

Embedding Foundation and Graduate Apprenticeships on SFC Core Funding

Purpose

1. In October 2020 we provided the SEAL committee with an update on the plans being put in place to meet the Ministerial ask to embed Foundation (FA) and Graduate Apprenticeships (GA) into SFC core funding in AY21/22.
2. At the request of the committee the executive committed to provide updates on the progress being made as the plan is implemented. This paper provides the actions taken and progress made since the last meeting.

Background

3. In October 2019 the Scottish Government (SG) confirmed that it was the intention to utilise Further and Higher Education core teaching budgets to fund Foundation (FA) and Graduate (GA) Apprenticeships from 2021/22.
4. In July 2020 the DFM commissioned the CEO of SFC to “lead on the development of a plan that will deliver Foundation and Graduate Apprenticeships as part of the Further and Higher Education offer”.
5. SFC is firmly committed to work based learning as part of the wider curriculum offer and is supportive of FAs and GAs as a vehicle for increasing work-based learning pathways. It is our intention to embed both FA’s and GA’s into the tertiary education curriculum offer from AY21/22.

SFC Accountability

6. It was recognised that the commitment to deliver FA’s and GA’s within SFC’s core funding presents challenges. We are operating in a period of budget uncertainties, issues around financial sustainability of the sectors and an increasing set of demands on colleges and universities for the post-COVID recovery period.
7. To further the plan we presented a paper to the Finance Committee (FC) in December 2020 setting out some of the key challenges for the college and university sectors to deliver Foundation and Graduate Apprenticeships. The paper also set out SFC’s approach to embedding FA’s and GA’s in core funding which is:
 - Approach AY21/22 as a year to stabilise and safeguard FA and GA provision.
 - Maintain volume for AY21/22 at actual delivery levels for AY20/21.
 - Use stakeholder engagement to inform provision in AY22/23.

8. The FC authorised the commitment to embed FA and GA provision into SFC budgets and instructed the executive to carry out further consultation with the sector and provide further advice to the Board on distribution, allocation, performance and accountability processes.

Implementation Plan

Key Assumptions in the development of the implementation plan

9. In developing the plan some key assumptions were agreed between both agencies.
 - From AY21/22 SFC funding will be utilised to embed FA's and GA's into core funding in colleges and universities.
 - Skills Development Scotland (SDS) will continue to fund Local Authority and Private Training Provider provision.
 - SDS will continue to fund those cohorts currently in the system.
 - SDS will fund ALL travel for FA's.

Progress to date

10. Significant progress has been made since the FC in December. Project governance and management is being led by a joint executive group who oversee the project, provide ongoing assurance to SFC and SDS Boards and provide advice and guidance to the joint working group. Members of the joint working group include key representatives from SDS and SFC, focused on the immediate tasks around a shared communication plan, a joint operating model, and the transition of the funding model.

Communication and Stakeholder Engagement

11. A stakeholder engagement strategy was developed by the joint working group utilising the Communication experts of both organisations.
12. It was recognised that engagement with stakeholders, delivery partners and institutions is fundamental to understanding the implications of embedding FA's and GA's in core curriculum. This engagement was seen as critical to enable us to get it right for students, employers and institutions.
13. A two phased approach was developed with phase one focused on a series of awareness raising activities with key partners to socialise the Ministerial ask of SFC and engage with the Scottish Apprenticeship Advisory Board (SAAB) to update on approach and ensure the employer voice remained central to developments.

14. Phase two commenced in January 2021. A detailed stakeholder engagement plan has been developed and implemented including:
 - Agreed communications with all delivery partners including colleges, universities, local authorities and private training providers.
 - Agreed communication with Colleges Scotland and Universities Scotland, ADES and School Head teachers.
15. Meeting with delivery partners to confirm the change of funding methodology, update on the budget position and funding and determine planned activity for AY21/22. To date we have met with all College and University delivery partners, Local Authorities and Independent Training Providers – a total of 44 meetings

Allocation and funding methodology

16. Extensive work has been undertaken to develop a model to distribute FA and GA allocations through SFC.
17. Embedding FAs and GAs into the tertiary curriculum offer means moving from a commissioning model to a process of negotiated allocations with SFC, using further and higher education budgets and/or additional resource routed through SFC, to embed the offer into the college and university system and help them invest in long term relationships with employers.
18. SFC has worked with SDS to confirm FA/GA recruitment volumes for AY20/21 to establish a baseline for allocations for AY21/22. Our engagement with the sector has confirmed the current volumes and established planned activity for AY21/22 to inform our indicative allocations.

Next Steps for the implementation programme of work

19. Work has commenced to establish an operational delivery and reporting model for AY21/22 and beyond. We are at a very early stage of this work however we are committed to:
 - Review the current operational delivery model and consider approach for AY21/22.
 - Review the Governance arrangements for FA's and GA's.
 - Agree reporting requirements cross agency and to SG.
 - Consider SDS/SFC support required to monitor and support FA and GA operational delivery.
 - Set timeline for programme review and evaluation.
 - Establish evaluation methodology with SG.
20. The guiding principles in undertaking this work are to avoid duplication, reduce bureaucracy and simplify and streamline processes where appropriate.

Engagement with SG

21. SFC has engaged extensively with Scottish Government officers and Ministers to provide guidance on the approach to embedding FA's and GA's in core funding and provide feedback on sectoral engagement. This sustained and positive engagement was a catalyst for SFC securing additional investment through UK COVID Consequential funding to support FA and GA programmes for AY21/22.
22. This additional investment whilst a positive outcome also presents challenges to SFC and the sector as the funding has only been made available for the transitional year of 2021/22.
23. We recognise that funding beyond AY2021/22 – including for the cohort who commence in AY2021-22 - will be important. We heard from institutions of the challenges they will face if there is no surety of continued funding beyond AY21/22 and the effect this will have on students, and business and industry partners.
24. We are committed to working with institutions, government and other stakeholders to secure the long-term future of FA and GA's recognising the commitment our institutions have made, and are proactively making, to their continued success.

Recommendation

25. The SEAL Committee is invited to note and comment upon this update on the progress being made to embed FA's and GA's in SFC core funding.

Publication

26. This paper will be published on the Council website following the meeting.

Further information

27. Contact: Sharon Drysdale, Deputy Director Skills and Economic Recovery
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