an interest in apprenticeships. We welcome any company that wants to be involved, and we try to make sure that we reach out to them in our employer engagement. As Allan said, the CBI, the chambers of commerce and other groups are involved in the work, which helps to bring things together where we cannot get specific companies involved. A range of sectors are included in SAAB's membership, as is laid out in the written evidence, and we try to make sure that they are all represented.

Alison McGregor, who is the chair of SAAB, is a director of the CBI, former chief executive of HSBC Scotland and former chair of CBI Scotland. She and I talk about the issue continually to make sure that we refresh the representation that we get round the table and that it is as forward looking as it can be through the voluntary process.

10:45

**James Dornan:** My next question touches on the role of SDS. How do you gauge what the future demand and the future market will be? How

has that been impacted and changed by what has happened over the past two years? Has there been a rethinking of the types of apprentices that we will need, how many we will need and in which markets?

**Frank Mitchell:** We try to do that through the regional and sectoral skills assessments that are done annually. We produce regional and sector-wide skills investment plans that we try to agree with the relevant bodies and stakeholders to pick up what the demand will be in the next 12 months and beyond. We also look at what is happening globally. I am sure that Katie Hutton will talk about this, but, in relation to research and development, we have been looking at what is happening out there and the trends in technology, for instance.

Covid has undoubtedly had a big impact in some sectors. It has accelerated some of the changes that were on the horizon in retail, and hospitality has been impacted. However, we are very interested in upskilling, reskilling and opportunities to move people across sectors. We always want to get people into employment and keep people in employment. That is fundamental to what we try to do, and we want to ensure that it is good employment.

In the case of an apprenticeship, we always have an employer backing it up with a real job. That is at the heart of what we do with apprenticeships, because we do not get an apprenticeship without having a real employer who wants to have somebody there. It gives us a lot of confidence that the apprenticeships that we start have real jobs involved. That is a strength of what we do in the area.

No forecast is ever going to be entirely correct. That is just the nature of the beast. We need to be able to react to events. We have a regional and sectoral structure across SDS, and we try to keep an ear to the ground to find out what is going on and what the short-term effects are. When we see demand growing or reducing in certain areas relative to what we have forecast, we try to make dynamic shifts. We do not just stick to the plan for the sake of it.

We try to take the best view and agree it with the various stakeholders, including SAAB, and we react to events as they occur through our network of people who are locked into the regions and sectors. However, Covid has probably had an unprecedented effect on our ability to cope with some of the changes, as you highlighted.

**James Dornan:** If forecasting was easy, I would have won the pools some time ago.

It seems that, in some sectors, people do not realise that there are good opportunities for apprenticeships, future progression, good learning experiences and so on. How can you fill that hole?



**Frank Mitchell:** We see apprenticeship opportunities in every sector and every region. We would like to do more, as I mentioned earlier. We believe that there are great pathways—every time the OECD assesses them, they are seen as being very strong—that help young people and others across all parts of society to get into a job. Apprenticeships are good for businesses and good for the economy, and we want to push that more. There are gaps out there that we need to push on, and I am sure that some sectors can do better.

I used to have a go at the oil and gas sector because I felt that it was not doing enough to create apprenticeships in the top-tier companies. All that it was doing was taking people from the supply chain. For a long time, in conversations with some of the chief executives, I said that they needed to invest more in apprenticeships and graduates, rather than continuing to recruit from the supply chain.

Katie Hutton might want to respond to the question.

**James Dornan:** Before she does so, is your point about companies cherry picking workers from the supply chain a reason why you are in favour of the apprenticeship grant? I take it that those companies were not participating in that, as they were just taking staff from elsewhere.

**Frank Mitchell:** Some of the larger companies that were not taking as many apprentices as they should have done were sizeable enough to be levy payers. Some of the companies from which they were taking trained people, rather than training their own people to the level that I believed they should, were not levy payers. They were small companies that were using the apprenticeship programme to grow their own talent. People were throwing money at them when they wanted to get some resources, so people were moving for a bit more money.

I was encouraging some of the top-tier companies to do a lot more to grow their own talent. They have taken that on board in recent times, but we have challenges where companies in some sectors could be doing more. I do not disagree with that. It is incumbent on everybody to do everything that they can do to develop people and give them opportunities through apprenticeships.

**Katie Hutton:** You will see what we have done on pathways in our annual statistical report. Higher-level MAs have been a real priority over the last piece, which is shown in the data on wages returns. There has been a real priority in the policy in our managed demand process to go into areas with higher-level and vocational qualification things. The graduate apprenticeship

pathway is an attempt to provide higher-level pathways.

