



OFFICIAL REPORT
AITHISG OIFIGEIL

Education, Children and Young People Committee

Wednesday 10 January 2024

Session 6



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EDUCATION, CHILDREN AND YOUNG PEOPLE COMMITTEE

1st Meeting 2024, Session 6

CONVENER

*Sue Webber (Lothian) (Con)

DEPUTY CONVENER

*Ruth Maguire (Cunninghame South) (SNP)

COMMITTEE MEMBERS

*Stephanie Callaghan (Uddingston and Bellshill) (SNP)

*Pam Duncan-Glancy (Glasgow) (Lab)

*Ross Greer (West Scotland) (Green)

*Liam Kerr (North East Scotland) (Con)

*Bill Kidd (Glasgow Anniesland) (SNP)

*Ben Macpherson (Edinburgh Northern and Leith) (SNP)

*Willie Rennie (North East Fife) (LD)

*Michelle Thomson (Falkirk East) (SNP)

*attended

THE FOLLOWING ALSO PARTICIPATED:

Graeme Dey (Minister for Higher and Further Education; and Minister for Veterans)

Jane Duffy (Scottish Government)

Lesley Ward (Scottish Government)

CLERK TO THE COMMITTEE

Pauline McIntyre

LOCATION

The Robert Burns Room (CR1)

Scottish Parliament

Education, Children and Young People Committee

Wednesday 10 January 2024

[The Convener opened the meeting at 09:31]

Post-school Education and Skills Reform

The Convener (Sue Webber): Good morning, and welcome to the first meeting in 2024 of the Education, Children and Young People Committee. Agenda item 1 is an evidence session on post-school education and skills reform with Graeme Dey, who is the Minister for Higher and Further Education; and Minister for Veterans. It is a pleasure to have you back, minister. Alongside Mr Dey, from the Scottish Government, are Lesley Ward, who is the head of public bodies governance and reform, and Jane Duffy, who is the post-school qualifications unit head. *[Interruption.]* That is the lighting going down.

I welcome you all and thank you for your time. I invite the minister to make some brief opening remarks before we move to questions.

The Minister for Higher and Further Education; and Minister for Veterans (Graeme Dey): Happy new year to everyone. I very much welcome the chance to speak about the reform agenda, not least because it affords us the opportunity to explore the topic in far greater detail than we could when I made a statement in the chamber last month.

As I said in the statement, our thinking is quite progressed on some aspects and a bit less so on others. I make no apology for taking time to consider all aspects of what James Withers has called for. I have spent the past six months or so very much in listening mode, as I wanted to develop more fully my understanding of what works well and what needs to change—dramatically or to a degree—to furnish us with a skills and post-16 education landscape that is agile and fit for the future.

I also wanted to look at the practicalities and to interrogate possible unintended consequences—not to find a reason not to proceed but to ensure that, when we proceed, a clear road is ahead. I am sure that members will appreciate that, as we have gone into more detail, more questions have been generated. However, our thinking and broad planning are now quite well progressed.

Having said that, I remain very much in listening mode. If committee members—collectively or individually—have constructive ideas to contribute, I am very much open to considering them. I make it clear that we do not need change simply because it is required; we need to deliver the right change, with the correct sequencing. That is perhaps the most important overarching element. Some of what is required will take time—especially when legislation or significant repositioning of staff is required—but I hope that in my December statement I indicated elements of our direction of travel. We can do much to declutter the landscape and refine our offer without waiting for structural change.

As I am here to answer the committee's questions and listen to members' ideas about this hugely important and wide-ranging subject, that is probably enough from me to begin with.

The Convener: Thank you very much for that, minister. I will kick off by picking up on what you said about decluttering the landscape and having the right change with the right sequencing. That all sounds familiar given all the reviews that have been taking place. We really want a clear road ahead for reform. How will all the recommendations of all the recent reviews be factored in? What are you looking at? What are your thoughts on addressing smaller and more peripheral reviews such as the 2020 “Scottish Technology Ecosystem Review” and the report “The Entrepreneurial Campus”?

Graeme Dey: You raise a good point. We are taking account of as much of that as possible. We will not proceed with what is contradictory, but there are a lot of common strands. An example comes from the Scottish Apprenticeship Advisory Board's work on how to tackle gender-related discrepancies in our apprenticeship offering. Instead of deploying that as a stand-alone piece of work, we will weave it into the reform agenda, which will pay greater dividends than will having that as something else that we are going to do.

The sequencing of a lot of this is challenging, because certain things need to happen to accommodate other things. That is probably the largest piece of work that the team is developing to ensure that, when we get to the endgame, we have done everything in the right order. The committee will appreciate that the work is complex. I am happy to commit to updating the committee regularly as we proceed, so that the committee understands fully what we are doing and when.

The Convener: Back in November, James Withers told us that cherry picking from reviews would worry him, so it would be good to know that we are not missing key elements.

Graeme Dey: One way or another, I expect us to take forward pretty much everything that is in the Withers review. We are still considering the merits of a number of smaller things but, overwhelmingly, we understand—as you can tell from the reaction of the elements of the sector to the review—that what he calls for is right. We are proceeding on the basis that we are looking to deliver that.

The Convener: James Withers said that the “north star” should be what successful skills reform should look like. How will you measure, define and judge success? I know that that is a difficult question that almost puts the cart before the horse.

Graeme Dey: There are a number of strands. We need to do a lot of structural things to deliver on our agenda. Essentially, we want to make the learner’s experience better than it is and to ensure that employers have better access to the skills that they require to deliver for the economy and to give young people in particular sustainable employment. Those are our ambitions. In however many years’ time, the judgment will be made about how successfully we have achieved that. One reason why I have been taking a bit of time to look at unintended consequences and practicalities is to save time as we move to the implementation phase, because we will have determined the hurdles that we have to overcome first.

The Convener: That is great. I have a sense of urgency about this, so it is good to know that a timeline for what we can expect will be available to us.

Graeme Dey: You will appreciate that that will evolve. I am probably being a bit conservative on the timeline, but I hope that we will have tangible information by mid-March on the first elements that we have committed to, such as consolidating apprenticeship funding in one locality and consolidating student support funding in one locality. As a starting point, I hope to share publicly what that will look like by mid-March at the latest.

The Convener: It helps to have in our heads the timeline that you are working towards.

Michelle Thomson (Falkirk East) (SNP): I thank the minister for joining us. I fully appreciate the scale of the challenge that is in front of you. I appreciate that there are multiple stakeholders, but I first want to ask about how the enterprise agencies’ role in post-school education reform will work. What will their role be in relation to the interface with workforce planning, to ensure that we get the skills that we need for the future? What are your thoughts on that?

Graeme Dey: James Withers had a view about the lead role that enterprise agencies could take

on some aspects of regional planning. I am not entirely convinced that it should be a one-size-fits-all approach. I have travelled round the country during the past six months, and I have seen instances in which other entities might be the best lead for that—perhaps the local college, for example. I am open minded as to what form that would take. That is what I referred to earlier when I said that there are elements of what James Withers has called for on which we have not made up our mind.

The committee will differentiate between workforce planning and skills planning, and it is important that we get that on the record, because an awful lot of what is talked about relates to a shortage of workforce and not to skills. We are going through an exercise, with ministerial colleagues, to plot what the skills shortages are and what form they take. If we are told, for example, that we are short of 4,000 engineers, my question is: what kind of engineers? We need to plot that and map it properly, and that needs to be done at pace.

We cannot simply do that and then ask what we can do about it; we want universities and colleges to be part of the conversation. The next question is: if those are the shortages, do we currently have the capacity to train the individuals who are required to meet those skills shortages, and, if we do not, how do we go about getting it? That is one of the immediate things that we are doing currently.

There will be geographical differences, and there will be hotspots—perhaps the member’s constituency is one of those—where there is a particular type of demand that is not the same in other parts of the country.

We are utilising the staff at Skills Development Scotland who have been involved in that work. There are not a lot of them, it has to be said—we will have to look at that—but there is some decent information that is helping to inform our thinking, and that is a particularly active workstream.

Michelle Thomson: That was a very helpful response. In your opening remarks, you alluded to who might have the best oversight of future requirements. One challenge is how we can correctly map today’s gaps against future needs. Can I make the assumption that, in reflecting on who has the best oversight of that, the focus will be on the future? That is where we need to get ahead of the pack as we go through the exercise.

Graeme Dey: As part of the exercise, I am speaking to a lot of employers and sectors. Some sectors will make progress for themselves, as they understand their skills shortages—financial services is a case in point. That is helpful, because we know what we need to do in that

space. However, you are right to say that there is both current need and future need, and we need to future proof what we are doing.

