Dear Mr Dowd

Thank you for seeking our views on the options for the use of the share of UK Apprenticeship Levy funding being transferred to the Scottish Government. I offer the following comments on behalf of Historic Environment Scotland which is the new lead public body set up to investigate, care for and promote Scotland’s historic environment.

We are a non-departmental public body with charitable status, governed by a Board of Trustees, who were appointed by Scottish Ministers. We lead and enable Scotland’s first historic environment strategy *Our Place in Time*, which sets out how our historic environment will be managed. It ensures our historic environment is cared for, valued and enhanced, both now and for future generations.

We have provided comments in relation to the questions highlighted and would be happy to provide further information in support of these, or other related matters, should this be helpful.

**Should the Government’s commitment to 30,000 Modern Apprenticeships starts a year by 2020 a) be maintained or b) be increased?**

Although the funding from the Levy would enable the numbers to be increased, priority should be given to ensuring that the quality of Modern Apprenticeships is realised and that the overall costs to employers of employment is recognised. The latter is a stumbling block to many SME taking on apprentices. What is the optimum number of MA’s required? This must inform the distribution and levels of funding, rather than a gross target.
Should Apprenticeship Levy funding support growth in the number of Graduate Level Apprenticeships in Scotland?

Yes. Graduate Level Apprenticeships are a great way for individuals to learn as they earn. This is in many ways a return to the way many ‘technical’ and ‘professional’ roles were trained for in the past, giving individuals the benefit of wide vocational experience and training, with academic education. The apprenticeship levy gives Scotland the opportunity to use graduate apprenticeships to widen access to higher education, improving social inclusion and enabling greater opportunities for progression within the existing workforce.

Should Apprenticeship Levy funding be used to establish a flexible skills fund to support wider workforce development?

Yes. Many employers in Scotland would benefit from a workforce that had a wider skills base that would give them greater flexibility and responsiveness. Investment in the recognition of existing skills through on-site assessment and training leading to SVQs, would also create a society in which vocational skills are recognised and valued, as much as academic qualifications, building on the ideas on ‘parity of esteem’ in Developing Scotland’s Young Workforce. As well as improving social inclusion, proof of competency based on vocational qualifications, would reward investment in skills, improve standards of work and lead to increased productivity and efficiency across the Scottish economy.

Should Apprenticeship Levy funding be used to support the expansion of Foundation Apprenticeships?

Yes. Enabling the smoother access of young people into the world of further education and work from school is invaluable and should be encouraged through the funding of more relevant course development and support to colleges, schools and other participants meet any additional costs that this different pathway incurs.

Should Apprenticeship Levy funding be used to help unemployed people move into employment, and to help meet the workforce needs of employers?

Yes. Many unemployed people require substantial support and assistance to get them ‘ready for work’. Many employers cannot take the risk of taking someone on that has additional issues or who lack key skills. Whilst many excellent programmes exist that address these issues; GalGael and Canal College are two that HES have worked with, investment is required to ‘join the dots’ and improve the supply chain from these programmes into other more mainstream training programmes such as MA’s. Employers also often struggle to restructure their workforce to take account of new work practices, emerging economic forces or changes in public and social policy. Funding for additional support, retraining, redeployment and restructuring could result in greater
economic activity and higher levels of productivity. This may be attractive to larger organisations that will pay the levy but not necessarily see themselves as employers of apprentices or employers that train.

Are there any additional suggestions on how Apprenticeship Levy funding might be used?

The Levy could be used to proactively increase engagement from public sector bodies in apprenticeships and work-force training. As public sector budgets have been squeezed, training is something that should be invested in, not diminished. By using the opportunity that the Levy presents, SG, through SDS, could offer additional ring-fenced financial and other forms of support to public bodies such as HES to invest in training, as part of their financial settlement. This could be done on a sectoral basis, with HES funded to lead training initiatives for the heritage, tourism and construction sectors, sharing expertise, opportunities and best practice with SMEs within the sector.

The Levy could also be used to support innovative training models, such as shared apprenticeship schemes. Innovation is required if greater industry participation is desired. Greater marketing to the general public on the value of apprenticeships is also required. Many parents still view University as the best route for their children, when a vocational training route coupled with employment, would often be a more appropriate and more efficient positive destination.

I hope this is helpful. Should you wish to discuss our comments in more detail, please feel welcome to contact Colin Tennant on 0131 668 8639.

Yours sincerely

David Mitchell