

**Skills
Development
Scotland**

**Annual
Review
2016/17**





Welcome to Skills Development Scotland's Annual Review 2016/17.

We are proud to present our Annual Review for 2016-17.

Over the past year we have achieved real progress towards our ambitions for individuals and for employers in Scotland, as reflected in our performance results and our new and improved products and services.

Our contribution to Scotland's economy and its people is significant. Across all our work, this year we funded nearly 64,500 skills and learning opportunities, and directly contributed to the creation or safeguarding of around 31,800 Scottish jobs.

We worked hard to drive an industry-led, work based approach to skills development, and deepened our engagement with employers to develop a more comprehensive evidence base to inform our skills planning.

2016-17 saw nationwide delivery of our expanded Career Information, Advice and Guidance (CIAG) service offer in schools. Our Careers colleagues now engage and inspire young people at an earlier stage, helping them to develop career management skills, make informed choices and better prepare for the changing world of work. Our support for teachers was strengthened to ensure that career management skills are increasingly embedded into the curriculum; and more parents and carers were engaged, informed and equipped to support the young people in their lives.

Recognising the intensive support needed by young people who have not made a positive transition from school into education, training or work, we began development of a brand new service that will be introduced in our Careers Centres across Scotland in 2017.

Our expansion of work based learning saw developments and growth across our apprenticeship family, with more Modern Apprenticeship opportunities; greater choice and availability in Foundation Apprenticeships, and delivery of the first Graduate Level Apprenticeships.

The introduction of the Scottish Apprenticeship Advisory Board (SAAB) provides a new governance and engagement structure to better align and articulate industry demand in apprenticeship design and development. The newly established Centre for Work Based Learning, developed with our partners, will provide best practice in high value, employer led work based learning pathways.

Our Employer Services Team continued to help businesses grow, develop and invest in skills, including more intensive support for SMEs delivered with Investors in People through Skills for Growth. In addition, our team engaged Scotland's largest employers to ensure they are well positioned to benefit from work based learning opportunities.

Responding to challenging times in the economy, our support for those facing redundancy was enhanced, particularly for apprentices and those in the oil and gas industry.

We continued to work towards our goal of being an employer of choice and an exemplar of fair work, and sought to provide increased equality of opportunity for our employees and customers. Our recent staff survey revealed improved employee satisfaction with high levels of pride to be working for SDS. We also strive to operate effectively and efficiently, through exemplary governance, sustainability, and financial management.

After another successful year, and in line with the recommendations of the Enterprise and Skills Review, we look forward to collaborating more intensively with our partners as we seek to improve the skills landscape, creating a simpler and seamless system of support for businesses and individuals.

John McClelland CBE
Chair, Skills Development Scotland

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Introduction

About Skills Development Scotland

Skills Development Scotland (SDS) is Scotland's national skills body. We contribute to Scotland's sustainable economic growth by supporting people and businesses to develop and apply their skills.

We work with partners at national, regional and local levels to create a Scotland where:

- employers are able to recruit the right people with the right skills at the right time
- employers have high performing, highly productive, fair and equal workplaces
- people have the right skills and confidence to secure good work and progress in their careers
- there is greater equality of opportunity for all.

We aim to achieve these goals by delivering a diverse and inclusive range of services that help people build the skills to manage their career throughout their lifetime, so they can:



Choose the right pathway through education and into work;



Take advantage of opportunities available within our economy and its employers



Anticipate and plan ahead throughout their career.

Across Scotland, we support individuals to build their career management, work-based and employability skills, throughout their career journey, from school, into further learning opportunities and employment. We are able to use skills intelligence to help inform the decisions of people across Scotland, at all stages of their careers, so that they are well-placed to take up the opportunities arising within the economy. We target delivery of this support to those who need it most, ensuring all individuals are enabled to achieve their full potential.

We work with employers and employer groups on a national, sectoral, regional, local and individual basis; supporting them to recognise and articulate their current and future skills needs, and to engage with the skills system to help ensure it better meets those needs in the short, medium and longer term.

By building strong partnerships with providers, funders and influencers of education and training, we drive a focus on delivering the programmes that will make a real difference to Scotland's communities and economy. Investment in the right skills, at the right time and in the right place is at the heart of our approach to supporting individual achievement, as well as business and economic growth and a fairer Scotland.