For example, we are told that we are short of 600 or 700 planners at the moment. That is important, because planning is the building block of construction and of the economic development that needs to flow from it. My question is: what is the planning degree of the future and is it the same as the one that we had five years ago? From my perspective, as a layman, we now have far more need for expertise in marine planning, aquaculture and so on.

That is an illustration of the exercise that we are going through now, in which we are considering what the planning degree of the future will be and what we anticipate providing that it will require. We are also considering whether our universities that are involved in providing that education can immediately deliver that. If not, we need to know how we equip them to do so. Then there is the question of critical mass. If we now have a need for 600 or 700 planners, what is in the pipeline? Universities need to know that. They also need to know what is in it for them to provide those courses in whatever locality they need to provide them in. That is part of what we are considering.

Michelle Thomson: That is very helpful. You have illustrated the complexity of the matter.

The independent review of the skills delivery landscape highlights

“the importance of getting the structures and balance of responsibilities within the system right, alongside an agreed vision for success and a shared language.”

Although the report may say that, the mix of stakeholder groupings needs to be able to buy into it.

There are big key terms in that excerpt: “agreed vision for success”, “shared language”—presumably, there will need to be shared outcomes as well—and

“the structures and balance of responsibilities”.

I would appreciate hearing your thoughts about the approach that you are taking to pull that multiplicity of stakeholders together to achieve that.

09:45

Graeme Dey: On the purpose and principles, we recognise some of the challenges. Language is important, as is the culture that surrounds all this and the appetite that there is for change. It is easy for people to respond to the Withers review and say that they agree with a lot of it and that we need change, but then, when it affects them, they are not so keen on it. To be fair, I have largely

found that there is a positivity about the review and a recognition that it presents an opportunity and that, if we get it right, we can make a huge difference.

Of course, there is a bit of overlap among the agencies that have certain responsibilities currently, and that can be problematic. My job is to pull people into the room and to make sure that we overcome those overlaps. Some of the structural change that we are going to make will help to facilitate that, because we will consolidate responsibility in one place.

Perhaps one of the most important elements is the role of employers, because the employer voice, if it is constructive, will be critical. If employers tell us what they need and the role that they would like to play in ensuring that the change happens, as opposed to their simply demanding things, which is what we are seeing at the moment, we will have a real chance to facilitate the change.

I have a round table with employers coming up shortly. It is not just a talking shop; it will probably be a stocktake on how far we have come and what more we need to do. My approach is very much about trying to get the right people in the room at the same time and going back to having the universities and colleges in the room as we discuss what the skill shortages are. In that way, someone need not talk to universities and colleges separately; we can just get on and do it. That is the approach that we are taking. I am not going to pretend that it is simple and straightforward—it is not. It is a big challenge, but I think that the appetite is there now to seize this opportunity.

Universities and colleges have the opportunity to better align their offering with the needs of the economy, and they will get financial benefits from that. It will make them more sustainable. However, we need to be driven at all times by the need to improve opportunities for our young people and for those who are retraining and upskilling in the current workforce.

Michelle Thomson: Is it fair to characterise that approach as creating a new culture of engagement? You are describing a considerable amount of engagement, which is time consuming. I appreciate that. Are you consciously undertaking changing culture in your engagement?

Graeme Dey: There is no doubt that it is time consuming, but it has been essential to commit that time and to listen. One of the things that has come out of all this is the fact that some of the really good ideas that we are picking up are coming from the staff in the agencies, for example.

Some of the agencies were criticised by James Withers—we cannot shy away from that—and that has stung for some of them. We have therefore

asked them what they would do differently and whether, never mind Withers, we could do something more and do it differently. I found that we started to get some good thoughts coming from the staff. For example, yesterday I was chatting to the staff at the Scottish Qualifications Authority and they threw one or two things at us that are quite thought provoking.

That is helping, and it goes back to the overwhelmingly positive vibe that there is around the reforms, which is that people want to seize this opportunity to make things better.

Ross Greer (West Scotland) (Green): Minister, I think that you have previously mentioned—James Withers certainly has—the potential for a greater role for the private sector in funding courses to meet the skills demand in various areas. You outlined to Michelle Thomson the extent of your engagement in recent months and the broad appetite for greater engagement. How much have those conversations gone into the realm of direct private sector funding for courses that will address skills shortages in sectors?

Graeme Dey: I make it clear that this is not about privatisation in any way, shape or form. I have found that, without much prompting from me, and sometimes with no prompting, employers recognise that they are asking for something more and that they are willing to contribute if they can get that support for their businesses. We should recognise that many employers contribute to the system quite markedly in a variety of ways, and not just financially. In the space where we may be looking for more short, sharp training courses and qualifications that allow employers to upskill their existing workforce, a large number of employers are saying, “We’re up for playing our part in that.” That will be useful, because the public purse is under great pressure, as we all know. It will be incredibly important to be able to tap into those additional funding streams, because everyone will benefit.

Ross Greer: How will businesses that need workers with particular skill sets go about doing that? Do you envisage a direct relationship between them and their local college, or would it involve the Scottish Funding Council? Some businesses will not know where to start or who to speak to. Should they speak to their local college, or should they write to you?

Graeme Dey: We should acknowledge that some of those relationships already exist. Some colleges are embedded in their communities and have great relationships with them. For example, West Lothian College already has relationships with employers, and those can be developed further.

I cannot say today that we have a vision for how that will work in practice, but the regional skills planning model should provide the opportunity for employers, the chambers of commerce, colleges and universities to have that direct dialogue. That is where we have to strike a balance between national planning for workforce skills and regional need, because very often that dialogue will be at a regional and local level.

Ben Macpherson (Edinburgh Northern and Leith) (SNP): I want to pick up briefly on some of the points that have been made about employers. Thank you for telling us about the round-table discussion that you are going to have with employers. I know from my constituency casework that skills planning is pertinent to a number of employers in these considerations. Have you considered how, following that round table, you will continue to include employers’ skills planning expertise in the considerations of how to respond to their needs and make sure that there is access to skills in the short, medium and long terms, which you talked about?

Graeme Dey: We are still in the foothills of some of this, but we need to strike a balance between sectoral skills planning and geographical skills planning. There is a difference between the two. The principal conduit that we envisage will be the SDS staff who are currently working on skills planning. To be fair, more preparatory work has been done on that than I thought had been done when we started to look at the matter. The issue has been more about the implementation. What do we do with that planning and the data that lies behind it?

We will have to engage more closely with individual sectors to ascertain their needs and then develop a model from that that works in each locality. One of the challenges in all of this is smaller businesses and what they need compared with, say, a major employer that wants to train 100 staff members in a particular direction. I am not going to say today that we are well progressed on all of that—we are still working through it—but we are alive to your point.

Ben Macpherson: That is helpful. In your previous answers and in your opening remarks, you said that you are—quite rightly—considering all the recommendations and that you will take the appropriate time to respond to and implement them. We heard from Mr Withers on 15 November that he would be concerned if elements of the review were cherry picked. You have certainly not indicated today that that is happening, but it would be helpful to the Parliament if you would confirm that the Government does not intend to take a cherry-picking approach to the review. In due course, once you have taken the appropriate time to consider all the recommendations, will the

Scottish Government set out its response to each of them to give clarity to the Parliament? If so, when, approximately, should we anticipate that?

Graeme Dey: I recognise that the approach that I have taken has perhaps lent itself to the fear about cherry picking because I did not provide the standard Government response and say, "Here are the recommendations and this is what we are saying about them." I did not do that, first, because I thought that it was more important to get on with it and, secondly, because we really need to get into the nitty-gritty around some of James Withers's recommendations.

I would say that, overwhelmingly, we will end up doing what James Withers has called for. There might be elements that are tweaked slightly because we have gone into them in a bit more detail—we might have identified unintended consequences that James Withers did not see. That does not mean that we will not do what he is looking for, but we might have to do it in a slightly different way. We might go further in our expectations in some of these areas.

We are well progressed in our thinking, if I can put it in that way, and we are now moving into the planning-to-deliver phase. If the committee would find it useful for us to summarise where we have got to in all of this, I will be happy to write to you about it in due course.

We have touched on employers and their role, but there is another element that would benefit everyone, which is developing the work experience offer for young people. I have seen examples of that as I have gone around the country. I was in Shetland last year, where, before the pandemic, Developing the Young Workforce provided meaningful work experience for every pupil at the local secondary school. It expects to be back in that position later this year. That is incredibly important for young people who are thinking about careers because, if they get an opportunity to test their thinking, they may be enthused to carry on and do it, or it may be that they are put off and change their mind. That will be better for the would-be employer, the system and the young person, because we need to drive down the attrition rates and failure rates that we have in all elements of the post-16 landscape.