A big development in the frameworks under the SAAB process is the introduction of metaskills. When we look at what skills people will need in the future, we see that they are the adaptive and resilience things around self-management and managing change in the workplace. Things are fast moving and technology has brought innovation, so metaskills are forming a key part of the development and revision of frameworks. People will need those skills to be able to move jobs because of the state of the labour market, as well as for their current work situation and if they transition into other industries.

The committee is considering the alignment of skills, and another important area is the green jobs aspect. We need to consider what is needed there, whether that is for new pathways that will open up or for people who transition into different roles, who will need to enhance the skills that they already have. It is important to note the sheer scale of that area. We have also touched on digital, which is a huge area for Scotland.

New pathways will open up, but we have also tried to emphasise in our contracting and in the starts that we fund each year the move towards higher-level opportunities and the graduate approach.

**James Dornan:** I see that Sharon Drysdale wants to comment.

**Sharon Drysdale:** I want to go back to what you said about regional skills assessments and demand assessments and how we can identify what the future will look like. As you suggested, it would be wonderful if we had a crystal ball. We are relative newbies in the SAAB environment, but one of the most positive bits of progress that has been made is that the SFC now has membership of SAAB and sits in sub-groups such as the employer engagement group and the standards and frameworks group. That provides us with a unique opportunity to align the aims and objectives of our accountability and be equal delivery partners with colleges and universities in understanding how those aspirations are aligned.

We work really closely with SDS in the development of the regional skills assessments, but we do not just utilise that. As Frank Mitchell said, it is not an exact science, but we work very closely. We talk to all our institutions to see what the capacity is, where they see things progressing, what they feel about the numbers, what they can do and where they see opportunities to change or look at new frameworks for the future. Having all that work brought together is a positive progression and a positive collaborative piece of work.

**James Dornan:** On that point and on Katie Hutton's points about flexibility and people being able to move from one field to another, is the funding flexible enough? If the training has to change slightly, will it be easy for the funding to follow that?

**Sharon Drysdale:** It is quite easy to move between frameworks. If an institution comes to us and says that it is seeing a decline in demand in a particular framework, we can ensure that it has flexibility, provided that there is an economic need to develop the other framework and the numbers show that there is demand from employers. It is an agile process. We can do that in year and we can do it within a few weeks. We can reallocate the funding to ensure that the correct frameworks are supported and the employers' needs are met by the graduate apprenticeship programmes.

**Michael Marra:** Thanks to the panel for the useful and interesting evidence so far. I want to step back to an earlier comment that I think Frank Mitchell made about the particularly high demand for graduate apprenticeships being greater than supply. Could you unpack that a little bit? To my mind, the graduate apprenticeship scheme has been a real success. Do you agree that that is the case?

**Frank Mitchell:** Yes, I think the graduate apprenticeship is a great innovation and something that I support as the chair of SDS and as an employer.

The point that I was making is that we are funded to provide around 1,350 graduate apprentices, which is great and we have done that, but we know—[*Inaudible.*]—so that is about 4,000 who would like to do that. We are having an on-going discussion with the Scottish Government about how we can do more to meet the demand for graduate apprenticeships.

It is a great innovation and some companies that you would not have thought of are in the marketplace. One is JP Morgan, which is using graduate apprenticeships as a core recruiting area to get skills into the company. It sees this as a real opportunity to get in early to the brightest school leavers and make sure it gets them at that level, rather than post-university, when there can be different competition. JP Morgan brings people in and not only gets them up to a professional level but trains them in the way that it wants them to be and gets a lot more productivity out of them as they go through. It is great for the individuals, because they are earning and learning, and it is great for the economy because they are paying tax as they go through their education.

I think graduate apprenticeships are tremendous. I was simply commenting that we

already know, through our work with employers, that they would like to do a lot more in that area.

11:00

**Michael Marra:** It is a real positive that that demand is out there, and I appreciate your bringing that to our attention.

I also have questions to the Scottish Funding Council. Karen Watt, after the budget last week, Universities Scotland expressed real concern that the cost of graduate apprenticeships is to be absorbed within its core budget. Is that the case?

**Karen Watt:** The Scottish Government has asked us to explore how much of our main core funding could be put towards the apprenticeship programme, for both foundation and graduate apprenticeships. I echo all Frank Mitchell's comments about how important this provision is and the demand that there is for it.

