

In-year investment to support responsiveness in our education and skills offer

Purpose

1. This paper provides the committee with an overview of the additional in-year investment to support the sectors responsiveness to the economic crisis and recovery.

Background

2. The COVID-19 pandemic has had a major impact on the labour market in Scotland, and we can expect the consequences to last for a number of years. It has also presented an external shock to the tertiary education system in Scotland, as it did in many other countries, and brought into sharp focus the challenges already facing Scotland's colleges and universities.
3. SFC has worked to ensure the continued responsiveness of the education and skills offer through the pandemic, both taking action to ensure the protection of opportunities for existing learners, and expanding provision for upskilling and re-skilling. Much of this provision has been brought online by colleges and universities as they themselves faced huge disruption to their operations. This demonstrates the commitment of the sectors to ensuring provision is flexible and provides agile support for employees and employers.
4. SFC's planned budget settlement of £722 million for colleges and £1.112 million for universities in 2021-22 will allow us to continue to make a significant contribution to addressing Scotland's future skills needs as the country emerges from the pandemic. Our priorities will be to provide learning opportunities to sustain a pipeline of educated and skilled people who will be critical to our recovery and to upskill the existing workforce, including through core funding and targeted funding such as skills based short courses, upskilling courses and the Flexible Workforce Development Fund.
5. Specific in-year funding initiatives to support economic recovery and provide upskilling and reskilling opportunities include:

Upskilling Fund

6. SFC's Upskilling Fund was initiated in AY2019/20 in response to The Enterprise and Skills Strategic Board (ESSB) Strategic Plan, 'Working Collaboratively for a Better Scotland' which recommended that funding for colleges, universities and training providers should be used to provide more agile support for employees

and employers to upskill and reskill, increasing provision of in-work learning using new models of provision.

7. SFC has invested £6.5 million in the Upskilling fund in AY20/21 to support the delivery of the ESSB's strategic outcomes, the Scottish Government's Advisory Group on Economic Recovery's recommendations and SFC's strategic outcome for greater innovation in the economy.
8. Set in the context of the COVID-19 pandemic SFC prioritised the funding to focus on those who are unemployed or at threat of redundancy and where the learning of new skills will help them back into employment, and upskill the current workforce to adapt to new ways of working. Programmes delivered included Data Analytics for Business Decision Making, Strategic Digital Marketing, Strategic Leadership, Resilience & Change Management.
9. It is anticipated this fund will support approximately 7,000 learners.

Flexible Workforce Development Fund (FWDF)

10. Introduced in 2017 the purpose of the FWDF is to provide flexible workforce development training opportunities to support inclusive economic growth through up-skilling or re-skilling of employees.
11. Currently in the fourth year of delivery, and with a budget of £18 million, SFC has worked with SG to develop the expansion of the FWDF for AY20/21 to include provision to support the training needs of levy payers and SME's delivered through colleges and The Open University in Scotland with Independent Training providers supported through SDS.
12. The FWDF has a key role in providing skills interventions that can be flexed to address the very significant employability and skills needs required by employers and employees to address the new ways of working and support economic recovery.
13. Despite COVID restrictions, 462 employers have accessed training in this AY with a further 300 requesting training from March to July 2021. Provision includes leading through a crisis, change management, cyber security and digital marketing.

National Transition Training Fund (NTTF)

14. SG announced the introduction of the National Transitional Training Fund in October 2020 which is designed to support people who have lost their jobs or are at risk of redundancy as a result of coronavirus (COVID-19) to retrain or upskill.
15. The fund will support retraining projects for careers in areas particularly hit, including aviation, construction and tourism. It will also help with career

transition into areas of the Scottish economy with most potential for future growth, such as digital and green technologies.

16. SFC has worked with the college and university sectors and invested £3.7 million to develop provision which will provide upskilling and reskilling opportunities to support up to 5,000 individuals aged 24+ who have lost their jobs or are at risk of doing so as a result of Covid-19. This provision is targeted at enabling learners to re-enter the workplace early as industry and business recover and to provide opportunities for existing employees to upskill in new areas of the business.
17. SFC has also invested £2.9 million of funding to train / retrain up to 2,000 individuals in those sectors that have been identified as being disproportionately affected by the impact of COVID 19. Working with Forth Valley College, The Construction Scotland Innovation Centre (CSIC), Energy Skills Partnership (ESP) and the National Manufacturing Institute Scotland (NMIS), it is proposed to deliver a series of training opportunities to individuals currently out of work or facing the prospect of redundancy.
18. This training will enable participants to transfer to energy efficiency roles that will support the move to a low carbon economy; support the overall recovery of the aerospace and manufacturing sectors in Scotland; and support the Glasgow Lighthouse Lab in their immediate and short-term need to increase staff capacity and therefore increased capacity for testing of COVID lab samples.

Young Persons Guarantee (YPG)

19. The Covid-19 pandemic is anticipated to have a disproportionate effect on the employment prospects of our young people aged 16-24. As a result, the Scottish Government introduced the YPG in September 2020.
20. The YPG aims to ensure that all young people can access employment, education, training, or a volunteering opportunity for 12-24 months to help them succeed in following their chosen career pathway.
21. In response to the YPG SFC has worked with the college sector to ensure colleges fully support SG's commitment to young people. Programmes taken forward in this space align with the economic needs of each college region, sectors, employers and individuals.
22. These programmes include Skills Boost courses to facilitate the upskilling and multi-skilling of 16 – 24 year olds to enable them to progress into employment. The learner will leave the programme with the skills to move into employment and wherever possible a wage subsidy and MA guarantee.
23. Also included in YPG funding is Fast track HNC courses, which will enable students to graduate in a shorter period of time ready for employment. These Fast Track HNC programmes have been focused into areas which support economic recovery by providing a more rapid response to industry needs in

specific areas such as Software Development, Data Skills, Cybersecurity, Engineering, Science or Care.

24. SFC, in conjunction with the Students Award Agency for Scotland (SAAS) has invested @ £10 million to support 5,200 learners through this funding.

The Challenge

25. Ensuring our institutions are responsive to the current COVID-19 emergency and enable them to play a significant role in Scotland's recovery required SFC to work at pace in year to prioritise new funding streams to meet Scottish Government priorities.
26. Whilst the additional funding has been welcomed by our institutions and enabled them to rapidly expand provision for upskilling and reskilling in what was a challenging year for colleges and universities, the pace of change and volume of new initiatives and interventions provided little opportunity to provide a cohesive approach across the sectors and wider employability partners.
27. As we move into the next academic year the challenge is to maintain the momentum demonstrated in this academic year whilst ensuring greater cohesion in the sector. To facilitate this our objectives are to:
 - Work with the sectors, employers and other stakeholders to provide a collaborative approach to the design and delivery of future upskilling and reskilling opportunities.
 - Identify opportunities for integration and alignment of learning provision with other skills and employability activity to ensure effective progression routes for learners, avoid duplication of provision and provide greater impact on Scotland's recovery.
 - Ensure delivery is underpinned by an effective evidence base incorporating labour market analysis which demonstrates the demand for provision and growth sectors within the economy.
 - Identify and prioritise key interventions which will address gaps in provision and ensure the most effective delivery to meet the needs of learners, employers and the economy.

Recommendation

28. The Committee is invited to note and comment on the in-year investment and initiatives and the objectives for AY 2021/22.

Publication

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

Further information

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