If we can develop the offer around the work experience that a number of employers provide, that will help us to move forward. That is one of the asks that I have of employers, whether they are in the public or the private sector. If they can provide meaningful work experience for young people who are thinking about careers with them, with similar companies or in similar industries, I ask them to step forward and provide that opportunity. I hope that, through the new careers set-up, we have the mechanism to deliver that.

Ben Macpherson: That sounds like a good way to progress. I am sympathetic to the point that you made about wanting to take the appropriate time to test for unintended consequences and I appreciate your offer to write to the committee. On top of that, once you have reached conclusions on all the recommendations, even if some of them are to be rejected or implemented in a different way, it would be helpful for the Parliament to know the reasoning for your decision on each recommendation.

Graeme Dey: A lot of this is being tested at the moment with relevant stakeholders. We are working directly with colleges around their role in all of this; they have taken some of it away to work through, and they will come back to us with their thinking in those areas. The universities are coming forward with thoughts, as well. It is very much a work in progress, but I stress that we have taken these six months to do the listening and talking, and we are now very much moving into the delivery phase.

Ben Macpherson: You talked about taking time. James Withers has said that a 10-year timescale for post-school reform is not unrealistic and that results will not be seen quickly. It is important for everyone to appreciate that. However, that could impact on the momentum. I am interested in what the Scottish Government is doing to build consensus politically across the sector and how momentum will be maintained. You said, rightly, that the review has been widely embraced by different stakeholders, but how do we keep the momentum going?

10:00

Graeme Dey: There was some understandable scepticism when the review came out, because previous reviews have gathered dust on the shelf and have not immediately been acted on. I understand that scepticism, but I hope that we have removed it in the past few months because of the momentum that I have tried to bring to this. "Momentum" is the key word, and we must build that so that people are clear that things are going to happen and will get on board.

Regarding political consensus, I pay tribute to colleagues from across the political spectrum, because I have had a lot of direct, one-to-one engagement with colleagues from many political parties who have given me their thoughts and offered incredibly helpful ideas. We will disagree on some things—that is perfectly appropriate—but there is a political consensus about the need to seize this opportunity. I very much welcome that, and my door remains open to anyone who wants to come and offer me their thoughts.

On the timescale, I would be disappointed if we did not see considerable change long before 10 years from now. James Withers was right to talk about the need for structural change. That will require primary legislation and it will, no doubt, be for the next Parliament to deliver on some of that, but we are trying to set a direction of travel now. I am trying to be clear about the things that we can do without waiting to change the badging or labelling of organisations, essential though that will be, and I think that there is an opportunity in the current session of Parliament. We may have an opportunity to get some of the primary legislation through. The modus operandi of some of what we do needs to change, and it can be changed quite quickly.

There are substantial challenges, one of which concerns the qualifications landscape. We will need to have far more short, sharp qualifications and we will need an agile qualifications body to be in charge of that. Over the years, we have built up a bank of qualifications, many of which are now not utilised. We will have to go through an exercise to remove those because they are no longer utilised or necessary. That will take a few years, but it is part of decongesting the landscape. After that, if someone has an idea about a job opportunity and wants to know what qualifications are available, it will be much clearer what those are and what their value is. That exercise, which will have to take place, may be part of the 10-year process that James Withers has spoken about, but I think that we should be aiming at a much closer horizon for meaningful change.

Ben Macpherson: Since the review was published, there has been an accelerating enthusiasm for giving such qualifications parity of esteem. That will all take us in the right direction.

Graeme Dey: Everyone talks about parity of esteem, but we need to actually deliver that, which will require a cultural change. It will require us to help parents, who are major influencers of young people when they come to make choices, to recognise that an apprenticeship represents no less of a future than a university qualification—which is not to take anything away from university qualifications.

We really need to ban the word “vocational”. We talk about vocational qualifications, but why do we differentiate between the academic and the vocational? As soon as we do that, people ask whether “vocational” means “lesser” or what it means. It is a simple thing, but we must watch our language. We spoke about the language earlier. Going to college and training to be a joiner or a plumber is no less positive a destination than going to university. We must all watch our language if we are to change people’s views on the career openings for our young people.

Ben Macpherson: I absolutely endorse that. The people I grew up with have gone in different directions. There is absolutely a need to change the public consciousness, and I look forward to collaborating with the Government on that.

My final question is about the fact that people who become plumbers or joiners, to use your example, often have interests in many other things as well. The arts are facing a challenge in other parts of the UK, where some degrees or avenues of study and human knowledge are being discussed by some politicians as having less value than more practical qualifications. I have thought for some time that our society and individuals in their learning journeys and wider lives would benefit if practical skills could be combined with an area of the arts that they might want to engage in, whether that is a language or a creative subject such as art history. Has the Government ever considered that? It is not mentioned in the review but, to me, it is a pertinent issue at this time.

Graeme Dey: I have to confess that we have not considered that. I have enough on my plate without taking on more. However, I think that our universities will always be thinking about those things. They are pretty creative places and they realise that the challenges that they face will require them to develop new offerings. For example, graduate apprenticeships will come to the fore more and more. However, there will always be an emphasis on the arts and various other things in our universities. If they choose to offer combined degrees in those areas because they believe that there is a need for them, I am sure that they will do that.

I have come across a number of very rounded young people who have been developed under the modern apprenticeship scheme, not just in terms of the skills that they have learned, but in a wider sense. I visited an aerospace company in Ayrshire, and every single person who showed me round that day had come through the apprenticeship programme. They were amazing young people. The young women who were going into schools to try to entice girls into engineering were incredibly impressive. Those young people were developing skill sets as engineers, but also developing as individuals. I think that we should look to the apprenticeship programme to do a bit more of that.

The Convener: I want to come back to the issue of microcredentials, which you spoke about and which was raised in 2020 and 2021 and in our report in 2023. Microcredentials have been sought by the colleges for quite some time. Who has been letting them down? Is it the role of the SQA to address that, or will a new body be involved? That relates to the wider reform agenda, so I am interested to hear your thoughts on the matter.

Graeme Dey: I cannot talk about what was happening prior to my coming into post; I can talk only about what I am seeing currently. If we have not met the ask of employers in that regard, there will be a variety of reasons for that. Some colleges might not have had the capacity to do it, for example. That is a growth area and one that we will have to move into. A conversation is currently taking place with colleges and employers about how we do that.

You are right to raise the issue of microcredentials. They must be of a sufficiently high standard to be credible, and we will have to go through an exercise on how we deliver them. How do we become agile in that space while maintaining the credibility and integrity of the qualifications?

We also need to ensure that the qualifications that we offer are not so narrow that the course that an individual takes is applicable only to the company that they currently work for. That is an element that we need to consider. As I said, we have progressed in a lot of areas; that is one area that is still under consideration.

The Convener: To pick up on something that Ben Macpherson said, not setting out a full response to each of the Withers recommendations could make it harder to chart progress against his report. Will the Scottish Government map progress against its own outcomes?

Lesley Ward (Scottish Government): In setting out the purpose and principles and the initial priorities back in June and accepting the broad general direction of travel that was set by James Withers, we have set outcomes for the system, and we will measure our progress against delivery of those outcomes.

We are absolutely able to track through from the Withers recommendations to the work that we are taking forward under the auspices of the purpose and principles, and we will be able to make that clear for the committee in the longer term as we chart that progress.

The Convener: We will be very interested in that progress, so I thank you for that commitment.

Ross Greer: Minister, I am interested in going back to the level of engagement that you have had since coming into post. What has been the response to the publication of “Purpose and Principles for Post-School Education, Research and Skills” and the framework surrounding that? Do you have an initial sense that colleges and universities were expecting that level of direction? As a former member of the committee, you will be familiar with the evidence that we took from colleges; they were crying out for a sense of direction from Government. They wanted to know what they were supposed to be doing. “Purpose

and Principles” was supposed to be the first step towards that. What has the response been since its publication?

Graeme Dey: Lesley, do you want to start?

Lesley Ward: It is important to say that “Purpose and Principles” was developed in partnership with stakeholders from across the entirety of the education and skills system. It was the first attempt to look at the entirety of the system and to bring together outcomes and a purpose and principles that could be applicable to independent training providers as much as colleges and universities.

In that sense, the level of detail is perhaps not granular enough for day-to-day planning. However, “Purpose and Principles” sets the context for the strategic and operational plans of the Scottish Funding Council, Skills Development Scotland and others that provide funds to our colleges. In setting clear outcome agreements and those types of things that will apply to sectors and individual institutions, it makes it possible to see how that translates.

