I am delighted to present our 2018/2019 Annual Review. Over the past year, we have continued to help drive a strong, vibrant and resilient Scottish economy by supporting our nation’s people and businesses to reach their potential.

Despite economic, demographic and political change, we have delivered services to both employers and individuals in a bid to drive productivity and inclusive growth.

Throughout 2018/19, we have worked hard to ensure individuals are equipped with the right skills and information to seize opportunities through our school careers service, post-school support and our online web service, My World of Work.

We've expanded our apprenticeship family and continued to develop a demand-led, responsive work-based learning system in Scotland, not only providing record numbers of high quality Modern Apprenticeship opportunities but ensuring greater choice and availability of Foundation and Graduate Apprenticeships.

This year, we continued to build a robust evidence base. Throughout 2018/19, we strengthened the national, regional and local evidence to ensure we effectively respond to current and future skills demand and shape skills provision and investment.

We recognise that we would not be able to achieve our ambitions for Scotland without our education, industry and agency partners. This year, we have continued to nurture strong links with education partners and employers including, through Scottish Apprenticeship Advisory Board (SAAB) and our newly establish Scottish Apprentice Network, to drive an industry-led approach to skills development.

Much of our work in 2018/19 has been characterised by a desire for greater alignment amongst the enterprise and skills agencies. In line with the actions and recommendations of the Enterprise and Skills Strategic Board, we have worked closely with partners, particularly the Scottish Funding Council, to drive improvements in the skills system and lay the foundations for even greater alignment going forward.

None of what we have achieved this year would have been possible without the talent, passion and commitment of our colleagues. We’re a step closer to achieving our ambition to be an employer of choice, having received national recognition for our efforts and seen record levels of positive engagement in our annual staff survey.

We will continue to do our best for the people and businesses of Scotland, driving productivity and inclusive growth that will see our nation succeed in the global economy.
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8 Supporting Scotland’s Employers

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18 Our Organisation
Skills Development Scotland (SDS) is the national skills agency in Scotland. Our purpose is to drive productivity and inclusive growth through investment in skills, enabling businesses and people to achieve their full potential. We engage with partners at national, regional and local level, flexing and shaping our delivery to meet local needs and priorities, while informed by the knowledge of effective practice from across the country and beyond.

2018/19 represents the last year of our current corporate planning period, which was reduced by one year following the recommendation of the Enterprise & Skills Strategic Board to align the planning of the skills and enterprise agencies around a fresh commitment to raising Scotland’s productivity, equality, sustainability and wellbeing to OECD top quartile levels.

Corporate Performance Framework

Our Corporate Plan is supported by a Corporate Performance Framework (see figure 1) which defines the outcomes we are seeking to achieve. These outcomes are used to monitor success and progress against our Corporate Plan and provide the focus for this Annual Review.

Skills Development Scotland Corporate Performance Framework

Our ambition for employers: Goal 1 and Goal 2
Making skills work for employers

Employer Outcomes: Scotland’s Employers
Inform and participate in an Effective Skills System
Have Fair and Successful Workplaces

Our ambition for individuals: Goal 3 and Goal 4
Making skills work for individuals

Individual Outcomes: Scotland’s Individuals
Have access to coherent Career Pathways
Are able to make Informed Choices
Achieve and Progress in their careers

Our ambition for our organisation: Goal 5

Organisational Outcomes: Our Organisation
Is an Employer of Choice
Makes Best Use of its Resources
Has Satisfied Customers

Is recognised for Excellence and Innovation

Figure 1: Corporate Goals and Outcomes (2015 – 19)
Skills Planning & Intelligence

Skills intelligence helps us to understand the current and future demand for skills and jobs across Scotland, by geography, industry sector and occupation. Over the life of our Corporate Plan, we have developed the depth and quality of the intelligence base, through the collation and analysis of labour market information, and by working in partnership with industry to identify and articulate current and future skills demand.