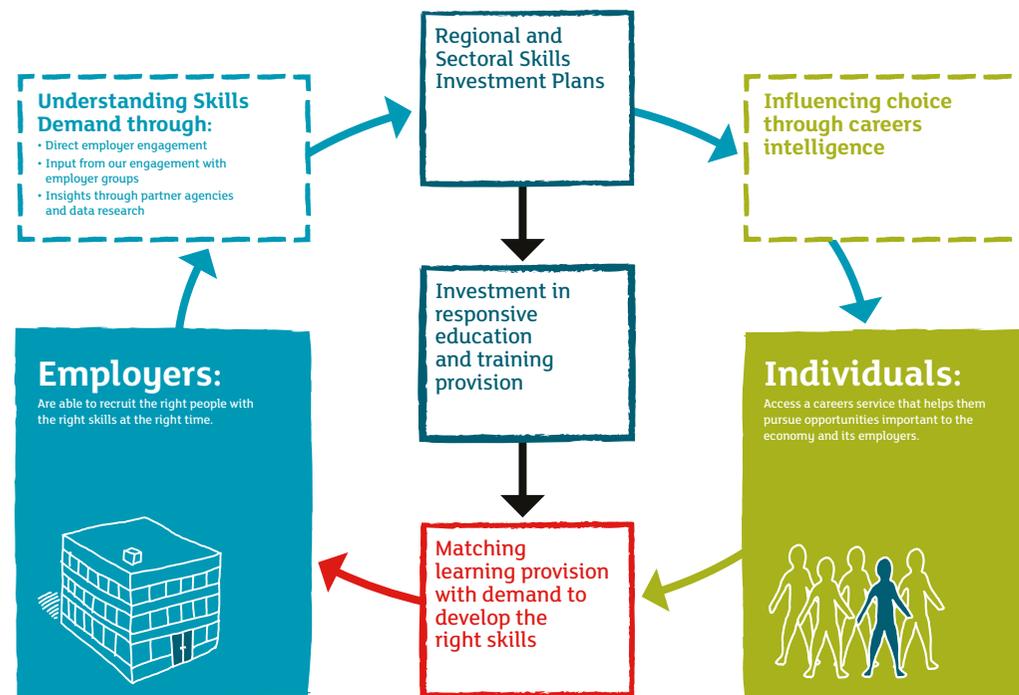
The Skills Planning Model

The Skills Planning Model is core to SDS's role and purpose. It shows how we aim to improve the response of education, training and careers services to the needs of industry and ensure that people have the best possible chance of succeeding in the world of work.

In order for individuals to achieve their potential, they must be equipped with the skills that Scotland's economy and its employers need. Achieving this relies on:

- Building a **robust evidence base** which articulates the current and future skills demands of Scotland
- **Intensive partnership work**, at both a local and national level, to ensure that skills investment is evidence-based and aligned with skills demand
- **Careers Information, Advice and Guidance (CIAG) services** that understand and use the evidence base, so that individuals are supported to make informed choices.

The Skills Planning Model Making Skills Work for Scotland



Skills Planning and Intelligence for Scotland

The Role of Skills Intelligence

As shown in the Skills Planning Model, robust skills intelligence underpins all our work. Skills intelligence helps us to understand the current and future demand for skills and jobs across Scotland, by geography and by industry sector. Developing the depth and quality of the intelligence base allows us to better inform and influence skills investment decisions.

We are committed to working with partners, such as the Scottish Funding Council, to build and use this intelligence base and to make it accessible to all stakeholders. In doing so, we not only inform our own skills planning work; but also empower our partners to make evidence-based decisions on their investment in skills, and contribute to the creation of a more responsive demand-led skills system for Scotland.

Skills intelligence also informs the development of work based learning opportunities and careers intelligence which help shape individual career and learning choices. This helps to further align skills supply and demand, and enables individuals to pursue opportunities which are important to the Scottish economy and its employers.

What we delivered in 2016/17

Regional Skills Assessments (RSAs) are at the heart of providing meaningful, relevant and accessible skills intelligence for Scotland. Having refreshed our approach to RSAs in 2015, our National Skills Planning team published refreshed data sets in December 2016, underpinned by **over 100 social and economic indicators**. The RSA data is made available in a range of slide packs designed to meet local needs including **13 regional bundles, five city deal area packs and 32 local authority summaries**.



1 new SIP Prospectus launched
(**3** SIPS refreshed)



Regional Skills Investment Plans (RSIPs) developed in **3** areas



Local Skills Plans for Orkney, Shetland and Arran

Refreshed RSA evidence base:



13 Regional slide packs



5 City Region Deal summary infographic slide packs



32 local authority summary infographic slide packs

We continue to promote responsive skills provision through our programme of Sector Skills Investment Plans (SIPs) which define the skills needs and development opportunities in Scotland's key industry sectors. The SIPs help to ensure that skills provision adequately reflects current and future demand from employers in those sectors. In 2016/17 we published the **refreshed Food & Drink, Tourism, and Financial Services SIPs**. We also, for the first time, examined the needs of the **Early Years Learning and Childcare** sector in response to anticipated future demand as a result of changing Government policy. The first SIP for this area will be published in 2017. Our team of Sector Skills Managers continued to work in partnership with industry bodies, employers and other stakeholders to ensure the implementation of our other SIPs for Chemical Science, Construction, Creative Industries, Digital Technologies, Energy, Engineering and Life Sciences.