Our intent with “Purpose and Principles” was always that it would serve as a golden thread that would run through and aggregate up to the national performance framework and the outcomes that we want to see for Scotland as a whole.

Graeme Dey: However, it is important that the implementation of all of that is done in partnership. That is why we have tried—for example, with the establishment of the tripartite group with the colleges—to have a platform where we can discuss all that in detail. We can have overarching principles and a direction of travel, but delivering it will require the buy-in of the colleges and universities. We need their input because they will understand best how that can be put into practice.

We are trying to take a much better partnership approach so that we have the ability to say, “Wait a minute—if we did it this way, it would be more productive.” We are in the early days of that, but that is how we are going to take this forward.

Ross Greer: Has there been much response from employers, trade associations, trade unions and so on since publication? I know that the Educational Institute of Scotland Further Education Lecturers Association and the University and College Union and so on were all engaged in the process.

Lesley Ward: We continue to engage with all the unions. Given the level of structural change that is mooted in the responses, particularly from the unions that represent people working across the public bodies, we continue to engage with UCU and EIS-FELA on developing the purpose

and principles and how we implement the recommendations in the Withers review.

Ross Greer: How do we measure the outcomes from that? As you set out, it is the golden thread that runs through a lot of other stuff, most obviously the outcome agreements for the colleges and plenty of other strategic documents, including the SFC organisational strategy. What we eventually measure against is relatively clear for the long-term outcomes, but how are we to measure success a year or two from now, at the end of this parliamentary session, when the committee is drafting its legacy report? How are you measuring outcomes on an on-going short and medium-term basis? Is that resulting in a clearer sense of direction and greater clarity around strategic objectives? Will we have to come back to this in 10 years to see whether it worked?

Lesley Ward: One thing that we are doing and are committed to doing is continually publishing evidence as we develop it and conclude it. Just before the Christmas recess, we published an evidence paper that sets out where, against the outcomes that we have set for the system through "Purpose and Principles", we have solid evidence of our ability to measure and meet those outcomes and where we require to develop further evidence. As you well know, one of the challenges that we have is with the comparability of outcomes across different types of pathway. We are recognising that and are starting to unpick and understand where we have gaps in the evidence that is necessary for us to be able to adequately measure the progress that we are making.

We will continue to develop that. We are doing it in partnership with our public bodies and institutions, as well as with representatives across the sectors. That will be a work in progress that we continue to do. We will not leave it for 10 years and then come back and look at it; we will continue to evolve it. We are setting short, medium and longer-term outcomes that we want to achieve.

10:15

Ross Greer: That point about data and where the gaps in the evidence are is interesting. Knowing where there are key gaps in the data that we need in order to measure success has been a running theme not just for the committee but across the board in Parliament. We are gathering huge amounts of data, but not necessarily what we need.

I realise that this is a little bit meta, but how are you reporting on that? The Parliament would be interested to know where you have identified gaps in the evidence that you need before we get to the stage of publishing a report on what the outcomes

have been. We would be interested in knowing where you have identified those gaps and how they can be addressed.

Lesley Ward: Some of that was picked up in the report that we published just before Christmas. It sets out where we have a high level of confidence, where there are gaps in the data and where we feel that we have considerable work to do to develop things. There are joint working groups looking at the data that is available across different public bodies, what is collected for different purposes and how to use it to best effect.

Bill Kidd (Glasgow Anniesland) (SNP): It has been an interesting discussion. A couple of things that I was thinking of asking have pretty much been covered already, but it does not do any harm to go over things a wee bit again.

Minister, on 5 December last year, you said that a tripartite group between the Government, the Scottish Funding Council and college principals had been established to improve engagement among them. How has the impact of that benefited those in education?

Graeme Dey: At the risk of passing the buck, I guess that you might want to ask them whether it has been beneficial. I think that they would say that it has been. I should say that the universities have seen the benefit as well. They have asked whether we would set up a similar group to engage with them directly.

The tripartite group has proved to be a helpful platform. It has probably taken longer than I expected to start to pay the dividends that I had hoped for, but it has provided an opportunity to have full and frank discussions about key topics on which the colleges feel that they would benefit from our taking a different approach. Having the SFC there to discuss the nuts and bolts of that has been helpful. There have been a number of meetings so far, some of which I have attended and some of which I have not been able to get to. There have been a number of areas on which we have made progress, but, more than anything, establishing the group was about developing a better collective understanding of the perspectives around the table.

I will give an example of that. Prior to our setting up the tripartite group, the colleges asked for flexibilities on their credit targets. They wanted the same money but a bit of flexibility as to how they used it. That flexibility was granted in part, but it was not as fully utilised as one might have expected or hoped. That was largely down to a lack of understanding—on both sides—of what that meant in reality and a lack of explanation. In essence, the colleges had asked for a one-size-fits-all approach that did not entirely suit all the individual colleges. There has been a bit of a shift

so that, if there is an ask from the sector, it is fully understood, can be fully deployed and suits the interests of the majority. That is the way in which the matter has been taken forward.

We have been considering a number of areas, such as increased credit flexibilities and the timescales for, and timing of, decision making. Some of the decisions that the SFC made did not align with the timetable that the colleges worked to. That seems like a simple thing to fix. It has not been entirely simple, but we are getting there.

We have also been looking closely at the disposal of assets. Treasury rules and other things mean that there has been no driver for colleges to dispose of assets that they do not need in order to invest in the fabric of their buildings or whatever. We are still working through an option to facilitate that and allow colleges to move forward. They are enthusiastic to get to an end point on that, which we are working towards.

The colleges are driving a lot of what is being discussed, as they have a number of asks and suggestions. When there is a tangible return, I would like us to write jointly to the committee to explain what has been delivered. That would be useful, but I will need the other parties' agreement to do that.

Bill Kidd: That would certainly help us. It is good to hear about good blending together and working together. I take it that university and college principal representation on the ministerial group on education and skills reform has also been beneficial.

Graeme Dey: Do you mean what I talked in my statement about introducing?

Bill Kidd: Yes.

Graeme Dey: That has not happened yet. We have invited the principals groups of the colleges and universities to put forward names of appropriate individuals—who is appropriate might change according to what we are exploring—so that the practitioner's voice is heard loud and clear in the room, for the cabinet secretary's benefit. I cannot say who will be involved—it will be up to those groups to decide who to put forward. It is incredibly important to have that representation of principals' thoughts and ideas, which will help to drive the work in the right way.

Bill Kidd: That makes a lot of sense. College and university principals would want to be involved in that. Is further and higher education union representation being considered?

Graeme Dey: That has not been considered, but it is a fair ask. A couple of months ago, I had a useful conversation with the Scottish Trades Union Congress. In the public sector bodies, we are quite well engaged with trade unions. I have met them

and there is engagement with the staff cohort, so the unions have the opportunity to feed in ideas and concerns.

In relation to employer engagement, which we discussed earlier, I have been asked about ensuring that the voice of staff is heard. That is a fair point, and I am mulling over how to do that. The employers that were in the room at the time heard that point, too. Often, the best ideas come from people who work at the coalface and not just from the management of companies. We need to develop that. We have not taken forward direct involvement for unions, but I will take that away to consider.

Bill Kidd: That is great. Thank you.

Willie Rennie (North East Fife) (LD): The minister knows that I broadly welcomed his statement in December, which represented pragmatic progress. Other members have pressed him on timing, so I will not go over that other than to say that we did not start from here, because the reform has been a long time coming. The situation culminated in quite a critical report from Audit Scotland on the lack of leadership, so there is a degree of urgency.

I understand the minister's point that we must get this right, but I hope that he appreciates that, when he publishes a timeline—perhaps in March—there will be pressure for delivery to be as prompt as possible because of the tangible impact, which I will explore a bit. Having a single funding source sounds neat and tidy, but what tangible benefits will it have?

Graeme Dey: Do you mean for apprenticeships?

Willie Rennie: I mean for the whole skills agenda.

Graeme Dey: One of James Withers's legitimate criticisms of the existing landscape was that there are many funding sources, which can be open to exploitation and which mean that a bureaucracy grows up. If a college can draw down from 70 or 80 funding sources, it must, rightly, account for how it spends the money, so a huge bureaucracy grows up in the college to deal with that. It would help to strip that out—with the right safeguards in place for the spending of public money—and allow colleges to get on with doing what they are meant to do. That is a tangible benefit. There is also a greater transparency for us, as parliamentarians, around how that money is spent. Both of those things are important.

