



Apprenticeship Levy Consultation Response

Colleges Scotland is the voice of the colleges in Scotland and supports the sector by ensuring that its views are heard and interests represented. We welcome the opportunity to respond to the Scottish Government's consultation on the Apprenticeship Levy.

The college sector is central to the successful delivery of apprenticeships across Scotland, with colleges contributing skills training to equip young people to find work, and to ensure the appropriate high-end skilled workforce is available to employers in Scotland. Colleges are the only organisations that can address seamless provision across the continuum of the family of apprenticeships from Foundation Apprenticeships, through Modern Apprenticeships (MA) to Graduate Apprenticeships. Colleges are best placed to work in partnership with other key stakeholders, and to provide continued delivery of apprenticeships without increased bureaucracy, thus providing confidence to the Scottish Government and employers that apprenticeships can still be delivered as now, and going forward ensuring continued provision of the core skills that will increase Scotland's capacity for economic growth. This brings added value and benefits to learners, society and to Scotland's employers, including efficiencies in the supply chain.

Scotland's colleges contribute hugely to the Scottish economy. An independent study carried out in September 2015 looked at both the investment analysis and an economic impact analysis of the college sector in Scotland. Results showed that colleges deliver £14.9 billion for the Scottish economy each year, representing 8.8% of the total economic output of the nation, and that for every pound invested, there is a 6-fold return on investment.

Colleges are also central to the support that the education sector can make to assist in delivering the key policy priorities of the Scottish Government. These include dealing with the following areas:

- Addressing the attainment gap
- reducing inequality
- widening access
- providing the skilled workforce to deliver strong and sustainable economic growth for Scotland, which values fairness and inclusion.

Appendix 1 to this document shows diagrammatically how colleges are placed to play a fundamental role in delivering for learners, society and the Scottish economy, whilst assisting to deliver key Scottish Government priorities.

Case studies of the delivery of apprenticeships and the relationships with colleges are set out in Appendix 2 to this document.

General Comments

Apprenticeships and the Apprenticeship Levy fall within a bigger picture, with Colleges Scotland of the view that there would be great benefit in more coherent and consistent strategies across skills, education, careers advice and employability in Scotland. Colleges have a fundamental role in this, and can bring the strong leadership, along with the political leadership, that is required to ensure a more effective and efficient approach to skills and enterprise.

A strong regional focus is required and colleges should become Regional Skills Hubs. More regional autonomy for colleges could be managed through an enhanced Regional Outcome Agreement process.

Colleges are best placed to work with businesses and other key stakeholders, such as schools and universities, within their regions. By becoming Regional Skills Hubs, colleges would combine the work they already deliver for local businesses to address the demand for apprenticeships within a region and assess the need for training and providing upskilling. The benefits of the regional approach to skills development would be used to work more closely and consistently with local schools, universities, employers and Community Planning Partnership to ensure that a dynamic approach to the regional economy will assist with a functional skills pipeline and a genuinely joined up view of widening access and the learner journey.

There are also a number of general issues that need to be carefully considered regarding the Apprenticeship Levy that impact across all potential areas of use of the Levy. These include, but are not restricted to the following:

- **Cross border issues** – the impact, both in theory and in practice, of different emerging approaches to implementing the Apprenticeship Levy across the different nations of the United Kingdom. Clarity over these issues is important, along with ensuring cross border issues are understood, and are flexible and straight forward. It is also important to ensure parity of funding across the different approaches. These elements are critical in regard to those companies operating across the borders and the Scottish Government should ensure that the structure of the Scottish approach incentivises the training in Scotland, and allows for a college in Scotland to be able to deliver a UK wide contract.
- **Timescale** – Whilst we do need to see an appropriate timescale to allow for consideration ahead of the commencement of the Levy, what is of more importance is that the Levy in Scotland is implemented to the same timescale as in England and Wales. Otherwise, colleges and employers in England and Wales will have an advantage in developing the apprenticeship offer ahead of Scotland. This would have particular significance on employers who work across the UK.
- **The Scottish Government** also needs to consider other practicalities such as:
 - a) What happens to underspends from the Levy?
 - b) Is there a time limit? If so, what is the appropriate use of the Levy (a ‘sunset clause’) bearing in mind that this is a new approach and time is required to embed the changes?
 - c) It is vital that what is offered to the apprentice is work placement rather than merely work experience.
 - d) The implications for Scotland of the recommendations emerging from the report following the recent work of Lord Sainsbury’s independent panel.