This is now the fourth working day or so after the budget announcement and we are modelling what is possible. We are determined to maintain the current commitment to funding what is, at the minute, something shy of 1,200 graduate apprenticeships. Sharon Drysdale may have more detailed figures. We would also like to grow that programme.

The issue for us will be working very closely with universities on graduate apprenticeships, because there are, in effect, probably a handful of universities that are at the forefront of such provision. Heriot-Watt University, the University of Strathclyde, Glasgow Caledonian University, Robert Gordon University and Edinburgh Napier University are the premier universities in this field. We have choices to make about how we support those particular universities, because they have invested significantly in specialist teams that engage with employers—they are very successful at doing that—and whether we have an expectation that all universities should be involved in the graduate apprenticeship programme to a greater or lesser extent. At the minute, with the quantum of funding that we have been given, we are trying to rapidly model the opportunity that we have to maintain and sustain the programme, grow it where we can and make sure that we do not lose what is a very valuable programme. We are utterly committed to making it work.

**Michael Marra:** It is good to hear that the commitment is there, given the success that Frank Mitchell has described and the demand in the economy. That is very important.

You will understand that I have concerns about some of the mechanisms and you will recognise that, essentially, funding drives activity. One of the reasons why universities across Scotland have

invested in graduate apprenticeships is that it is an alternative funding source for them. They have diversified their activities to drive into this area. Will the programme remain a separate incentive and a resource opportunity? Or are you looking at mainstreaming graduate apprenticeship funding into the grant that is awarded to the universities?

**Karen Watt:** That is a great question. We are in the middle of working through how we maintain the incentives. You are quite right that, while it is a very important part of the provision, the graduate apprenticeship programme has been funded through separate funding streams. It has a different cost base and a different interaction between the student and the employer and, therefore, some of the provision to make sure that it is most effective is slightly more expensive than other types of provision. We are exploring a number of options. It is too early to say, but I will be very happy to come back to the committee when we have worked through the distribution methodologies.

We are likely to bring this forward to our board in March, when we will have a clearer picture of the opportunities. However, we have a number of funding options to consider, including how much is incentivised, how much is ring-fenced and how much of it is mainstreamed through our normal expectations of institutions. We will have a range of other agreements—for example, our outcome agreements—where we specify the nature of the outcomes that we expect from the funding that institutions receive. It is early days, but we are absolutely committed to graduate apprenticeships. It is a little early for me to give you an absolute answer, but I am very willing to keep engaging on this.

**Michael Marra:** We, as a committee, will keep an eye on this—with the willingness of my fellow committee members. It is an issue of concern.

Overall, we see the programme, which we want to be retained, within the picture of what was described last week as a very disappointing funding settlement for universities. Given that we are talking about skills and skill matches in the economy, can you reflect on the understandable reaction of higher education to the funding settlement that came about last week. It is so important to drive the economy and where we are headed, but we are looking at quite substantial real-terms cuts.

**Karen Watt:** The budget settlement is challenging. If we look at it in the round, we would describe it as pretty much a flat cash baseline settlement. We have had an incredibly important commitment that the students who have been taken on in the last two years, which has resulted in an increase in the number of funded places in the university sector, will be supported to complete

their studies. An additional £21 million has been made available and the Government has recognised a commitment to those students. There is a greater number of funded places in the university sector than we would have had in normal times, if you like, because the pandemic years have not been normal in terms of the numbers of students who have been able to, and have wanted to, access university education.

Working with the Government's priorities, it is our job to distribute the funding in a way that achieves a number of things. The funding has to maintain the commitment to those students who are already going through the system; it needs to plan for a suitable number of funded places over time; it must accommodate the apprenticeship programme and, importantly, it is a settlement and a distribution that needs to ensure that universities and colleges are still able to play their full part in the economic recovery.

Some of the vital funding that we have seen, for upskilling and reskilling and for other forms of interventions, is part of the jigsaw that we are looking at in terms of how we distribute in particular ways to fulfil different kinds of missions in future. Any funding council will have that kind of challenge at the minute, but there are a number of particular pressures with this settlement and we are in the middle of modelling all that in order to make decisions in the new year.

**Michael Marra:** We are looking at no increase in the unit of resource per student since 2014, plus, as you describe it, an increase in the number of domestic students over the last couple of years, driven by the pandemic—although giving those opportunities is a positive thing that has to be protected. Today, inflation is running at 5 per cent and then there is the Universities Superannuation Scheme. That is all an emerging storm for our higher education sector, is it not?