We are equally committed to responding to regional skills needs. Our team of Regional Skills Planning Leads (RSPLs) continued to drive our strategic engagement with key stakeholders locally; including regional colleges, local authorities, universities, regional Developing the Young Workforce (DYW) groups, city and growth deal partnerships and local economic and skills forums. The RSPLs work with these partners to embed the evidence base and analysis produced in the RSAs, and to help ensure that locally-provided learning opportunities derive outcomes which meet local skills needs. For example, in 2016/17 **our RSPLs led workshops with the regional colleges** in Ayrshire and Dumfries and Galloway to support them to use the RSAs to inform their curriculum development. Likewise, the Creative Industries Skills Investment Plan was used directly by Glasgow colleges to inform their joint development, planning and delivery plans for the sector. **We also used the RSA evidence to support local authorities**, including East Ayrshire, West Dunbartonshire and Inverclyde, to consider the focus of their employability provision. This partnership work is critical in ensuring the skills system responds to the needs of local economies.

Regional Skills Investment Plans (RSIPs) form part of our approach and play a central role in focusing collaborative activity on aligning skills provision. Over the past year **we developed RSIPs in Glasgow and Clyde Valley and Edinburgh and the South East**, engaging partners and shaping the work streams of their City Deals. We have also undertaken further regional skills strategy development work in Aberdeen City and Shire as well as building **Local Skills Plans in Arran, Shetland and Orkney**. This vital and extensive work will enable these local areas to better understand, articulate and respond to their skills needs.

Within SDS, we used RSA and SIP intelligence to:

-  Produce local labour market information guides for our careers colleagues
-  Inform the contracting of Scottish Apprenticeships
-  Generate content for our digital services.

Combined, this use of the evidence base within our own organisation helps to ensure that our products and services are evidence-based and responsive to local and national skills demand.



Courtney McDowall, an MA and winner of Springboard's Future Chef 2016, is pictured here with the Tourism SIP

Skills Development Scotland worked with industry to create an action plan to help tourism employers develop the skills they need for further growth.

The Skills Investment Plan for Scotland's Tourism Sector features a three-year programme of initiatives aimed at helping Scotland's tourism businesses improve skills in key areas and to attract new talent.

Priorities include improving management, leadership and enterprise skills; supporting the development of professional and digital skills; enhancing visitor experience; and raising the attractiveness of the sector to new entrants.

Scotland's tourism sector is worth £3.7billion a year to the economy and employs around 200,000 people.

3 Supporting Scotland's Employers

Our work with employers

We engage with employers strategically across Scotland. Through our partnerships with local and sectoral representative bodies, such as Industry Leadership Groups, we seek to better understand the current and future skills demand of Scotland's employers and economy. This understanding also contributes to the intelligence base and helps provide clear direction for skills investment in Scotland, ensuring better alignment of supply and demand.

We also work with employers on an individual basis, supporting them to:

- understand, engage with and create work based learning (WBL) opportunities
- understand the skills they require to achieve their ambitions
- consider how they can meet those needs through work based learning (WBL), and other workforce development, as well as recruitment
- build and maintain fair and equal workplaces that attract and retain talent.

In line with recommendations from the Commission for Developing Scotland's Young Workforce (DYW), we also work with the 19 current DYW regional groups either as board members, or through regular meetings with their Chair or Programme Director. These are employer-led groups set up to provide leadership and a point of contact between employers and education.

What we delivered in 2016/17

In 2016/17 we adopted a more proactive way of working with Scotland's largest employers to ensure they are well positioned to engage in, and benefit from, WBL opportunities. Through this work, **166 of 200 targeted large businesses received support** to increase their capacity to offer WBL opportunities going forward. We also launched a new skills relationship approach in the spring of 2017. This will enable us to engage more effectively with employers, making better use of our existing resources, increasing our reach and providing a greater level of consistency and value for those employers we engage with.

To strengthen our strategic engagement of employers, this year **we established the Scottish Apprenticeship Advisory Board (SAAB)**. The Board gives employers and industry a leading role in the development and governance of apprenticeships in Scotland, supporting the creation of a responsive demand-led Work Based Learning system. This will increase the confidence of both businesses and individuals to invest time, energy and resources into Scottish Apprenticeships.

We continued to offer support for SMEs through our bespoke 'Skills for Growth' programme, delivered via Investors in People. In 2016/17 this programme **supported 212 companies** to match their skills and people needs with their business objectives, 106% of the annual target for delivery.



Paul Campbell is Organisational Learning and Development Lead at Scottish Water and Chair of the SAAB Employer Engagement Group. Paul says:

"The work of the SAAB is vital as a means to bring the business community closer to the development of the learning programmes, frameworks and initiatives.

"The Board gives us a chance to work closely with key agencies and stakeholders within the Scottish skills community, and to provide an employer voice that helps shape skills and investment strategies.

"We now have a family of apprenticeships which allow greater flexibility and choice than ever, and provide pathways for people to develop at different stages of life.

"I would love to see us get to the point where apprenticeships are recognised by businesses, young people and their influencers, as a desired entry route to a fulfilling career, as well as equal to entry into university".