Specific Comments

Question 1

The number of MAs that can be delivered must be demand led and will vary from sector to sector. It is vital that an understanding of this is underpinned by robust information at sufficient granularity in order to understand the demand for skills in the economy. This will be of particular importance to engage with small and medium enterprises (SMEs) in relation to apprenticeships, including those who do not pay the Levy.

The other important element to the successful delivery of the demand led target is the funding level. Due to the funding reductions over the last few years, coupled with the accounting rules that colleges must adhere to following reclassification as public bodies, colleges are no longer in a position to offer ‘top-up’ amounts to cover insufficient funding from the fees received for apprenticeships. Employers value the apprentices from colleges who have high end skills, thus bringing benefit to those employers and having a positive impact on the economy. For any target to be achieved, there must

be the provision of the correct amount of funding and it would therefore seem appropriate to fund this through the Apprenticeship Levy.

It is also helpful to note at this point that if Foundation Apprenticeships work as intended, that the demand for MAs will go up in the medium to long-term and this additional demand could also be funded through the Apprenticeship Levy.

Question 2

The college sector is interested and keen to engage with the Graduate Apprenticeships, recognising the central role that colleges play in providing the necessary skill requirements at the higher education level.

Understanding of Graduate Apprenticeships needs clarifying amongst employers, with colleges being able to play a key role in improving knowledge and understanding, particularly amongst SMEs, which are the backbone of the Scottish economy. Colleges can play a key role in communicating with SMEs, through the strong links built up regionally with these companies.

An important element for Graduate Apprenticeships is to offer flexibility, with the learning environment led by the needs of the individual employer. In order to plug the skills gap and support the Scottish economy, there is a need for colleges to have regional flexibility in the offer made. Certainly, colleges could support the link to employers alongside Skills Development Scotland and the universities.

With regard to Graduate Apprenticeships, it is important to broaden out the opportunity by increasing the age range that can benefit from undertaking an apprenticeship.

Question 3

Further clarity is required around the parameters of a general skills fund if this is to be funded from the Apprenticeship Levy, including the expected role of the colleges. However, any such fund should be flexible enough to support regional skills priorities, perhaps through the Regional Outcome Agreements framework. This should be primarily focused on certified training enabling progression within the workplace. This should be flexible enough to ensure provision of training opportunities for all employees, given the ongoing need for upskilling related to rapidly developing fields such as ICT and digital transformation, as these are clearly aligned to the Scottish Government strategy for economic growth and fair work ambitions. It is also important to recognise that the Regional Outcome Agreements will need to be flexible enough to allow quick changes to be made to activity if required.

Whatever approach is used, one of the vital elements for the successful delivery of a skills fund is to have in place both a robust framework and an embedded quality assurance system. Colleges have demonstrated over a considerable period the robustness and benefits of the quality assurance that can be provided through the college sector. It is essential that the end point assessment is carried out formally, by an organisation or individual who is registered.

The college sector welcomes the additional funding through the Apprenticeship Levy for MAs and foresees how this could then free-up resource to help employers develop the training necessary to upskill their workforce, although it should be remembered that colleges are also Levy payers.

Colleges can also see the benefit of receiving direct funding to deliver a regional skills fund, thereby providing increases in both effectiveness and efficiencies in the spend of this resource, helping to bring the maximum impact for the Scottish economy.