**Karen Watt:** Every single institution is in a different position. Some institutions will have, for want of a better word, ballast or a range of options for how they can think about long-term sustainability. Our closest attention will be paid to the squeezed middle, the chartered and modern universities that may have particular cost pressures and do not have the same resource that some of our more ancient and longer-established universities have. A number of different pressure points will come together. For example, we have fewer European students coming into some of our courses.

We have a complex set of cost pressures, as you say, in relation to pensions and other costs. We have also seen the sector borrow more, either as a result of the pandemic or simply because of the nature of the adjustment that some institutions have had to make. They have been brilliant, in a

very short period of time, at adjusting their models and how they operate. We will need fundamental engagement with individual institutions and, of course, we are not out of the pandemic. We are significantly concerned about the coming together of the situations that you described for not only individual institutions, but the sector across the piece.

**Michael Marra:** Thank you to the witnesses, and thank you, convener. I could go on at length—the matter is of significant concern and distress in the sector—but I will leave the questions there for the moment.

**The Convener:** I will bring in Ross Greer, followed by Fergus Ewing.

**Ross Greer (West Scotland) (Green):** Thank you, convener. I will address a couple of questions to Katie Hutton from SDS in the first instance, if that is okay; they are about the funding information processing system for apprenticeships. You might be aware that we took some evidence last week from employers and an issue with FIPS was flagged up in relation to the number of hours that an apprentice might complete before being registered on—[*Inaudible.*]

**The Convener:** We seem to have a problem with Ross Greer's connection, which is a great pity. We will bring him back in as soon as he reappears.

Oh, hang on, Ross Greer has reappeared.

No, he has disappeared again. We will go to Fergus Ewing now and come back to Ross Greer when we have a stable line to him. Fergus, would you mind coming in?

**Fergus Ewing (Inverness and Nairn) (SNP):** Not at all, convener.

Good morning. I want to start off by thanking our witnesses for all the terrific work that they, their members and their colleagues do throughout Scotland. Over the years, I have seen countless examples, not only in the University of the Highland and Islands and the forestry college in Balloch, in my patch, but throughout the country. As some of you know, I have been involved in a number of matters, in a different capacity, over the years.

The material that SDS submitted is illustrative of a very positive story, not just among universities and colleges, many of which are world leading, but in the scale of apprenticeships. As Frank Mitchell well knows, the number of apprentices increased from 10,579 in 2008-09 to 29,000 10 years later. A threefold increase in 10 years is a tremendous success. On top of that, of course, the pandemic has brought unprecedented challenges. I wanted to preface my remarks on what is a huge topic with that general comment.

I want to address two issues. These are primarily questions for Frank Mitchell, although, of course, others can chip in if they wish to. From what I have seen over 22 years in this institution, the needs of rural Scotland and of small businesses are quite difficult to accommodate when it comes to skills and training in general, for logistical and practical reasons to do with distance and scale. Small businesses do not have a human resources department, they tend to be extremely busy just doing their work and they might comprise only two or three people. However, such businesses could have shared apprenticeships. Is work being done to develop shared apprenticeships?

Secondly, in relation to rural Scotland, do you agree that more needs to be done? Is SDS committed to doing more in that area? How is the rural skills action plan, which was launched not that long ago, faring in meeting the potential of young people, in particular, in rural areas?

As I said, those questions are primarily for Frank Mitchell—it is good to see you again, Frank. I think that you have heard me say all that quite a few times before.

**Frank Mitchell:** Thank you for your kind comments. A lot of work has been done in this area, as you have rightly identified. While we always want to improve, we should not forget the successes that have been achieved. It is good to remind us all of that.

In the context of apprenticeships, when we get down to the microbusinesses, it is very difficult. I have met potential employers in rural communities in the south and the north of Scotland who say they that might be able to use an apprentice for one or two days a week and want to know whether they could share an apprentice with another company. We are looking again at how best we could do that. We want to be as flexible as we can to make that happen; we do not want there to be any obstacles to bringing people into the workplace.

11:15

There are a couple of challenges for us to overcome, one of which is that, ultimately, we need one of the companies to be the employer. I think that it is right and proper that the individual knows who their employer is in that set-up. Up until now, when we have had such discussions, we have found that there has been reluctance on the part of microbusinesses to be the employer who will make sure that the person has a job when the apprenticeship is finished. Those discussions with microbusinesses about who, ultimately, will be the employer are proving challenging.

There are European models where the state becomes the employer in such circumstances, but issues have arisen when the person has finished their apprenticeship and has then turned to the companies that they have worked for to ask, "Who's going to be my enduring employer?" That model has sometimes proven not to be successful. There are practical issues, but I recognise that there is a challenge for us in being flexible about how we bring about shared apprenticeships.