SDS supported the targeted partnership approach to job-losses adopted through six Scottish Government Taskforces that were active in 2016/17. In total across Scotland, **we delivered Partnership Action for Continuing Employment (PACE) services to 299 employers**, working with each organisation individually to support them through times of restructuring and redundancy; demand in 2016/17 was consistent with the 301 employers supported in 2015/16.

Through the promotion and management of the Local Authority-run Scottish Employer Recruitment Incentive (SERI) **we helped 399 companies, including SMEs, to recruit 580 young people from disadvantaged backgrounds**, helping them to become fairer and more diverse workplaces. We also managed a package of complementary in-work support, delivered by the Open Doors Consortium, which provided tailored enhancements such as training, mentoring, and job coaching to help SERI participants sustain their employment.

In total, **we responded to 4,661 individual employer enquiries** during 2016/17 received through our telephone helpline, our web service 'Our Skillsforce', in person, or via partner organisations.

We further supported Scotland's employers to create and sustain fair and equal workplaces by developing equality-focused resources and enhancements to our digital channels for employers; particularly regarding the recruitment and sustained success of young people from under-represented groups.

This included:



publishing a version of our **Equality Toolkit** tailored for employers and training providers



hosting the equality helpline



providing a new 'how to' guide highlighting help, support and legal obligations for employers:
[Why diversity is good for business](#)

In 2016/17 we actively supported DYW groups across Scotland in a variety of ways. Examples include:



part-funding a work based learning regional hub in the Highlands and Islands



working closely with partners in Dumfries and Galloway to help shape and support research that will provide a detailed assessment of employer skill needs in the region



promoting specific interventions to improve outcomes for equalities groups with Glasgow DYW

We also began the national roll-out of 'Marketplace' – a bespoke IT platform hosted on existing SDS websites – that works with regional DYW groups and local authority education departments to enable greater employer engagement with young people in schools and colleges.

Work Based Learning and Scottish Apprenticeships

Our vision for Work Based Learning

We are committed to developing and growing a world-class Work Based Learning (WBL) system in Scotland. Our vision for WBL is that we reach a point where we have a demand-led, responsive skills system in which:

- Young people will have a wide range of learning opportunities to choose from and understand the different career opportunities that exist
- Parents and other influencers will understand and value academic and WBL options equally
- Employers will be able to identify and have access to a pipeline of skilled talent
- Employers will work with schools, colleges and training providers to ensure that the skills they require are provided

Ultimately, we want more people to be work-ready and equipped with the right skills at the right time, making them attractive to employers and more likely to move into employment. This plays a role in achieving Scotland's aim of reducing youth unemployment by 40% by 2021.

We aim to achieve transformational and systemic change by:

- developing and delivering new apprenticeship models that expand the scale and reach of work-based learning options
- strategically expanding existing Modern Apprenticeship provision
- focusing on key sectors, in line with employer demand
- improving the availability of high quality, valued, WBL opportunities, putting them on a par with existing academic routes to learning

With greater opportunity for taking up apprenticeships, there is also scope to enable individuals to move from education to employment more quickly – saving public money, raising tax receipts and saving individuals' time in education and training.

What we delivered in 2016/17

In 2016/17, our Apprenticeship family, incorporating Foundation Apprenticeships (FAs), Modern Apprenticeships (MAs) and our newest product, Graduate Level Apprenticeships (GLAs), was further developed and expanded.

This year, 27 MA frameworks were reviewed and a further 28 updated in consultation with industry, with seven new frameworks introduced in areas such as Career Development, Digital Applications, and Jewellery and Silverware Manufacture. **MA frameworks are available in over 80 occupational areas.** We continued to develop new frameworks to support future expansion of our WBL offer, including FAs in Accountancy and Hospitality and GLA Frameworks for Phase 2 delivery from 2017.

Our established MA programme successfully reached its expansion target for 2016/17 with:

26,262
individuals
starting an
apprenticeship
during the year

76%
of new MAs taken
up by 16-24
year olds

66%
of new MAs
at Level 3
or above

78%
of MAs
completing their
apprenticeships
successfully,
compared to
76% in 2015/16

Building on our MA Equality Action Plan we continued to work to support an increase in the number of MA starts from under-represented groups. In 2016/17 we recorded **improved uptake of MAs from young people who self-identified as disabled¹** (8.6% in 2016/17 compared to 3.9% in 15/16) **and care experienced** (1.3% in 2016/17 compared to 0.9% in 15/16). We also saw an improvement in the number of MA frameworks with a gender imbalance of 75:25 or worse².



351 young people started a Foundation Apprenticeship (FA), across **26** Local Authorities, **113** schools and **18** colleges



Phase 1 of our Graduate Level Apprenticeships (GLAs) will offer up to **379** opportunities

This year, our Foundation Apprenticeship (FA) programme offered young people the opportunity to integrate their senior phase study with WBL opportunities in Social Services, Business Skills, Engineering, Financial Services and IT. In 2016, **351 young people started an FA, across 26 Local Authorities, 113 schools and 18 colleges**. Alongside the expanded delivery of FAs, we continued to help partners understand the value of FAs resulting in eight Scottish universities agreeing to accept an FA as equal to a Higher in their entry requirements, with more showing interest in doing so in the near future.