Question 4

It is important that the best routes for learners to access the apprenticeship family are available. Colleges Scotland would in principle, support the use of the Apprenticeship Levy on Foundation

Apprenticeships provided that they are fully funded, there is a clear and robust quality assurance framework and that they are integrated into the curriculum and linked to clear progression routes. However, further work is still required to be undertaken in order to ensure that Foundation Apprenticeships will deliver and it is vital that employers are consulted, and the provision is demand led. Currently, it appears that Foundation Apprenticeships are not fully understood by parents/carers, employers or schools and further work is required to engage with these stakeholders. Colleges Scotland is also of the view that there is merit in developing other models to widen access and improve attainment that would extend the Foundation Apprenticeships to SCQF Levels 4 and 5.

Colleges Scotland supports a review of the arrangements in 2018, as acknowledged in the consultation paper, in order to consider the appropriateness of the longer-term funding of Foundation Apprenticeships through the Apprenticeship Levy.

Question 5

Colleges Scotland considers that the expectation of employers is that the focus of the resource raised through the Apprenticeship Levy would be the family of apprenticeships and skills development of their existing workforce. If resources could be made available, then these could be used to upskill employers' workforces, provided this is augmenting the funds agreed to date for these employment services and does not have a negative impact on other sources of funding for employability.

Certainly the college sector is best placed to provide this skilling up, with colleges having shown their ability to deliver employability training that can then for some individuals allow progress towards a MA. For example, the funding could be used to deliver a greater number of Academies provision within colleges, where industry are engaged in shaping and delivering the programme, as well as supporting participants in the workplace. This could be done through allocating additional ring-fenced employability funding places to colleges.

Basically, if there was additional budget made available to colleges then more can be done. This could help align employability support throughout Scotland more effectively and equitably and reduce barriers to people who encounter challenges in securing employment.

Question 6

Some of the funding could be utilised to stimulate new markets, which in turn would stimulate new need for apprenticeships and skills training. This approach would build on the development and delivery of a range of skills and workforce development programmes in specific areas that have been identified as having a skills shortage e.g. ICT/Digital to align and reflect industry demand.

The funds could be used to increase Scotland's capacity to deliver skills, for example the Energy Skills Partnership (ESP) is a collaboration of colleges aiming to undertake this increase in Scotland's capacity to deliver skills and prevent duplication of effort and investment for the energy sector by ensuring capacity, quality and affordability. Through this consortium approach, Scotland's colleges will ensure the right skills are being delivered and raise industry awareness to ensure Scotland has the workforce, skills and competence required by the energy sector in the future. To aid the work of the ESP, consideration should be given for the Levy to fund industry agreed 'pre-apprenticeships' where either there is no Foundation Apprenticeship, or the Foundation Apprenticeship is set at too high a level.