Another part of the issue is that we must be fair to the person who is undertaking the apprenticeship by ensuring that they get the appropriate training from the microbusinesses concerned. The training on the job must be of the standard that we think it should be. Approaches can vary between microbusinesses.

I appreciate the challenge. I have talked to employers in that area. We are trying to overcome the challenge so that we can get the flexibility to work. We will continue to look at the issue. I am sure that Katie Hutton will want to comment on that.

You are right to identify the particular challenges that are faced by rural communities. I will give an example. Pre-Covid, when I was in the south of Scotland for one of the South of Scotland Enterprise meetings, I met some employers and apprentices. An alarm company in Galashiels or thereabouts faced the problem that, for one week a month, its apprentices had to go to Glasgow to do their college training. Coping with that upheaval was a challenge for the individuals and the business. An issue that I have been pushing on is that of how we can use more digitalisation to get the training to the individual rather than the individual to the training. I want to keep pushing on that. People should not have to take a week out of their family lives and out of the business that they are engaged with to go up or down to one of the central belt colleges to get training. We must use technology more.

One of the benefits of our recent experience with Covid is that we have developed the ability to deliver the academic training remotely. I think that that has broken down one of the barriers. We cannot let the position slip back. We must keep pushing at those opportunities. Digitisation frees up a lot of opportunities for rural communities where otherwise there might have been barriers. We need to balance the provision appropriately. There will be a need for classroom teaching, but it should not be a regimented period of one week a month, regardless of what is going on in the business. We must focus on that work to open up those opportunities.

We do work on rural skills assessment and rural investment plans with various stakeholders. I will ask Katie Hutton to talk about where we are on the

issue that you have asked about, but I recognise the challenge that exists in getting the flexibility for microbusinesses to work. There are obstacles to be overcome, but I am very focused on the challenge of how we can make this work for everybody, including the apprentices.

**Katie Hutton:** We are a small-business economy. Although we have huge representation from small businesses in apprenticeships, we always want to make more inroads, particularly on the rural side of things. We have a rural supplement in the contribution rate, in recognition of some of the logistical and cost issues. We work very closely with partners in local areas. You probably know that we have a charter with the Western Isles, which is a model that will be used for other areas of Scotland. With the development of South of Scotland Enterprise, when we contract for apprenticeships, we now identify what we need in the Highlands and Islands and in the south of Scotland in terms of demand. We have staff who are dedicated to working with partners in those areas and to looking at what rural areas need.

To add to what Frank Mitchell said about shared apprenticeships, we are working with South of Scotland Enterprise on developing that model. At the moment, the key focus is on the demand side of that. We have had other models in Angus and other areas.

Apart from the employment status of the individual and the issue of who will bear the costs of a shared apprenticeship, it also needs to be borne in mind that moving between employers can be detrimental to young people. It is like going through induction—they are the newbie in the workplace. There are some practical issues there. In addition, we have found that some employers will not play ball, in that once they have the individual, they want to hang on to them.

Those are some of the practical issues. Rural Scotland and SMEs are key focuses for us, particularly in relation to apprenticeships and the work that we do on skills planning and partnerships.

**Fergus Ewing:** Thank you, Frank and Katie, for your answers. I recognise everything you have said from previous discussions. They are very practical issues, so I will not repeat them.

I agree entirely with the analysis and the points that you have made; they are all very reasonable. I do feel, however, that the shared apprenticeship is a model that has not yet been cracked but could be. I wonder whether it might be worth your engaging further with small business representatives—both generic ones, such as the Federation of Small Businesses, and particular trade associations, such as the Scottish and Northern Ireland Plumbing Employers' Federation.

They are often very well informed about the details and they have a lot to offer in terms of being practical and driving things forward.

I accept that we have to look at the interests of young people as well as those of employers, quite obviously, and what Frank Mitchell said about using digital platforms instead of kids having to travel 100 miles to a classroom must surely happen. If we have learned anything from the pandemic, it is that.

Convener, I will finish by asking for two things for after this meeting. Could SDS provide us with some statistics about the performance in rural and small business in so far as it is able to? I appreciate that the compilation of statistics involves classification and definition, but we need a picture of what is happening in rural and small businesses, particularly as we are a small business country.