Following a pilot pathfinder in 2016, Phase 1 of our Graduate Level Apprenticeships (GLAs), which will offer **up to 379 opportunities for individuals**, began in January 2017. Working with industry and education partners, SDS has created **four GLA frameworks**: in IT Software Development, IT Management for Business and Engineering, Design and Manufacture (all at SCQF level 10 - honours degree), and Civil Engineering at SCQF (at level 8 - DipHE). These are now being developed and **delivered by eight Scottish universities and one college**, offering individuals the chance to gain high level qualifications while in paid employment.

We continued to see growth in the volume of users, vacancies uploaded and applications submitted through our dedicated WBL web service, www.apprenticeships.scot. This year, we made further enhancements to the site, expanding it to include opportunities from across the Apprenticeship family, and introducing a new search function for young people looking to start an FA. The site received a total of **27,581 applications to 5,395 total apprenticeship opportunities uploaded in 2016/17**. This was an increase of 89% in the number of opportunities uploaded in 2015/16, reflecting the overall growth and expansion of the site.

In March 2017 we were excited to **launch the Centre for Work Based Learning (WBL)**. The Centre will initially be a partnership between SDS, the University of Strathclyde, Heriot-Watt University and Robert Gordon University, housed within University of Strathclyde's International Public Policy Institute. The core of the Centre's work with employers, educators, policy makers and individuals will be to promote:

- **Policy:** supporting research to develop and influence policy in WBL
- **Practice:** supporting the development and delivery of high quality WBL pathways
- **Perception:** providing a positive voice for WBL to challenge current thinking and effect attitudinal and cultural change.

¹Disclosure was in response to our new disability monitoring question, which asks if individuals have an impairment, health condition or learning difficulty. This was aligned to the question wording recommended by the Equality Challenge Unit (ECU) after extensive consultation with disability partners, modern apprentices, training providers and employers.

²The KPI measure relating to gender representation within Modern Apprenticeships in Scotland's Youth Employment Strategy (2015) is to reduce the number of MA frameworks with a 75:25 gender balance (or worse) to 60% of frameworks by 2021. This is a long-term target which relies on the shift of deeply engrained social and cultural factors. In 2015/16, nearly three-quarters (74%) of MA frameworks had a gender balance of 75:25 or worse. This KPI is currently under review and may be changed for future years

Foundation Apprentice of the Year



When Connor Waldron (pictured above) signed up to the first “pathfinder” Foundation Apprenticeship in Engineering in 2014, he had no idea that it would lead to a Modern Apprenticeship with his local authority.

“When I was at school I thought I didn’t need a qualification to show people that I can work hard. Then I was really surprised when I got to go to college. I felt it was a make or break situation for me, but really wanted to make a go of it,” he said.

Connor a former pupil at St Kentigern’s Academy in Bathgate, spent time at West Lothian College and completed the work-based elements of his Foundation Apprenticeship in Fleet Services at West Lothian Council. In November 2016 Connor’s achievement was recognised when he became the very first “Foundation Apprentice of the Year” at the Scottish Apprenticeship Awards, organised by Skills Development Scotland.

Having completed his Foundation Apprenticeship in summer 2016 Connor is now employed as a Modern Apprentice in HGV Vehicle Maintenance at West Lothian Council.

Subject Choices



Pupils across Scotland have the opportunity of a one-to-one interview with a careers adviser ahead of their early subject choices, as part of SDS’s expanded careers services in schools.

Ella Johns (pictured above), 14, from Renfrew, said: “I want to work in art and design. Talking to the careers adviser helped me to think about the industry more widely, and about what might be best to study to make sure I’ve options when I get older.

“She showed me where on My World of Work you can pick subjects you like and it shows you what careers can come out of those. It’s helping me to see that what I am interested in could lead to working in architecture, engineering or design.

“My parents came to the interview too which was really good.”

Her mum, Audrey, said: “It has helped us as parents because it has given Ella an understanding of what is out there, where her skills lie and how they can be used to her best advantage.”

Scotland's Career Service

Our approach to Careers Information Advice and Guidance

Our Careers Information Advice and Guidance (CIAG) services focus on equipping Scotland's current and future workforce with the Career Management Skills (CMS) they require to achieve their potential. Our career professionals combine CMS development strategies with their knowledge of the evidence base to support individuals to make informed learning and career choices.

CMS are those skills that enable individuals to successfully manage their career. Our CIAG services are focused around four themes of CMS:

- **Self** – Knowing who you are, what you want from your life and how to get it.
- **Strengths** – Knowing what you are good at and how you can best make use of this.
- **Horizons** – Knowing where you are going, how to get there and what to do when things go wrong.
- **Networks** – Knowing how to manage relationships, give and receive help and use your networks to support your career building.



