



Scottish Skills Strategy

July 2007

Introduction

The Federation of Small Businesses is Scotland's largest direct-member business organisation, representing over 19,000 members. The FSB campaigns for an economic and social environment which allows small businesses to prosper.

FSB Scotland welcomes the development of a Scottish Skills Strategy. A separate Skills Strategy was one of FSB Scotland's key recommendations in our submission to the recent consultation on Lifelong Learning. In this submission, we also made a number of recommendations regarding the objectives and content of a Skills Strategy. FSB Scotland would like to reiterate some of these points, in addition to a number of other issues we believe should be considered when drafting the Skills Strategy.

Scotland's Skills Strategy: Supplying the Skills to Succeed

FSB Scotland believes that the key objective of Scotland's Skills Strategy must be to match the skills of our workforce with the requirements of employers, in order to reduce skill shortages and increase productivity and economic growth. In order to achieve this, Scotland's Skills Strategy should cover every aspect of skills, from demand to supply, including:

- Provision for continuous accurate labour market intelligence and skills research, to identify the current and future skills requirements across all sectors;
- Provision for effective careers guidance in schools, colleges, universities and through other training providers, to advise the current and future workforce of the skills they will need to compete successfully in the labour market;
- Co-ordination of the delivery of the training provision that is necessary to supply the required skills, including key programmes like Modern Apprenticeships.

FSB Scotland believes that there may be merit in aligning the skills functions of Scottish Enterprise – such as the Modern Apprenticeship programme and the work of Futureskills Scotland and Careers Scotland – with those of the Lifelong Learning Department, such as adult literacy and numeracy programmes. Locating the whole range of skills functions in one dedicated team within the Scottish Executive should help to ensure an integrated approach to, and focused implementation of, the Skills Strategy and a clear line of accountability back to the Cabinet Secretary responsible for the Strategy.

FSB Scotland believes that Scotland's Skills Strategy should also do the following:

1. Create an adaptive workforce

Training should be accessible to people of all ages, to reflect the implications of an ageing workforce, and to reflect the need for continuous upskilling to respond to the challenges of increasing global competition.

2. Comprehensively cover the broad spectrum of skills

The Skills Strategy should cover all levels of skills requirements – from basic numeracy and literacy skills, to vocational skills like plumbing and highly technical expertise such as that needed to grow the priority industries identified by Scottish Enterprise.

3. Get the basics right

Hard-to-fill vacancies are particularly problematic for small businesses. Many of these vacancies require low level skills, with businesses struggling to recruit staff with 'soft' skills such as communication and customer service skills. The Skills Strategy should ensure that Scotland's schools, colleges and universities do more to equip our workforce with these skills so that they can enter and progress through the labour market.

4. Take a practical approach to vocational skills

FSB Scotland would like to see increased investment in, and focus on, vocational education and technical education in schools and colleges. We also believe that more Higher Education students should be encouraged to undertake a work placement within a relevant business environment as part of their degree, to better prepare them for the workplace.

5. Take a demand led approach

The delivery of training must be demand-led, to reflect the needs of employers. In particular, FSB Scotland believes that the Scottish Executive should conduct a review of the supply and demand for Modern Apprenticeships, in order to assess whether the existing target of 30,000 Modern Apprenticeships is sufficiently ambitious.

6. Take a flexible approach

FSB Scotland would like Scotland's Skills Strategy to recognise the value of informal training, which can often be the most appropriate and effective way to deliver training and skills to employees of small businesses. Specifically, we believe that Scotland's Skills Strategy should take a flexible approach to skills, and reject the prescriptive approach of the Leitch Review regarding access to formal training.

7. Widen access to formal training

FSB Scotland also believes that the Skills Strategy should identify the barriers to participating in formal training for small businesses, as well as steps to overcome these barriers.

- Access to Finance

Finance is a considerable barrier to small business participation in formal training - both the cost of disruption to the business of allowing employees to undertake off-the-job training and the cost of training courses. FSB Scotland members indicate that age restrictions on Modern Apprenticeship funding, for example, are preventing them from taking part in the scheme. We would like the Skills Strategy to provide greater access to finance to help small businesses with the costs of training.

- Flexible and Relevant Training

Small businesses also require formal training provision to be both flexible and relevant to their needs. Training programmes must be appropriate to the business and delivered in a way that is practical for the small business environment. For example, employers and employees require more flexibility regarding choices of modules and qualifications as part of the Modern Apprenticeship programme.

- Access to Information, Advice and Guidance

Many of our members find it difficult to access information and guidance on appropriate courses and funding opportunities. Small businesses need a one-stop-shop to access such advice, because training staff is just one of many challenges facing small business owners. To achieve this, the Skills Strategy should consider ways to raise awareness of learndirect scotland for business, which offers such a service, and to ensure it is adequately funded.

For further information on any of the points raised in this submission, please contact Niall Stuart on niall.stuart@fsb.org.uk or 0141 221 0775.