Finally, I want to make a specific plug. There is a pre-apprenticeship scheme involving training for young people through an organisation called Ringlink, which is a farming machinery and labour co-operative operating in the north-east and elsewhere in Scotland. As Frank Mitchell knows, Ringlink set up an excellent scheme for young people that provides a great model whereby groups of farmers provide training for a host of young people. The model is to be rolled out throughout Scotland. Ringlink was funded on a pilot basis until 2021, and I am keen to see that funding continued and mainstreamed by SDS. I did not raise this with the witnesses previously, so I would not expect them to answer questions about it now—I never like to ambush anybody, do I?—but perhaps they could take both of those questions away and get back to us.

**The Convener:** That seems like a fair summary and a fair request from Fergus Ewing.

Frank Mitchell and Sharon Drysdale want to respond to Fergus Ewing's line of questioning, then we will go to Oliver Mundell. Ross Greer has had a few technical problems, but we will go back to him after we have heard from Oliver Mundell.

**Frank Mitchell:** We will take Mr Ewing's questions away and come back to the committee. Ringlink is a great joint training initiative, but it is completely different from shared employment. The point is well made, however, and we will come back to answer your questions about what we are doing in rural communities.

I forgot to mention something that I wanted to say in this context. This is something for the committee to think about, particularly in relation to rural communities. The work that we did with the Western Isles charter was not just about jobs and apprenticeships but also about housing and a lot of other things. Our innovative approach in the

Western Isles, with the charter and the work we are doing with some other islands, is equally applicable to some rural communities on the mainland. It is not just about the job; it is about housing and a whole lot of other factors that are important in encouraging particularly working-age young people to stay in those communities. If you do not have it to hand, we will share with you the Western Isles charter, which is now starting to be adopted by other communities. It is an innovative approach to tackling not just training issues but the shortages of working-age people in rural communities.

**Sharon Drysdale:** I have one small thing to add about the ability of employers and SMEs in rural areas to access training and upskilling. I am reluctant to say that there was any silver lining to the pandemic, but, with the help of the flexible workforce development fund in very challenging times, our institutions have converted a lot of their training to online and virtual environments. The flexible workforce development fund went from having 5 per cent of all learning online to having 60 per cent online in a very short period of time, which enabled more SMEs in all areas across Scotland to access it. Maybe that is something that we need to expand and market a bit better so that SMEs in rural areas are aware of the provision and can access it more fully. We will look to do something about marketing.

**The Convener:** As you say, silver linings to the pandemic are hard to find, but there are some lessons that we can usefully take on board. I thank Fergus Ewing for his questions and our witnesses for those responses. I will go now to Oliver Mundell and then to Ross Greer, who is back online.

**Oliver Mundell (Dumfriesshire) (Con):** Thank you, convener. I do not want to make a statement, but, in the light of the previous comments, it would be remiss of me not to refer to the fact that, for many people in rural areas, learning online is a positive but there are benefits from learning in person and with other people. I ask that the funding council and others be mindful of that, as it relates to my substantive question, which is about whether the funding council feels that enough support is going to rural education providers under the current model and whether the additional costs of delivering education in rural communities at higher and further education levels is fully reflected.

**The Convener:** Who do you want to bring in?

**Oliver Mundell:** Karen Watt.

**Karen Watt:** We do that in a number of different ways. First, part of our funding model provides a premium for institutions that are working predominantly in rural areas. In the way that we

distribute funds, we recognise the additional costs that go into reaching out and making sure that communities are well served not just with online opportunities but, as Oliver Mundell rightly said, in person and in the community. For example, in the Highlands and Islands, a significant premium goes into college and university provision. In the round, for colleges alone, something like an additional £10 million goes into recognising the specific challenges and opportunities of teaching and learning in rural settings across the country.

11:30

Secondly, in areas where we have similar challenges, such as the south of Scotland, we are keen to look again at whether we have the right kind of provision, engagement with employers and responsiveness in the system, so that needs are fully looked at not just from the employers' perspectives but also with regard to student needs on that pathway from school to college and up to higher education and beyond. That is why we have talked about our pathfinder projects. It is also about making sure that people do not always have to travel outside particular areas to get to higher education when there is not a university close by. Obviously, we could do more. The pathfinders are a way of testing whether we have got it quite right, and we have deliberately chosen the south of Scotland as a rural area with fewer higher education opportunities than we might see in other parts of the country.

I will stop there and see whether that answers your question.