James Withers's call for that was based on his conversations with employers, colleges and universities, so there was a good backdrop to what he was asking for. I do not suggest that it is a magic wand that will suddenly make everything

wonderfully better, but I think that it is a useful step. He wanted to move to a single funding body. Apart from the legislative aspects, that is quite a leap in one go, which is why I have indicated that we will do this in stages. We will consolidate the apprenticeship funding in one locality and the student funding in another. Perhaps the former is more important than the latter in real terms. Bear in mind that, in some instances, the transfer of staff in order to deliver that will be subject to the transfer of undertakings (protection of employment) regulations. That is why it will take time—not because I want it to. However, that will allow us to look at it and deliver, and it will give us a springboard from which to move on to what James Withers called for—recognising, of course, that the universities have expressed some concerns about having a single funding body, which we need to address.

Willie Rennie: To reflect briefly on that, you do not think that you will threaten the charitable status of universities with this reform. You are going to make sure that that does not happen.

Graeme Dey: I talked earlier about taking the time to avoid unintended consequences, and that is one that has been flagged to us. We are not as convinced as the universities are that that is a legitimate concern in reality, but we respect the view that they have expressed and we will, of course, take the issue on board, because it would be counterproductive if we were to do something like that.

Willie Rennie: I will move on briefly to UHI Shetland, with which you have been involved. First, some redundancies have been announced recently. What are you doing to protect college provision in Shetland?

Secondly, the cost base for rural provision, particularly in the Highlands and Islands, is much greater than it would be in the central belt. I recently met the principal of the new UHI North, West and Hebrides to discuss its provision. What are we doing to make sure that the provision in the Highlands and Islands is protected, recognising the higher base of costs?

Graeme Dey: I have engaged directly with the UHI about its future as an entity. I have also met the individual college principals. The concept of the UHI is absolutely committed to, but, collectively, we all recognise that it will have to evolve to meet some of the challenges. The UHI is doing a substantial piece of work internally to consider what that would look like. That piece of work recognises that, even within the UHI, the cost base of delivering in some localities—for example, in island settings—will be higher than in others.

I visited the college in Shetland to which you referred and met its principal. Specific to Shetland

and to other elements of the UHI, additional support has been provided by the SFC over a period of time, in recognition of some of the challenges.

I know that the SFC is very much alive to the situation at UHI Shetland, but that does not mean that any college can continue in an unsustainable way in the long term. Colleges have to become more sustainable for their own good, although there is a recognition of the additional costs. We are very much alive to that. The SFC is directly engaged with UHI Shetland, and it worked very closely on the merger for the other college that you referred to. It is right and proper that, in the interests of the public purse, we expect the colleges to become as sustainable as possible, and I absolutely stand by that. However, there is, of course, a recognition of the additional costs.

We need to see more of what is already happening in the UHI. For example, there is considerable collaboration between individual colleges in recognition of the fact that they might not be able to deliver every discipline in every specific locality. It may be that some apprentices will travel—as they currently do from Shetland to Inverness—for some of their training and that UHI Shetland perhaps becomes more of an aquaculture centre, for example. There is already work between the colleges to do all of that.

10:30

We must also grow and develop the university offer in the Highlands. We need these centres to move more towards the delivery of higher education courses than is currently the case. We have a commitment to the future of the UHI, but we must see elements of it becoming more sustainable in the long term.

Pam Duncan-Glancy (Glasgow) (Lab): Happy new year, minister. I have a quick question. Will the new funding body have non-departmental public body status?

Lesley Ward: It is too early to say at the moment. We are considering and exploring a range of options. The issues that the minister has pointed to and that Universities Scotland has highlighted are under consideration. We may well end up with something that is not a non-departmental public body—we cannot have too many negatives.

For example, one of a long list of options would be to have an executive agency, but that may be ruled out on the grounds that we are talking about because there could be a risk that that might compromise the Office for National Statistics classification of universities. That would rule it out of the long list of options. That is the stage that we are at.

The Convener: You are reviewing some of the unintended consequences.

Lesley Ward: Exactly.

Ruth Maguire (Cunninghame South) (SNP): The independent skills review recommended that the Scottish Apprenticeship Advisory Board should be wound up, to aid the mainstreaming of apprenticeships. Are you in a position to respond to that recommendation?

Graeme Dey: That question has come up a few times. We will follow through on that recommendation, not because SAAB has not done good work, because it has—I touched on its fantastic work on gender, which we will take forward. However, as James Withers recognised, we need to broaden out the employer's voice in that area. I have had direct conversations with the Federation of Small Businesses because I want to see how we can expand the offering to its members. There is a bit of a contradiction. Figures from SDS show that a very large number of apprenticeships are offered within small and medium-sized enterprises, but the FSB tells me that very few of its members have ever had an apprentice. We are not planning to completely rebalance that, but there is something that we need to look at there.

The issue is relevant to rural areas and to shared apprenticeship models. Unfortunately, the previous pilots did not work out. I spoke earlier about ideas that we heard from the staff of some of the agencies, and they have come forward with an idea that might allow us to look at that again. Rightly or wrongly, some quite significant employers have sometimes felt excluded from all of that. We are trying to ensure that we have the full range of employer voices helping to inform this.

Although we will follow that recommendation from the review, I envisage that quite a lot of the people who currently participate in SAAB will continue having some say, at both a local and a national level, in our thinking on skills delivery.

Ruth Maguire: How will the work of the careers collaborative fit into post-school reform plans?

Graeme Dey: That opportunity is the thing that probably excites me most. Grahame Smith has led some really good work, and I am delighted that he has agreed to continue in that role to help us to develop that further.

The careers collaborative was seen as something that just pulled things together, talked things through and produced a report, but I think that there is scope to markedly develop that approach. My thinking at the moment about the careers offer for our young people is that there could be an overarching umbrella, so that

everyone can do their thing but no one falls through the cracks.

At the moment, we have the SDS-delivered careers service, with fantastic staff doing wonderful work, but they probably need a slightly different MO. I recognise that that is also resource intensive. We also have Developing the Young Workforce doing really good things, along with Career Ready and Enable. Various strands are delivering for young people. However, the offering may have been a bit narrow because we have focused on people who have been identified as needing support. We have assumed that other young people will be good to make up their own minds, but, having talked to young people who have gone through the system, I have heard that that is not necessarily the case.

I have seen fantastic stuff going on from Edinburgh to Shetland, and there is some really good stuff happening in Dundee, which has informed my thinking about what we need to deliver. Grahame Smith is currently talking to Jane Duffy and her team, and we are trying to mesh what his report called for with our vision—because it largely aligns with it, but not entirely—and how we take that forward.

At the moment, our careers offering is not what I want it to be. We need to have conversations with young people about their interests and skills and then tell them what their options are. We have not done that well enough—for young women, in particular. A lot of young women have followed traditional career paths and have perhaps missed out on doing things that they have the skill set for and that they would really enjoy, although it is not about being prescriptive and directing young people to particular career paths.

I keep repeating to people a story about a conversation that I had with a young apprentice who said to me that his experience had not helped him. He had parental pressure to go to university, but he really wanted to be an apprentice. He said that young people need to be told what the options are and what they lead to. They should be told that, if they take an apprenticeship, it will mean doing it for X number of years, and they should be told the salary that they can expect to earn. They should, equally, be told what their qualifications will enable them to do if they go to college or university. He added that they would want to know how much money they were going to make. We should listen to that.

There is also the parental element. Perhaps we need to do more with parents, if they are a major influence on young people's career choices, to help them to understand. That goes back to the point about parity of esteem. We can help them to understand that an apprenticeship can lead to a

very fulfilling and successful career. All of that feeds into the mix.

As I said, Grahame Smith and his team are talking about what that will look like in the future. It may be that we can do that without the structural change that needs to come. We have a decision to make about whether the substantial careers team—which currently sits within SDS—should stay there or whether it should be rebranded or go back to being Careers Scotland, or whatever. I am not setting hares running, but those are the thought processes. In the meantime, we can get on and start to do what I have mentioned in our schools, which will require the support of local authorities and schools. We need to have that culture in our schools.

I have seen phenomenal stuff going on in Harris academy, in Dundee, which has a fantastic headteacher who has embraced that culture. He has invested his pupil equity fund money in additional guidance teachers to facilitate it, and the school has a positive destination figure of nearly 98 per cent.

It is a big ask, but we can get on and do a lot of what is needed while we are doing all the background stuff to put the systems in place. That is one of the reasons why I am so keen to support DYW and all its third sector partners in the work that they are doing on the ground, particularly with young people from disadvantaged backgrounds.

I mentioned the unsung work that employers are doing. If members have seen Career Ready in action, they will know what a testament that is to our employers and their staff. Some amazing stuff is going on there—I saw that in Glasgow, in particular. We need to support that, but we need to map it as well, to see where the gaps are and what we are doing to support young people into work, and then try to make sure we get it right.