In 2016/17 our staff supported 248,715 individuals, through a mix of 566,510 individual and group engagements.

What we delivered in 2016/17

The majority of our services are delivered in schools. In line with recommendations from Scotland's Youth Employment Strategy, **we began nationwide delivery of our expanded CIAG service offer in schools** in August 2016. This new approach is designed to engage and inspire young people at an earlier stage, and help them to develop CMS, make informed choices, and be better prepared for the world of work. Our CIAG service offer in schools across Scotland now includes:



A suite of lesson plans and resources, co-designed with teachers, to support delivery of the Career Education Standard in the classroom, from P5 upwards.



A group session for all pupils making the transition from primary to secondary school



The offer of individual support to all S2/S3 pupils making subject choices and their parent/carers



Group work activity for all pupils in S2/S3



Increased support for those S3 pupils identified as having greatest need



Group work options for pupils in the senior phase (S4-S6)



Targeted one-to-one coaching support for senior phase pupils identified as needing additional help to achieve a positive destination after school



Access to My World of Work and drop-in sessions for all pupils, with one-to-one interviews available on request.

The service offer is designed to be flexible to meet the needs of each school, and the exact detail of delivery is decided in consultation with teaching staff through our annual School Partnership Agreements. Feedback taken in autumn 2016 shows that **Head Teachers** are very satisfied with our service in schools, and on average **gave us a satisfaction rating of 9.1 out of 10.**

In the operating year 2016/17, within Scotland's publicly funded secondary and special schools, our **CIAG staff supported 202,314 pupils by delivering a total of 427,294 individual and group engagements.** These included support to pupils making subject choices in S2 and S3 and to those in the senior phase considering their post-school options. Our commitment to continuous improvement in schools again achieved an increase in **pupil satisfaction** as reported in our School Leavers' Survey, **rising from 67% to 70% in 2016** (overall satisfaction was even greater for school leavers in the targeted group, at 78%).

Data published by Scottish Government³ in March 2017 confirmed a continued year-on-year increase of school leavers entering positive destinations, with **93.3% of 2015/16 senior phase school leavers in a positive destination** approximately three months after leaving school (compared to 93.0% in 2014/15). Looking at five year trends, there are now **more school leavers entering employment** (22.3% in 2015/16 compared to 19.8% in 2011/12) and fewer leavers unemployed and seeking training or employment (5.1% in 2015/16 compared to 8.2% in 2011/12). These results indicate an increase in the ability of school leavers to make positive transitions.



Paul Durkin, teacher, Helen Garn, SDS Team Leader, and 4th year pupils Page Carson, Mark Russell and Ryan Cottrell.

Our CIAG offer in schools and beyond is supported by our award winning CIAG web service My World of Work (MyWoW). Our MyWoW offer was enhanced throughout 2016/17, including by:

- Launching **three 'ICan' digital tools** which introduce P5 – P7 pupils to CMS and support raising aspiration, and challenging stereotypes and bias in career choice, from an early age.
- Introducing a set of **six career themes** (Create, Discover, Produce, Protect, Care and Support) which allow customers who have a 'rough idea' of what they want to do the chance to explore a wide range of choices and opportunities available to them in that field.
- Developing **Qualification Route-maps** which help customers to build a pathway to their chosen career, with signposting to detailed information on potential qualifications, courses and apprenticeships.
- Enabling our **course search results** to be filtered, including by distance (with a "Scotland only" tick box), qualification level, and study method.
- Enhancing our **subject choices tool** to directly support the new CIAG offer in schools.

Following a successful pilot programme, we rolled out our MyWoW Ambassador programme to schools across Scotland. Through this initiative, pupils are trained and supported to become peer advocates for the My World of Work service within their school. **We now have 931 Ambassadors active in 103 schools, with nearly 131 more schools signed up to start in 2017.**

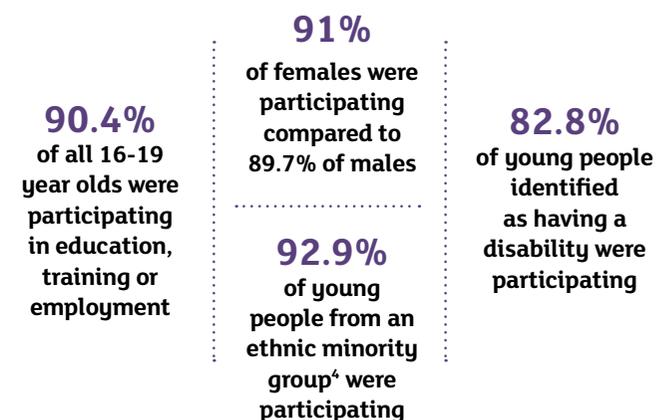
Building on the continuing success of MyWoW Live! at the Glasgow Science Centre, we introduced **two new interactive sites** in Inverness and Shetland. Our exhibitions offer young people the opportunity to take part in 'Inspiring Activities', which are designed to promote science, technology, engineering and mathematics (STEM) subject and career choices. Our innovative work was recognised with **two nominations for Best Use of Technology in Career Development** at the Career Development Awards in March 2017; ultimately winning for 'Virtual Reality Careers in Construction' – a set of three virtual reality mini-games developed by SDS in partnership with the Construction Industry Training Board (CITB), Heriot-Watt University and Animmersion UK Ltd.