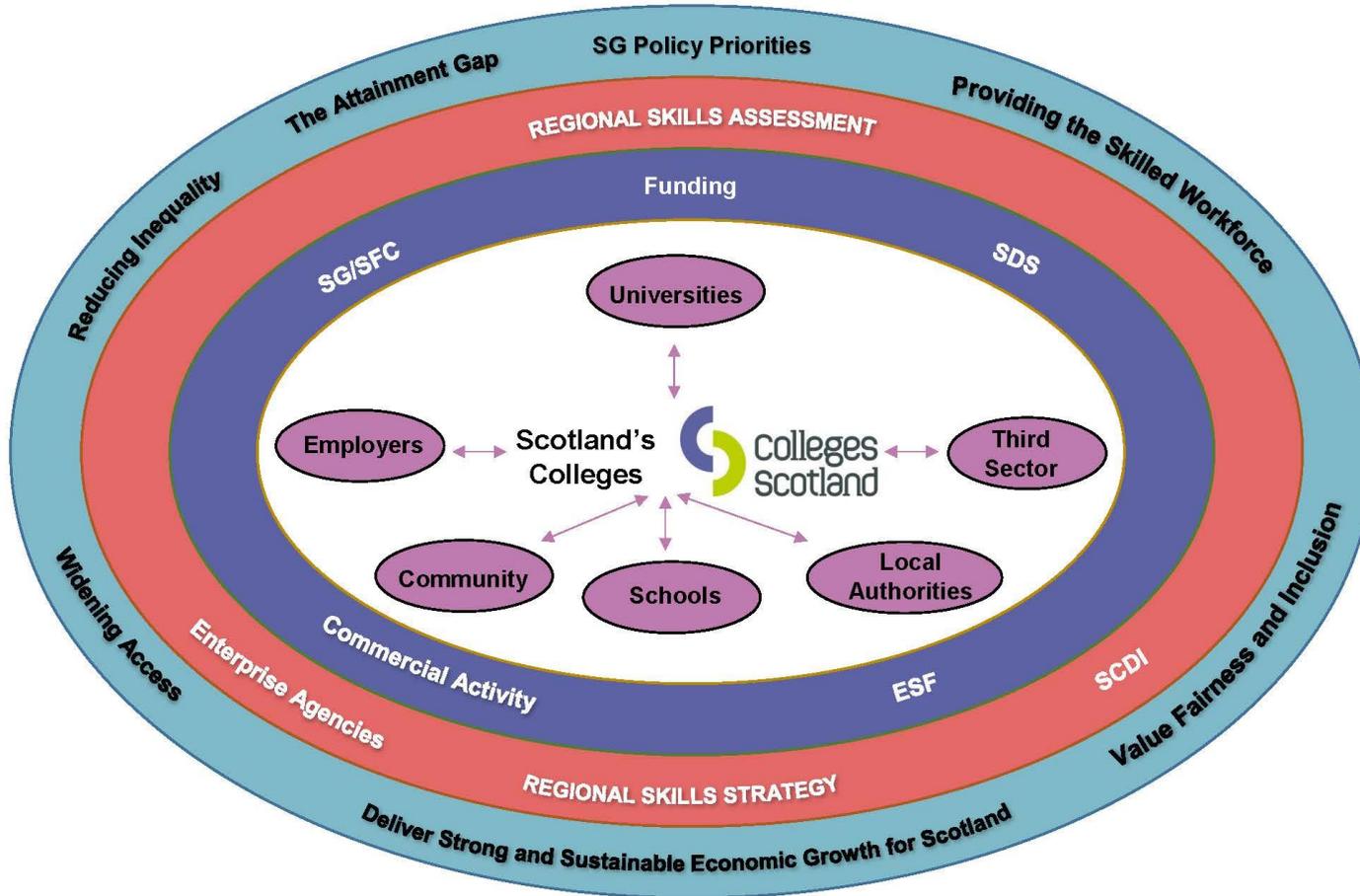
It is also important to consider if it is appropriate for the Apprenticeship Levy to be utilised by companies in the supply chain of another company. Whilst this potentially allows companies to gain benefit by bringing additional training and efficiencies into those companies who supply them, thereby leading to indirect benefit to themselves, Colleges Scotland understands that use of the voucher system established in England may not allow the vouchers to be used by companies in a supply chain.

Communication is an important element, as we are aware of a general lack of understanding about the Apprenticeship Levy, especially from non-levy paying companies. The impact for connected companies, who would otherwise not in themselves cross the threshold for paying the Apprenticeship Levy, needs careful and clear communication. The college sector is ideally placed to offer information and colleges could be a conduit if appropriately resourced to do so.

A further point with regard non-levy paying companies, is consideration of how they are involved in the Apprenticeship Levy. We understand, for example, that in England the non-levy paying companies would be asked for a contribution towards the costs of the apprenticeship. This sort of contribution towards training costs is a new approach for these smaller companies and care will be needed to ensure the buy-in from such companies.

Colleges Scotland is aware that there is merit and demand from employers to expand the age range for Modern Apprenticeships and Graduate Apprenticeships above the current limit of 25 year olds, and this should be considered at this time. The current age setting excludes many people who are currently employed who would gain from an apprenticeship training.