Ruth Maguire: That is an encouraging response. I certainly endorse that skill sets can lead people on various paths, and it is good to not be too narrow with our young people. Also, learning is lifelong and, if young people wish to pursue academic routes later in life, that is an option for them. It is not that they have to pick something and then that is it for them.

That leads on to my next question. What do you hope to achieve through the review of community learning and development?

Graeme Dey: I have spent the past six months really listening, and I have had a lot of detailed feedback on most of that, but I have struggled to get a full picture of the community learning and development offering right across the country. There are areas where the provision is really good. I have spoken to people who have gone through that learning process and have really

benefited. In some cases, they have simply developed life skills, which is important. However, others have had the opportunity to go on to college and get into meaningful employment. We cannot leave people behind, and I am not satisfied that I have the full picture of what is happening.

I know that most people will—I do it myself—roll their eyes at the thought and say, “Not another review,” but I thought that it was important to have one. In that way, as we take forward the overall reform, we will fully understand what is happening for that cohort of people, whether they are young people who struggled in the school environment and fell through the cracks or people who are that bit older but still have the opportunity to get into work. We now have the review up and running, and we have set broad criteria and have tasked Kate Still with coming back to tell us exactly what she believes the picture out there to be. We will look to act on that alongside the Convention of Scottish Local Authorities, with which we are working jointly.

Throughout the reform work, there are opportunities for elements of the system—colleges or whatever—but there are also challenges for all of them. One of my challenges for the colleges will be to satisfy us that their pathways are readily accessible so that people who are identified through CLD are helped to move seamlessly into college courses if that is what would best suit them. In many cases, those pathways are there, but I want to be satisfied about that offering. Rural settings are a case in point—is the situation different in rural settings? I want to be more assured than I am that that provision exists, because we have a moral obligation to those people but also because of the workforce shortages that we talked about earlier. From an economic perspective, we cannot afford people who could be in the workforce not being in it.

Ruth Maguire: Minister, I seek your reassurance because, although those pathways to college and employment are important, community learning and development is also important for people’s health and for tackling social isolation and loneliness. That aspect of it will not be lost, will it?

Graeme Dey: I give you that assurance and I apologise if I gave the wrong impression. That aspect will absolutely not be lost. As I said at the start of my response, for some people, community learning and development is just about developing life skills, which will help them to tackle social isolation. On one of my visits, I met a group of older learners who had found that simply becoming computer literate had made a huge difference to their lives. They felt much more engaged with society. It is quite thought provoking when you hear that, because we take for granted

the ability to go online to do this and that, but, if someone cannot do that, they become incredibly isolated in life.

I touched on third sector organisations, and a piece of work that ties in with the CLD work is what Enable is doing in schools with young people who have learning difficulties. That work is hugely important, and I want to see what more we can do on that. In some instances, those young people have access to work experience that is significant and meaningful, but I have seen other examples where that access is pretty limited. We need to support and encourage employers to offer better opportunities for young people in that cohort.

Ruth Maguire: Thank you. That reassurance is helpful. With the convener's indulgence, I will move on.

You spoke about geographical and sectoral skills planning and shortages. The Health, Social Care and Sport Committee is pursuing an inquiry into rural healthcare, and a theme that has cropped up a couple of times is the lack of allied health professionals in rural areas. Several professional bodies that have contributed to the inquiry have spoken about the need to adapt the training for those professions and have suggested that earn-as-you-learn apprenticeship-type provision for physiotherapists and other allied health roles would be helpful, because people who already have connections with the rural areas that they are in will have a grounding in the relevant organisations. Those professional bodies identified the universities themselves as the blockers to that provision. Do you have any reflections on what would need to happen to change those types of offerings, so that people in rural areas could progress on those pathways?

10:45

Graeme Dey: I will give a general answer and then bring in Jane Duffy, because she is sighted on that.

I would be surprised if our universities were blockers to anything. The university principals with whom I engage are very open to developing their offering, notwithstanding the fact that it needs to be financially viable for them to do so. If there is not a critical mass of students, it becomes difficult to put together a course and deliver it in a cost-effective way. In a general sense, I find universities very open. The earn-as-you-learn approach is being used by a number of universities, and the University of Strathclyde and Glasgow Caledonian University are very much developing that graduate apprenticeship approach.

Ruth Maguire: Before we go any further, I should probably say that that is my language.

When I ask what is stopping the provision, it is about how it is offered. I do not necessarily think that anyone is being obstructive.

Graeme Dey: Okay. I will bring in Jane Duffy, because she has been working on that.

Jane Duffy (Scottish Government): We are in discussion with NHS Education for Scotland, the Scottish Funding Council and the deans of medicine about what we can do around the healthcare sector, particularly in relation to allied health professionals. I will call NHS Education for Scotland "NES" for short. NES is working on a plan of what it already has in place, what courses are being offered, where the gaps are and where there might be a requirement from the professional body that a qualification is a degree. A specific example of that is operating department practitioners—ODPs. The University of the West of Scotland had offered a diploma, which is slightly below a degree-level course, and the registration body for ODPs has mandated that it should be a degree-level course. NES, colleagues in health and the Scottish Funding Council and I are working with the University of the West of Scotland to develop a graduate apprenticeship, which will be degree level. We are hoping to have that in place in August this year for the new cohort of people starting.

Ms Maguire talked specifically about rural areas. Despite being in the west of Scotland, the University of the West of Scotland delivers throughout Scotland. A relatively small cohort of people is going through the courses at the moment, so it makes sense to consolidate that in order to have economies of scale. The university is very experienced in delivering in rural areas. As we go through the pilot, which will probably be three years long, we will look at how we can expand that provision and ensure that, for example, the University of the Highlands and Islands and some of the colleges are involved in that activity. That is one of our tests at the moment, and universities seem very positive about it. Does anyone have specific examples of that not being the case?

Ruth Maguire: That was my language—do not worry about that.

Jane Duffy: We are grateful to hear about where there are blockages. As I said, NES is very much looking at the workforce planning, at what is needed and at where some of the gaps are.

Ruth Maguire: I have a brief question about speaking to the existing workforce. The minister gave the example that people in the workforce often know what needs to happen in order to progress. Is there an opportunity to speak to the workforce?

Jane Duffy: Yes—very much so. NES and the health boards are speaking to their existing staff who are already going through the ODP route and other routes about what would work for them, particularly for people who work part time and have to juggle study with working, including working shifts.

Also, when apprenticeships are developed, it is really important that the voice of the learner and employee is involved. The graduate apprenticeship process will have practitioners fully at its heart. That is really important, because they give us a perspective that we, who are not doing the job, do not understand.

Ruth Maguire: Thank you.

The Convener: Ben Macpherson has a brief supplementary question.

Ben Macpherson: Minister, you made a point about careers advice. In my constituency, Leith academy runs a great programme that brings in lots of employers to introduce young people to what is available in the local area, and Drummond community high school specialises in construction. Yesterday, I was at Lothian Buses with a third sector organisation called Powering Futures to look at the apprenticeships that they are creating. That is anecdotal evidence of good work in just one constituency, but how do we get to a position where there is consistency in introducing young people to the plethora of different opportunities that are available?

Graeme Dey: Some of that work is being undertaken by the careers collaborative under Grahame Smith, but we have to expand on that. Like you, I have seen fantastic examples, but I want to be satisfied that that is available to all. For example, I attended a careers fair in Edinburgh where hundreds of young people were bussed in to hear about the full range of offers. I was particularly impressed that there was a separate section of the building for young people who had autism or other needs and needed a quieter space for conversations, away from the mayhem in the main hall. A lot of thought had gone into how to meet everyone's needs.

We absolutely must have everyone doing their bit. DYW has a particular role and we must maintain and support that while the careers service does what it does. There are no turf wars: everyone has to do their thing, in collaboration. The easy bit is that we are not starting from scratch: what we need is there, but we have to build on that to have a more cohesive and consistent offer across the country. That is where we can make giant strides.

Liam Kerr (North East Scotland) (Con): The subject of funding was brought up earlier and I have a specific question about college funding.

The Auditor General for Scotland recently told the Public Audit Committee

“The viability of the college sector is challenged ... in order to address that challenge, the Government and the Funding Council need to have a clear plan for what the future model of provision looks like.”—[*Official Report, Public Audit Committee*, 26 October 2023; c 4.]

Will there be such a plan? If so, when?

Graeme Dey: I recognise the Auditor General's comment, but I also recognise Audit Scotland's comment about the potential for the changes that we are making to improve the landscape in which the colleges operate.

Future delivery in the college sector will be shaped by our reforms and jointly by us and the colleges. That will absolutely recognise the financial challenges that they face but also the opportunities that they have. I fully accept that there is a short-term financial challenge, but we must move quickly to take advantage of the opportunities.