Through our Careers Centres we maintained a strong focus on supporting the 'Opportunities for All' agenda. Despite a fall in the numbers of 15-19 year olds requiring post-school support, **we worked with 17,489 unemployed young people** through one-to-one and group activities. Some young people require a greater level of support to achieve and sustain a positive destination after leaving school, such as further education or employment. Of those young people who received enhanced support in 2016/17, **52% progressed into a positive destination**; of those targeted young people progressing to a positive outcome, 53% sustained their destination for six months.

In September 2016, we started to develop a **new approach to delivering post-school CIAG support** in 10 pathfinder Careers Centres across Scotland. The new resulting service offer, 'Next Steps', provides a greater intensity of support for 16-19 year olds who have not yet achieved a positive destination after leaving education. It also extends targeted post-school provision to care-experienced young people up to their 26th birthday. Learning from colleagues involved in pathfinder delivery informed refinement of the 'Next Steps' service offer prior to nationwide roll-out in 2017.

We published the second Participation Measure in August 2016, using a refined methodology. The Participation Measure provides analysis of the number of 16-19 year olds in learning, training or work, supporting greater understanding of the activities and needs of young people in Scotland.

This year the figures indicated:



⁴The Ethnic Minority totals include young people from the following ethnic groups: Mixed or Multiple Ethnic Groups, Asian, Asian Scottish or Asian British, African, Caribbean or Black and Other Ethnic Background. The Participation Rate for the non ethnic and non visible ethnicity group was 90.3%. This group includes young people from the following ethnic groups: White – Scottish, White – Other British, White – Irish, White – Polish, White – Gypsy/Traveller and White – Other

Employability Skills

We support individuals through a range of programmes, to increase their work-based and employability skills, enabling them to take their first steps into the labour market, or to make successful career change and progression.

What we delivered in 2016/17

The Employability Fund (EF) supported 11,717 unemployed individuals to access specialist support to build their employability skills – the majority of whom (72%) were aged 16-24. EF provides support through programmes jointly commissioned with partners locally. **70% of EF participants in 2016/17⁵ achieved a qualification, progressed to a further stage of the pipeline, or entered employment during the programme.** Of leavers achieving an outcome in 2016/17, 65% moved into employment. Both figures are consistent with performance in 2015/16.

Last year we **supported 2,107 young people** to gain vital experience in the workplace through **the Certificate of Work Readiness**, and provided people with low incomes, who were looking to enter or progress in employment, the opportunity to attend **20,357 courses across Scotland funded by Individual Learning Accounts (ILAs)**

The National Third Sector Fund (NTSF), launched in 2016, delivers additional employability provision in Scotland through European Funding, managed by SDS and delivered by Third Sector organisations. The majority of provision is offered at Stage 1 of the Employability Skills Pipeline. The NTSF contracts were issued in October 2016 with an initial tranche of seven providers commencing contract delivery. **Over 300 individuals have already benefitted from this specialist support.⁶**

Reflecting the sustained challenges in the economy, there was a continued need for Partnership Action for Continuing Employment (PACE) activity, led by SDS. In 2016/17, 34%⁶ of total PACE activity was concentrated in and around employers based in Aberdeen City and Shire, with **3,165 individuals attending one or more of four Oil and Gas events held in Grampian.**

We offer enhanced support to those affected by redundancy from the Oil and Gas sector through the Transition Training Fund (TTF). Since April 2016, **over 1,800 individuals have successfully applied for help to retrain, improve their skills or get accreditation that would help them get a new job**, with 87% of surveyed beneficiaries believing TTF has improved their job prospects. We also strengthened our service to apprentices who face redundancy, supporting 424 individuals in 2016/17. **Over two-thirds of those supported achieved positive destinations**, with the largest group being supported to complete their apprenticeship with a new employer.

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⁵ 2016/17 figures relate to EF leavers between July 2015 and June 2016

⁶ This figure was previously reported as over 600 which was correct at the time of original publication but not accurate 2016/17 delivery

⁷ Based on individuals supported

Our Organisation

Our organisational aims

We recognise that delivery of high quality, customer focused services relies on having engaged and empowered employees, adequately assisted by effective support services. This is why our organisational aim is to be an employer of choice, an exemplar of fair work and internationally recognised for excellence, innovation and customer-focus.

Our ambitions focus on areas where we believe we can achieve the greatest difference. The main themes are:

- people management and development
- fair work, equality, diversity and social responsibility
- making best use of our resources, including harnessing our digital capability, and
- embedding continuous improvement through all our work.