Working closely with partners, particularly the Scottish Funding Council (SFC), we are increasingly using our intelligence base to inform skills provision, and to support all stakeholders in the Scottish skills system to do the same. Skills intelligence already informs our own work. It empowers our partners to make evidence-based decisions on their own investment in skills, contributing to the creation of a more responsive, demand-led skills system for Scotland.

Moving forward, and in collaboration with the SFC, we will be implementing a new 5-stage model to better align skills investment with learner and employer demand.

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<thead>
<tr>
<th>SDS Corporate Performance Outcome</th>
<th>2018/19 Key Achievements</th>
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<tr>
<td>Effective Skills System</td>
<td>• Agreement with the SFC to pilot the 5-stage skills alignment model in Glasgow college region</td>
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<td>• Aberdeen City &amp; Shire Regional Skills Investment Plan (RSIP) published (May 18)</td>
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<td>• Life and Chemical Sciences sector Skills Investment Plan (SIP) developed in partnership and published (May 18)</td>
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<td>• Historic Environment Skills Investment Plan published (March 19)</td>
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<td>• In response to identified demand, and in partnership with employers, industry, and the devolved administrations of Wales and Northern Ireland, newly developed or reviewed the content of:</td>
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<td>- 83 suites of National Occupational Standards</td>
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<td>- 63 Scottish Qualification products (SVQs/CBQs), and</td>
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<td>- 38 Apprenticeship Frameworks, including 17 Scottish Modern Apprenticeships.</td>
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<td>• Centre for Work-based Learning (CWBL) partnered with Scottish Apprenticeship Advisory Board (SAAB) to host an event at Edrington’s global headquarters as part of Scottish Apprenticeship Week showcasing the technology that is driving the future of work, skills and “industry 4.0”, and discussing its impact on work-based learning.</td>
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</table>
Digital Skills
Girlguiding Badge

The ICT and digital technologies sector is of crucial importance to the Scottish economy and a strong infrastructure is needed to support future prosperity.

One of many initiatives that has come from our Digital Technologies Skills Investment Plan is the launch of the Digital Scotland Challenge badge in 2018.

Designed in partnership with Girlguiding Scotland and Education Scotland, it aims to change perceptions and teach young girls about computers, algorithms, creativity, design, and computational thinking, as well as highlighting career options in the industry.
Supporting Scotland’s Employers

In addition to our partnerships with local and industry representative bodies, such as Chambers of Commerce and Industry Leadership Groups, we also work with employers on an individual basis, to support them to grow and prosper through investment in skills. Across Scotland we support employers, regardless of sector or size, 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 WBL, and other workforce development, as well as recruitment
• Build and maintain fair and equal workplaces that attract and retain talent.

SDS Corporate Performance Outcome

2018/19 Key Achievements

<table>
<thead>
<tr>
<th>Fair &amp; Successful Workplaces</th>
<th>2018/19 Key Achievements</th>
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<td>• 149 small and medium sized enterprises (SMEs) were supported to match their skills and people needs with their business objectives through Skills for Growth</td>
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<td>• Employers were supported to recruit 508 unemployed young people facing barriers to work through the Scottish Employer Recruitment Incentive (SERI)</td>
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<td>• We recorded in the region of 36,000 users on the ‘Our Skillsforce’ employer website</td>
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<td>• 268 new employers registered on Marketplace in 2018/19; facilitating engagement with schools across 11 Developing the Young Workforce (DYW) areas</td>
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<td>• 450 events were created on Marketplace</td>
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<td>• SAAB Apprentice Engagement Group was established, to support the Employer Engagement Group and strengthen the voice of apprentices in shaping and developing work-based learning in Scotland.</td>
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<tr>
<th>Satisfied Customers</th>
<th>2018/19 Key Achievements</th>
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<td></td>
<td>• 97% respondents would recommend SERI to other employers to support the recruitment of those from the target groups.</td>
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</table>
Supporting apprenticeship delivery in the Highlands

One of the world’s largest providers of consulting, technology services and digital transformation, Capgemini, created its apprenticeship programme to develop specific IT skills, address skills gaps and offer new jobs across the Highlands – where employment opportunities can be limited.