There will, of course be some difficult decisions. We must be realistic. If we do not have sufficient student numbers for a college course to be delivered in every locality, we may well need to move to a model of having centres of excellence and then to support young people to make travel arrangements. I am speculating here, but that is the kind of thinking that we are going through at the moment. What do we need to do to make colleges more sustainable and viable, and with a realistic offering that aligns better with the needs of employers and of the economy? In some colleges there may be a pivoting to focus on something that they have not done up to now.

We need to look at some courses, too. Are they absolutely fit for purpose and do they meet evolving needs? That applies particularly to green skills, which does not just mean fitting solar panels or air-source heat pumps, because there is a joinery element to that, too.

We do not have an immediate plan, but we are working towards having a direction for the colleges that is shaped by them and will make them more sustainable and viable. Does that answer your question?

Liam Kerr: It does. I know that one of my colleagues wants to explore that further.

The Convener: Carry on.

Liam Kerr: I will carry on. You talked about colleges becoming sustainable and perhaps becoming more specialised—I am paraphrasing entirely. James Withers told the committee that the college sector is a

“burning platform in relation to finance and sustainability.”—[*Official Report, Education, Children and Young People Committee*, 15 November 2023; c 49.]

He was worried that there might be a more chaotic reorganisation of the sector based on the law of natural selection. You have obviously painted a very different picture, which is much more drawn out and more managed, but is James Withers right to be concerned? How can you reassure us that such a chaotic reorganisation is not in the offing?

Graeme Dey: I would not use the language of a “burning platform” or a “chaotic reorganisation”, as you have articulated it, but I recognise that there are challenges for some colleges, and that some have bigger challenges than others. Willie Rennie asked earlier about the support that is being provided for certain colleges. We need to support some colleges to move into that stronger space.

The situation is not without its challenges, and I would not pretend otherwise at the moment, but there is an opportunity to move quite quickly, and I will give an example of that. One active conversation that we are having with the college sector is about how we might move to more of a colleges-first model around apprenticeship delivery. That is a presumption that we would do more on a direct basis with colleges, but it does not mean that we would do it all directly through colleges. There are instances where managing agents are incredibly helpful and useful and play a worthwhile part. Colleges believe that that provides greater opportunity for them to stabilise.

I stress that, before I would make or sanction such a move, I would need to be satisfied that the offering that was going to be made to those apprentices would holistically, not just in terms of the training, be on a par with what they currently get. However, we are having very open dialogue directly with colleges about what we could do differently to give them the stability that they are rightly looking for.

Liam Kerr: Finally, you talked about an opportunity to move quickly, and it sounds like there is that need. Strathesk Re:olution’s lessons learned report, which was commissioned by the Scottish Government, on national collective bargaining in colleges was released on 25 March 2022. When do you expect to publish a plan to take forward the recommendations that were in that report?

Graeme Dey: Is that question in the context of the industrial relations in the sector?

Liam Kerr: That is right.

Graeme Dey: You will recognise that it has taken some time to secure responses from all the interested parties in order to allow us to come to a view. All of us around the table would recognise that industrial relations in the college sector are not good and have not been good for a very long time. I cannot impose anything when it comes to the bargaining structures, but I absolutely

recognise that we cannot go on as we have been for years.

We have an industrial dispute going on, and we need to get over that. I think that there is an appetite and a recognition that this cannot continue in the way that it has. Sitting alongside all the reform work that we are doing, if the sector can find a way through the current industrial action, we can draw breath and then consider how we can do this differently. I have views on that but, as I say, I cannot impose them on the relevant parties.

Liam Kerr: I am grateful for the answer, but I will press you on that specific report recommendation. You said that it took time to secure responses from the interested parties. Have you had all the responses from the interested parties? In any event, can I press you on when we might see, or whether we will see, a plan for how to take forward the recommendations?

Graeme Dey: As I said, I do not want to mislead you. I think that we have had all the responses quite recently—that is my recollection. If I am wrong, I will write to you and correct the record. That being the case, and as I have just alluded to, we need the various parties to get over their current difficulty, and then we can take a look at what we could do differently, but delivering that will require buy-in from all the parties.

Pam Duncan-Glancy: Thank you for answering the questions so far. I am encouraged by the comments that you just made around the role of colleges and apprenticeships as we move forward and the potential for some of the resource to be more directed to colleges.

The minister will be aware that there is a fall in resources for colleges this year and a funding cut of about £100 million from the Scottish Funding Council. Can you set out how you expect colleges to respond to the Withers review against that backdrop?

11:00

Graeme Dey: I will pick up on the immediate point about the budget situation. The starting point for colleges next year will be slightly better—only slightly better, I stress—than the finishing point for this year. As you alluded, changes were made during the year to the budget that was originally set out. Against what the colleges have ended up with this financial year, we believe that the starting point for next year will be slightly better.

I recognise that there is inflation and so on. However, on your point, having less money in real terms—I accept that that is the case—does not help the situation, but I have to balance the

circumstances and we are where we are with the budget that is available to us. Over the next month or so, the SFC will be going through a process, not just with colleges but with universities. We are looking at how that financial settlement is delivered in a way that is—you might say—the least harmful but, certainly, in a way that better facilitates addressing the challenges that they face.

Pam Duncan-Glancy: Thank you. Minister, you will be aware of the SFC's report on the financial circumstances that colleges face. I do not think that it forecasts that it will improve in the way that you have described. The change mid-year has been significantly difficult for colleges, so I am not sure that they would characterise the situation in that way either. In order to respond to the Withers review in the way that you have described—much of which I am heartened by—might colleges need some additional funding at the outset, perhaps to make savings in the longer term, when all the changes have been made?

Graeme Dey: It will not surprise you that I come back to you and ask, "From where?" That is the issue that we have. If the argument is that colleges or any other element of the landscape would require some sort of initial pump-priming support to make the changes that need to be made, it has to come from somewhere. That is the immediate issue—the budget circumstances that we find ourselves in as a result of the public finances.

However, James Withers is also very clear in his report that there is no shortage of money in the system. One of the things that I am looking at—it is not the main driver—is where we can free up moneys in the system to redeploy to areas that we need to support, if those become the areas of focus. If you are away to press me on that and ask me to give you specifics, I cannot do that right now, but we are looking at that. For example, where is there duplication that can be avoided? If that can free up moneys, what would that free up? That is part of our thinking at the moment. I cannot say that that will happen overnight, because it will not, but it is a driver for us at the moment.

Pam Duncan-Glancy: I appreciate that and, obviously, I would have pressed you on where you think that duplication is.

First, is that work on-going? Are you looking at where the duplication is? When would you be able to update the committee on where you think there is duplication of resource so that you could move it around? How do you think that colleges can begin to prepare for the reforms that are suggested without all that information and the additional resource?

Graeme Dey: Colleges are preparing for the reforms—they absolutely are. The detailed

conversations that we are having about a colleges-first model are an illustration of that. Colleges are planning for the opportunities that they see, notwithstanding the financial challenges.

However, it is not as simple as identifying duplication and thinking that, when something comes to an end, money will be freed up. In many instances, we need to take a phased approach. That is why I said that there is not a magic wand to make changes happen overnight, but we are actively looking at where there is avoidable duplicated spend.

We have our priorities. I need to invest in and beef up the careers service if we are to help our young people to make informed choices, and we need to support colleges to make the transition that they will have to make. Everybody has an ask. One of the biggest challenges with all reform is how we get the momentum that is needed to deliver it, given the financial difficulties.

Pam Duncan-Glancy: Can I therefore assume that you anticipate that the current resource allocation will be used to take forward any of the suggested reforms and that there will be no additional resource?

Graeme Dey: In the immediate term, yes—that is a fair assumption. However, there is an opportunity for colleges to get more into the commercial space and to work with employers to generate more income. On your point about the resource allocation, I note the work that we are doing on the tripartite group. What can we do to give colleges a bit of flexibility to operate in a different way if—I stress this point—they believe that that will help them to cope with the current pressures? That is another piece of work that is going on.

Pam Duncan-Glancy: I will end my questioning by asking about flexibilities. Do you know what impact any of the flexibilities that you have already provided in the system have had on colleges?

Graeme Dey: As I said, those flexibilities were not provided during my tenure as minister. I was quite open with the committee that the previous set of flexibilities that were provided had not been fully exploited. That is not a criticism of anyone; it is just the reality. Those flexibilities remain in place, and we are now better placed to exploit and take advantage of them.

We are in a dialogue about what more needs to be done. Lots of little things could be done to help colleges to operate more freely, and that is driving a lot of the conversations that are taking place. As I said, if we get to the point at which there is something tangible to report, I will, with the agreement of the other participants, write to the committee to outline that.