**Oliver Mundell:** Yes, that is starting to answer my question. As someone who represents a constituency in the south of Scotland, I am pleased that you are looking at a specific programme there, but I still have concerns. You used the word "predominantly" when you were talking about the institutions that get support. I look at the Crichton campus in Dumfries and I see the University of the West of Scotland and the University of Glasgow, which are typically more urban based or new institutions. What more support can be provided to them? My particular concern, which is probably broader than just about rural areas, is that, while we continue with a model whereby institutions are funded by fees only to provide courses, it is difficult to see how those outreach campuses can be fully supported and how students who are learning remotely can get the support that they need, particularly off the back of the pandemic, when broader issues around mental health, student support and wider wellbeing have been identified. Anything you can add on that would be helpful.

**Karen Watt:** I will not go into the fees-only issue, but that is a choice that universities make

about the marginal cost of their places and how they choose to fill them. We fully fund a significant number of places.

**Oliver Mundell:** Is it right to say that you sign off on those places and provide the funding?

**Karen Watt:** We fully fund places, and universities choose whether they bring students into classes where they can accommodate other learners, where they only get a staff/student fee, rather than the—[Inaudible.]

**Oliver Mundell:** You agree that with them, though, as part of the overall package—is that correct?

**Karen Watt:** It is their choice. We do not, if you like, sign off the fees-only part of it; we sign off the funded places.

Could I pick up the points you are quite rightly making about whether we have the right kind of provision in some areas? The reason why I picked up on the pathfinders is that we have had some very active engagement in the west of Scotland, with the University of Glasgow and, to a lesser extent, with Heriot-Watt in the Borders and in Dumfries and Galloway. The Crichton campus has been tremendously important in providing a physical footprint for those universities in the south of Scotland. Again, through the pathfinders, we would like to test further the nature of that engagement and whether other relationships could develop between the colleges and other universities in Scotland or how those colleges themselves might develop their higher education offer in situ.

I would be very happy to keep in close contact with you as those pathfinders develop, because they are a way of testing whether we have got it quite right in some areas.

**Oliver Mundell:** I will leave it there for now, convener. Thank you.

**The Convener:** Thank you, Oliver. We turn finally to Ross Greer, who is now on a stable link.

**Ross Greer:** Thank you, convener. I want to make sure. Can you hear and see me okay?

**The Convener:** We can, indeed. It is nice to see and hear from you.

**Ross Greer:** Excellent. Thanks. I have a couple of questions specifically for SDS colleagues, and I will direct them to Katie Hutton in the first instance.

You might be aware that, when we took evidence last week, some of it was from employers, one of whom flagged up some concerns with FIPS, SDS's system for registering apprenticeships. The issue that was raised was essentially about how an apprenticeship that was lodged and registered with FIPS could not account

for any time served before the point of registration. The example used was that, if they had started an apprentice at their company over the summer but had only now sorted out the FIPS registration, all the time that that apprentice had been with them would not count towards the time-served element of the apprenticeship and would therefore extend the duration of the apprenticeship beyond what would be desirable for either the apprentice or the employer. I have already mentioned the trade unions' concerns.

In the first instance, could you clarify the technical requirements? Is it possible to register and process an apprenticeship through FIPS and backdate the time served, or does only time that is served from the point of registration count?

**The Convener:** Katie Hutton is speaking, but we cannot hear her.

**Ross Greer:** Sorry. Katie, could you start again?

**Katie Hutton:** Okay. Sorry about that. An apprenticeship is recognised when an apprentice starts and is in receipt of public funding through the contract that is offered via SDS. It is a contractual requirement that they are registered on FIPS. Registering an apprentice on FIPS makes sure that all the rules have been followed, such as whether that person has had an initial assessment, whether their training plan has been developed and so on, and that all the things that need to be in place to support them are formally registered. The Scottish Government recognises only apprenticeships that are registered on FIPS, as does Her Majesty's Revenue and Customs. We are required to give HMRC data on apprentices on our system, and that is where it does its checks on things like the minimum wage for apprentices. It is important that apprenticeships are registered on FIPS right away so that the contractual requirement to understand the apprentice's needs—it could be that the individual has special needs—kick in and so that we know their needs have been catered to.

**Ross Greer:** Thank you very much for that. I understand the need to register with FIPS. Just to clarify: the reasons that you just cited—HMRC compliance and so on—mean that you could not retrospectively register with FIPS. Someone could nominally have taken on an apprentice and someone with the title of apprentice could be working with an employer, but, until the moment they are registered with FIPS, that cannot count towards their time served.

**Katie Hutton:** It should not be. They should be on the system from the start. If HMRC was doing follow-up sampling, it would recognise a person as having been an apprentice only from the time they were registered on FIPS.