These themes help ensure we respond fully to the Scottish Government's corporate expectations of public bodies, including the renewed emphasis on creating public sector efficiencies, as highlighted in the Enterprise and Skills Review.



Current and former SDS Young Talent programme participants

What we achieved in 2016/17

A key step towards achieving our ambition to be an employer of choice and an exemplar of fair work in 2016/17 was to carry out a Strategic Pay Review. The Review was a significant programme of joint working with our recognised trade unions, Unison and PCS. The successful completion of the review allows us to be competitive in the wider job market, target investment into our core customer facing roles, and address identified equality issues within our workforce. In 2017, **our gender pay gap further narrowed to 11.2%**, compared to 13.1% in 2015, and 15.7% in 2010.

Our new pay structure is accompanied by a **new approach to employee development and performance management** known as 'My Contribution'. This approach will support our continued journey towards creating a culture of Everyday Leadership; by providing greater clarity to colleagues on the role they play within the business, and by building competence through an **enhanced CPD offer to all employees**, enabling them to perform to the best of their capability.

We remained committed to developing Scotland's young workforce in 2016/17, and started a **further 60 people on our Young Talent programme**; through a combination of traineeships, internships and Modern Apprenticeships. This programme has had a positive impact on the make-up of our workforce; contributing towards a **5.2 percentage point increase in the proportion of SDS employees aged 16-24 since 2013**.

In 2016, we took part in the Stonewall workplace equality index and **significantly improved both our previous score and ranking**. In addition, we attended Glasgow Pride for the first time, promoting SDS as both an inclusive employer and a provider of accessible services. We were also proud to be **shortlisted for a Family Friendly Working Award**. Our commitment to promoting equality extends into all areas of our work, as demonstrated in our latest **Corporate Parenting Plan, Gaelic Language Plan, and Equality & Diversity Mainstreaming Report** which were all developed in 2016/17.

We published our new Corporate Procurement Strategy 2016-20 in December 2016, incorporating our 2020 Procurement Vision and Mission Statement. We also responded to the legislative changes from new domestic and European procurement legislation introduced on 18 April 2016. This year, **our Procurement Team was ranked as High Performing through the independent Procurement Commercial Improvement Programme** and also completed the central government Procurement Competency Framework, based on the Chartered Institute of Purchasing and Supply Global Occupational Standards.

We continued to harness our digital capability to improve both our efficiency and effectiveness as an organisation. In 2016/17 this included:

- the continued roll-out of our **Electronic Document and Records Management System**, 'IShare', to support the effective management of internal records, in line with the Public Records Scotland Act (2011).
- working extensively towards improving the **integration of customer databases**, financial and other management information systems,
- the **introduction of the 'FIPS'** system for managing information and payments for our National Training Programmes.
- working across the business, and with external partners, to continually **enhance our information quality and data management processes**.

We continued to embed our commitment to continuous improvement, with teams across the business adopting our Business Excellence self-assessment programme. Alongside CIAG teams, colleagues from **five of our support services, including HR and Finance, carried out their first team self-assessments in 2016/17**.

We worked closely with Education Scotland (ES) as they conducted five external reviews of our CIAG services as well as reviewing off-the-job training provision for the MA Hairdressing Framework. The ES reviews again endorsed the quality of the CIAG services we deliver to our customers, with **100% of the CIAG review scores receiving a rating of good or above, and 73% rated very good or excellent**. This represents a six percentage point increase over two years in the proportion of CIAG services rated very good or excellent. In addition to this, three CIAG teams received an 18 month follow up review, which demonstrated that they had fully implemented their main points for action from the previous assessment.

In line with our commitment and obligation to make best use of our resources, in April 2016 we published our second Carbon Management Plan with a target to reduce SDS's carbon emissions by 42% by April 2020, from our 2010/11 baseline. This was driven by our success in surpassing our first reduction target of 30%, achieving a 35% reduction by April 2015. **We are proud to report that the 2020 target for carbon reduction was met three years early in 2016/17**. More information on our commitment to sustainability is available in our annual Sustainability Report on our website.



Colleagues attended Glasgow Pride for the first time last year to promote SDS as an equal opportunities employer and a provider of inclusive services.

Colleagues from our Careers Information Advice and Guidance (CIAG) Services and HR represented us at Glasgow Pride in August 2016.

The event was sold out, and our stand was extremely busy, with colleagues on hand to promote the range of services we offer as well as opportunities to work with SDS.

Colleagues received positive feedback from visitors to the stand, with many saying they would now use CIAG services or look for potential career opportunities within our organisation.

Overall, the day was a great success: promoting SDS as an employer of choice, and demonstrating our commitment to diversity and inclusion. We look forward to attending Pride events in both Glasgow and Edinburgh during 2017.

We are now entering the third year of our five year Corporate Plan period. As demonstrated in this annual review, we have already made real progress in achieving our ambitions for individuals and for employers in Scotland, reflected in our performance results and our new and improved products and services. We look forward to the opportunity to take forward this work in the year ahead, as detailed in the SDS Operating Plan 2017-18.