Pam Duncan-Glancy: Thank you.

The Convener: Minister, you made some bold statements about overall college funding, given the challenges that colleges faced last year as a result of the various budget statements and announcements that were made, including some of the £56 million in savings and the demand-led programme that was taken away, as well as the £26 million that was taken away to fund the pay settlement for teachers. Colleges were left with £72 million having been removed from their budgets. Who is to say that that will not happen again?

Graeme Dey: I did not quite pick that up, convener. I hope that I did not make a bold statement. I hope that I was very clear in what I said, which was that we anticipate that, in the draft budget, the money that colleges will have for their core budget at the start of the new financial year will be broadly in line with what they will have finished up with—in fact, we think that it will be slightly better than that—except in relation to the in-year changes that were made.

The Convener: They were quite significant in-year changes. Who is to say that pressure from such in-year changes will not be placed on the sector again?

Graeme Dey: There are external factors that mean that I cannot sit here and say that what happened absolutely will not happen again, but we are working very hard to avoid that. The UK Government will have a budget at the beginning of March. If, as has been flagged—this might be right; it might be wrong—that budget focuses on tax cuts, that will have a negative impact on our budget. Therefore, I cannot sit here and guarantee that what happened will not happen again, but we are trying to be as open as we can be with colleges and others at the outset and to proceed on that basis.

The Convener: The Scottish Government has shown a preference for funding public service pay settlements over other decisions that could have been made, so we will leave it there.

Graeme Dey: With respect, convener, when I was a member of this committee, I remember my predecessors sitting here and making the point that, for that particular purpose and for others, the money would have to be found from somewhere.

The Convener: At that point, the then cabinet secretary did not quite say where the money was coming from, did she?

Graeme Dey: To be fair, the then cabinet secretary was not in a position to do that at the time.

The Convener: Okay.

As you know, I have in the past asked quite a lot of questions on behalf of the college sector about when it might have clarity on the flexible workforce development fund. Disappointingly for colleges and for me, you wrote to us on 20 and 21 December 2023 to confirm that the fund has been cut. I want to get a better understanding of why that decision was taken and of the Government's priorities.

Graeme Dey: As you know, we have faced considerable financial challenges. Until the end of the year, it had remained my hope that we would be able to provide funding for that purpose. Ultimately, that did not prove possible.

I recognise the difficulty that that presents for employers, colleges and the Open University, which utilised that fund. We have been unable to restore it in the draft budget for the coming year—certainly, not in that form. I cannot and will not hide from that. It is one of the very difficult decisions that has had to be taken.

On whether I recognise that, ideally, we would want some form of funding of that type to be part of the offering, in the context of the reform agenda, as we go forward—

The Convener: Given some of the conversations during Ross Greer's questioning, about employers and microcredentials, might it be—

Graeme Dey: There is a conversation to be had with employers about what form that takes: whether they might put money into the system or whether we need to do something to assist in that. I absolutely recognise that. I am being as open as I can, convener. The situation that we are in is not ideal, but I believe that there will be discussions on the offering that we talked about earlier, including on how it is delivered. It might be that we need to find a mechanism to provide that opening for some employers.

The Convener: Okay. Thank you for that.

Stephanie Callaghan (Uddingston and Bellshill) (SNP): I want to ask about the Scottish education exchange programme. Certainly, our losing Erasmus+ was a massive blow, so SEEP is much needed.

The committee took evidence on the Welsh Taith learning exchange programme and we were impressed by that. Is that programme influencing SEEP? Are they broadly similar, or are there any big differences? Are you able to offer any further detail on SEEP just now?

Graeme Dey: If you will bear with me, I have some detail on that, which I am trying to find in my papers.

Stephanie Callaghan: I see that you are searching.

Graeme Dey: I am trying to be as helpful as possible.

As you know, we have embarked on a pilot project, which was open to bids. Those that bid were overwhelmingly successful. There are around 21 projects, all of which will be undertaken by universities. We extended the initial deadline to facilitate more applications.

Those projects are due to proceed over the next three months, after which they will be assessed, with a view to providing the programme in the next financial year. I am grateful to all who helped to shape the approach that has been taken.

It would be fair to say that, if there was any criticism, it would be that the timescale is pretty tight, which contributed to the level of applications that were made. However, I think that that has happened in respect of other matters as well.

The plan is to deliver those projects and assess the outcome, with a view to what we do as we go forward, bearing in mind that we want to deliver something that is complementary and supplementary to, not a replication of, the Turing scheme. I am grateful in particular to the universities that helped to progress the programme.

Stephanie Callaghan: Is there a timeline in mind for the roll-out of the programme? When is that likely to happen?

Graeme Dey: Two things are at play. First, pilot projects are run to identify their worth. Most projects are Europe-based, but there are others—for example, in South Africa. I recognise that we need an assessment of that fairly quickly.

I keep stressing—and I mean this—that the relationship and the dialogue between us and the university sector are quite good. For example, we co-designed the international engagement strategy, which we will launch shortly. I will not sit here today and say that we will do X or Y without having input from university and college partners in the context of the pilot scheme.

I do not want to avoid the question. I would be happy to write to the committee with more detail in due course, but that is the path that we have gone down.

11:15

Stephanie Callaghan: That is helpful. That collaborative approach and flexibility are incredibly important going forward.

Will the Scottish Government fully fund SEEP? If not, how much will institutions and other partners

be expected to contribute to it? Do you have any ideas about that at the moment?

Graeme Dey: That is a difficult question to answer because we do not know what a fully fledged SEEP would look like. The level of applications to the fund was not particularly high. I accept that a lot of that was down to timing and its pilot nature. It is difficult to gauge what the level of interest would be if we get it up and running and therefore what the associated cost would be. That is very much work in progress. However, I stress that it is joint work in progress.

Stephanie Callaghan: Okay. Thanks.

The Convener: I will open up the last wee bit of the meeting to anyone who has any other questions. We have a bit of time on our hands.

Pam Duncan-Glancy: On SEEP, you said that 21 applications were successful. How many applications were made and what sector did they come from? Were they from the youth work, college or school sector?

Graeme Dey: They were all from the university sector, unfortunately; none came from elsewhere. Obviously, we are looking into that. That may have been because of the timescales.

One institution withdrew its application. I think that, ultimately, in total—I stand to be corrected—only one project or possibly two projects did not progress. All the funded projects are international in scope, and 13 involve European partnerships. The funding ranges from enabling involvement in the European Union strategic network to creating opportunities for disadvantaged groups through short-term projects.

I fully accept that the programme is in its infancy, but we would expect that with something that is being piloted.

Pam Duncan-Glancy: Absolutely. Have any students gone on exchange under the Scottish programme?

Graeme Dey: Given that this is 10 January, the answer to that question is that I do not know. The pilot scheme runs from January until the end of March. I know that quite a lot of planning was going on.

That might be the case, but I honestly cannot answer that question.

Pam Duncan-Glancy: May I ask one further question, convener?

The Convener: Briefly.

Pam Duncan-Glancy: Is it your intention to keep or to scrap SAAB?

Graeme Dey: As I said to Ruth Maguire, my intention is to accept the recommendation in the

Withers report. I also hope that I was clear that that is with a view to expanding quite markedly the employers' voice in the development of apprenticeships.

Pam Duncan-Glancy: Thank you.

Willie Rennie: There seems to be some ambiguity about exactly what colleges' budget will be for the forthcoming year. They feel that the world is very uncertain for them. There are significant in-year cuts this year, and there is uncertainty about next year. When you try to provide colleges with some direction, do you fight their corner enough with the finance secretary?

Graeme Dey: I certainly hope that I do. You mentioned ambiguity. The discrepancy is—rightly—between the interpretation of what was in the budget last year set against now. That is a valid set of figures. I am articulating the difference between what colleges will end up with in reality this year and where we will start off next year. Things might be slightly better than I have said that they will be, but we will have to see how that is worked through.

As you know well, Mr Rennie, the budget process is an open one, and there is an opportunity for other partners to pitch budget ideas. I am sure that the finance secretary would be happy to sit down with the Liberal Democrats, as previous finance secretaries have done, and hear their thoughts. That is not a challenge; it is just an observation.

In all seriousness, it is a very difficult situation financially. I absolutely get how important colleges are to us. With the difficulties and challenges that we face financially, we will do everything that we can to support our colleges.

The Convener: I thank the minister and his officials for their evidence this morning. It has been a very informative session.

That concludes the public part of our proceedings. The committee will now move into private session to consider its final agenda items.

11:20

Meeting continued in private until 12:16.

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