Colleges Scotland
August 2016



Forth Valley College and Scottish Power Energy Networks

Forth Valley College and Scottish Power Energy Networks (SPEN) have forged exceptional links over the last year. Together they have worked in partnership to develop and collaborate with each other in a number of areas.

This partnership has allowed:

- New apprentices to develop skills and knowledge
- Opportunities for project management training for higher level apprentices
- Opportunities for the unemployed and under employed to develop skills required by SPEN and their contractors
- Support for existing staff in up-skilling.

Craft Apprenticeship

In September 2013, 24 Level 2 Power Distribution Modern Apprentices (MAs) enrolled at Forth Valley College to undertake six months of basic training, while also covering elements of their City & Guilds 2343-17, all part of their apprenticeship. This was a programme which SPEN had developed in partnership with the college to ensure that apprentices would develop the skills and knowledge necessary to enter the company training initiative and complete the remainder of their work based qualification. This training will be supported by SPEN and Forth Valley College, until the MAs complete their apprenticeship.



Mairi Elder, Scottish Power Workforce Programmes Manager, said: "This is the first time in ten years we have had an intake such as this of new apprentices. I think it is really important to strengthen our existing partnership with Forth Valley College and we are delighted that our new intake will get the best possible initial training here."

SPEN have since recruited a further 36 MAs and envisages this will continue for the foreseeable future with the support of Skills Development Scotland, Forth Valley College and their own Recruitment Team.

Higher Level Apprenticeship

A new Level 4 in Power Engineering was also developed. SPEN was the first energy network to consider this level of training to allow individuals to develop the skills, knowledge and experience necessary for Project Management.

Twelve individuals were employed by SPEN and started this programme in September 2013. Forth Valley College developed the programme and it was delivered by the college at Scottish Power's premises in Cumbernauld until June 2014, when the candidates moved to the workplace to gain an overview of company activities. One year of rotational project work then starts, where they develop their competencies for the work based elements, supported and assisted by SPEN and Forth Valley College.

Overhead Line Programme

Due to the shortage of skilled UK Linespersons, service providers often have to seek overseas expertise to repair overhead lines. SPEN wished to work with local communities and organisations to address this situation. A unique programme was developed, with Forth Valley College at the heart of a UK partnership, which created a certificated programme and a commitment to recruit unemployed and under employed local people, and meet both immediate demand and planning for long-term.

A new bespoke college course was designed, developed and delivered by Forth Valley College in collaboration with service partners. Demonstration power networks were built at college to enable practical delivery and simulation of the work environment. Forth Valley College with SPEN and Skills Development Scotland worked in partnership to deliver this programme. The college also provided the staff to deliver the academic knowledge and understanding which led to qualifications for the successful candidates.

Forth Valley College and other stakeholders have ensured that SPEN are an Energy Company ready to take on the demands of the future. The partnership has prepared the workforce for one of the biggest industry upgrades ever, providing career paths for MAs.

Apprenticeship Levy

SPEN deliver these programmes across the UK, and are exploring the issues of delivery in Scotland and England when the support levels in England in terms of funding are substantially higher.

**“Being a Modern
Apprentice has been
a life-changer for me”**

Reece Tham, Lanarkshire
Apprentice of The Year 2015



Reece Tham **Modern Apprentice, Electronic Fire & Security Systems**

When I left school and saw the advert for an apprentice, I knew that was what I wanted to do – I wanted to learn AND do work as well.

I'm in the final year of a three year Modern Apprenticeship, working for TS-UK, a company based in Cumbernauld, which specialises in installing and servicing locking and security systems powered by electronics.

I can honestly say becoming a Modern Apprentice has been a life-changer. It's massively helped me - not just in my career but in my whole life.

When I first started I was shy but now I'm more confident, I've made new friends – and I've had great support to prepare me for the life of a technician.