**Ross Greer:** How are employers supported to make sure that their apprentices are on FIPS? Forgive me, but I am not familiar with how long the FIPS system has been in operation. I do not know whether it is relatively new or whether it has been around for a while.

**Katie Hutton:** If they have a contract with us, the employer does not need to bother about it. It is the duty of the contracted providers to do all the paperwork. We have contracted providers so that the many SMEs involved in FIPS do not have to do the paperwork. All of that is done by the contracted training provider.

**Ross Greer:** The context for my question was a wider concern about when it comes to consultation with and the involvement of employers in the development of SDS policy and systems such as FIPS. I used FIPS as an example. In that previous meeting, a wider frustration was expressed about the need to have employers in the room and to give them a voice as systems are developed. Taking on board what you have just said about the involvement of employers in the use of the system, which was very useful, when systems like this are being developed, what kind of user testing and consultation do you do with employers so that they are clear about exactly how it operates, what their role is or is not, and how they should engage with the system and with providers?

**Katie Hutton:** The system will not touch the employers. It is the duty of the contracted training providers to fill in the paperwork and complete the system. It is just a giant database in which you get the details of who is involved, their background, what areas they live in and the other good things that you see coming in the annual reports. We consult the people who use the system. In developing the system, we had a working group including contracted training providers and, every time there is a new development in the system, we work with them and test it.

Some of the points that were made last week were about representation and engagement with the construction industry. The construction industry is complex, with many sub-sectors, and it includes many small companies. Construction apprenticeships are probably the longest-standing apprenticeships, and there are very strong views about them. Lots of groups say that they represent the whole industry, but they do not, because there are other parts to it. We have multiple touch points within the construction industry, and we have a sector manager devoted to construction skills. We engage with the industry leadership group, which is the recognised engagement group and which has a skills sub-group. Some of the people who were speaking to you are in that group, as are the federations that they were talking about.



The industry leadership group's skills sub-group has an influence, estimating what the demand is every year for modern, graduate and foundation apprenticeships. There is also a construction industry leadership group, which is another skills group, and there is a Covid recovery group, a works team and a taskforce that has involved all the federations, the colleges and SDS. A new qualification construction skills council has also been set up. We are members of that council, and there is good representation from the construction industry in all the SAAB groups. Dr Allan Colquhoun mentioned that Mr Mitchell, who gave evidence last week, has been on the standards and framework group of SAAB since its inception. There are multiple touch points.

Construction has been one of the biggest growth areas for modern apprenticeships in the past four years, and we have had more than 2,000 more starts in the past few years. The industry estimated just under 6,000 starts in 2020, and 150 more were achieved due to the demand.

**Ross Greer:** Thank you very much. You have helpfully clarified the matter for us. I appreciate that.

I have one final question based on what we have heard previously. Are you aware of multiple instances of there being a delay between someone starting an apprenticeship role and their registration? Were you familiar with that issue before it was raised with us last week?

**Katie Hutton:** We have become aware of it over the last wee while, and we have been working with the contractor concerned on the arrangements that it is putting in place to get everybody registered on the system.

There has been a bit of a perfect storm for the construction industry, and you can imagine that the nature of the industry—being on site and so on—and the nature of the training that goes on in workshops have been greatly affected by furlough and by physical distancing for people who started this year, last year and in previous years. There has been a bit of a delay.

There is a lot going on, but we are working with the contractors concerned on that specific registration issue. We have weekly meetings with them to make sure that any backlog in our contracted numbers is caught up.

**Ross Greer:** Therefore, this is a business-specific issue with the one contractor—the one provider—and you are not encountering multiple instances of delays in registration.

**Katie Hutton:** Not that we are aware of. It has been a specific issue with one contractor in construction. It is because of a range of factors,

and we are putting a number of measures in place to catch up.

**Ross Greer:** Thank you very much. I will leave it there, convener. That has helpfully clarified the issue for us, and we are grateful to Katie Hutton for that detail.

**The Convener:** Thank you, Ross.

We are two hours and 20 minutes into this hearing, and I cannot thank Frank Mitchell, Katie Hutton, Dr Allan Colquhoun, Karen Watt and Sharon Drysdale enough for the evidence they have given us today. It has been very insightful and very helpful. I hope that you feel that it has been a good use of your time, because we certainly have valued your contributions today.

The public part of today's meeting is now at an end.

11:45

*Meeting continued in private until 12:17.*



This is the final edition of the *Official Report* of this meeting. It is part of the Scottish Parliament *Official Report* archive and has been sent for legal deposit.

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