“New College Lanarkshire lecturers have encouraged Reece to progress greatly - he’s got a good future with the company”

Terry Lawrence,
Managing Director, TS-UK

I always wanted to be an apprentice at something. I was always interested in how things work and then I got school work experience doing electronics, which I just love.

I spend Thursdays at New College Lanarkshire where I’ve learned a lot. We studied everything from the installation and maintenance of security systems to how they are designed.

Learning about customer care and health and safety – have also been important parts of the course.

It’s a lot of hard work. My course training is in three parts – the Modern Apprenticeship itself and studying for a Professional Development Award and a Scottish Vocational Qualification.

I’ve set myself a study schedule so I don’t go out at the weekends but the way I look at it it’s only three years – and three years which are going to help me massively, so it’s worth the sacrifice.

The College lecturers have been incredible – they’re really knowledgeable and ready to help any time. If it wasn’t for the College, I don’t believe I’d be where I am now.

As an apprentice you’re on site as well as at college. I’m able to put whatever I’m learning at college into practice at work, which benefits the company



too. My bosses have been amazing – they are so encouraging and want me to learn and bring in my ideas.

I’m now at the stage where I can go out and do full jobs. I’ve already installed a door swipe card system and a CCTV automatic number plate recognition system.

It’s an amazing feeling to commission a job and see it working.

I would recommend being a Modern Apprentice 100 percent. In fact, I persuaded my younger brother to give up a sports leadership course and to do the same apprenticeship – and he’s now working with the same company as me! He’s really enjoying it and he’s really good – better than me!

My feelings are that anyone can achieve anything if they apply themselves. That’s what my mum and dad said to me and I’ve always lived my life by it.





"I'm treated as an important member of the team"

Liuda Dabozinskaite,
Business Administration



Liuda Dabozinskaite **Business Administration**

I'm a single mum and although I had been working in a few dead end jobs, the time came when I wanted to move onto something better.

It wasn't easy and I spent a year out of work. But things really started to move for me when I landed a place on a training course through Routes to Work Ltd, an agency which gives extra support to help people find a job.

There are so many things you don't know, like where to get help and what to get help with – that's why Routes to Work Ltd were so good. They helped me receive funding for childcare so I could attend college – they were just amazing.



“We’re delighted our partnership with New College Lanarkshire helps to identify and bring on new talent”

Grace McNamara,
Amey

The course lasted 15 weeks, with six weeks at New College Lanarkshire to learn things like interview skills and how to prepare my CV, followed by a nine week work placement. I was lucky to be given my placement within the Administration section of Amey Contract based at Eurocentral, Motherwell.

This gave me the chance to show I was capable of learning, had the confidence to work within a team and that I was prepared to work hard. And the experience has really paid off.

I earned a Certificate of Work Readiness - but even better was being offered the Modern Apprenticeship by the Amey Business Support Manager at the end of my placement.

I’m now working towards a Business Administration Modern Apprenticeship SVQ Level 2. I’m using Microsoft Packages such as Word, Excel, PowerPoint and Access Databases as well as in-house electronic systems.

I do photocopying, paper and electronic filing, printing, laminating, binding and shredding. I use Outlook email and also help with diary management, booking meetings, production of meeting packs, preparation of reports. The list goes on and on and I enjoy it so much.

New College Lanarkshire’s support to me continues through my College



Assessor who comes in to my workplace every two weeks. She assesses me on the job and provides the necessary help to allow me to collect the evidence that proves I’m fulfilling the requirements for the qualification.

Taking part in the Duke of Edinburgh Bronze Award Scheme is a condition for completing my Amey Modern Apprenticeship. That’ll mean taking part in a few expeditions this year - pretty daunting but also very enjoyable!

Being a Modern Apprentice has really worked for me. I’m being paid for something I enjoy which helps me to provide for my son and it has given me a great opportunity to gain a worthwhile qualification.

Everyday I’m receiving really good work experience – I’m not just learning, I’m working with my colleagues and I’m treated as an important member of the team.