Their efforts were recognised in 2018 when Capgemini reached the finals of the Large Employer of the Year category in the Scottish Apprenticeship Awards.

Darren Robbins runs the company’s apprenticeship programme, he said: “Learning on the job and being able to relate it to tangible work is a huge benefit for apprentices. They understand how the work they are doing affects clients and what tools are required.”

He added that Skills Development Scotland and the University of the Highlands and Islands have been a huge support for Capgemini’s apprenticeship programme.
Work-based Learning & Scottish Apprenticeships

We are committed to developing and growing a flexible and dynamic 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 have a wide range of learning opportunities to choose from and understand the different career opportunities that exist
- Parents and other influencers understand and value academic and work-based learning options equally
- Employers can identify, and have access to, a pipeline of skilled talent
- Employers work with schools, colleges and training providers to ensure that the skills they require are provided.

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<thead>
<tr>
<th>SDS Corporate Performance Outcome</th>
<th>2018/19 Key Achievements</th>
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| **Fair & Successful Workplaces**  | • 7,229 job opportunities were advertised by employers on Apprenticeships.scot up from 6,333 in 2017/18  
• The CWBL held its 5th annual Symposium, Work-based Learning for #AHumanFuture, attended by over 100 global directors, policy makers and educationalists.  
• Our apprenticeship evaluation model was agreed with Scottish Government and partners to use as the Education & Skills Impact Framework (ESIF). |
| **Career & Learning Pathways**    | • Exceeded target for 2018-19 with 28,191 apprenticeship starts including:  
  • 27,270 Modern Apprenticeship (MA) starts  
  • 921 Graduate Apprenticeship (GA) starts, up from 278 GAs in 2017/18  
  • Starts to child care related frameworks specifically increased by +411 starts (or +24%), reflecting the policy focus in this area  
  • 72% of MA starts were at SCQF level 6 or above and VQ level 3  
  • GA contracting completed to offer up to 1,400 opportunities in 19/20 with the programme now offering 13 frameworks within 15 institutions  
  • 1,532 Foundation Apprenticeships (FAs) started in the 2018-20 cohort and are being delivered in 272 secondary schools in 31 local authorities  
  • Work-based learning at SCQF Levels 4 and 5 was piloted in the senior phase of secondary school  
  • There were over 700,000 users of Apprenticeships.scot, exceeding target by 15% (Over 555,000 users last year)  
  • Hosted Scotland’s first Apprentice Convention in November 2018 – the largest ever gathering of apprentices in Scotland with over 500 apprentices from over 100 organisations. |
| **Achieve & Progress**            | • 76% of leavers in 2018/19 achieved their Modern Apprenticeship  
• 98.7% of cohort 1(2016-2018) FA completers are now in education, training or employment. |
FA to 5K

We successfully delivered on the Scottish Government’s commitment to make 5,000 Foundation Apprenticeship opportunities available by the end of 2019.

We launched a national campaign to raise awareness of Foundation Apprenticeships which featured across a range of media channels, including TV, radio, social media and print during important stages of the academic year, when students were making their subject choices for S5 and S6.

Promotional activity highlighted Foundation Apprenticeships and their benefits, featuring apprentices in both a school and work environment. An updated toolkit of resources and materials for use by SDS colleagues, delivery partners and all those with a shared interest in the success of Foundation Apprenticeships was also featured as part of the campaign.

Lucy Gallagher, Business Skills Foundation Apprentice at Dell
Scotland’s Career Service

Our all-age Career Information, Advice and Guidance (CIAG) services focus on equipping Scotland’s current and future workforce with the Career Management Skills (CMS) they require, and the information they need, to achieve their potential. Our CIAG services are available to all, with Careers Advisers in all state-maintained secondary schools and a network of SDS centres across the country.

Our career professionals combine CMS development strategies with their knowledge of the evidence base to support individuals to make informed learning and career choices. Our face-to-face support is targeted to those with the greatest need and delivered alongside the universally available web service, My World of Work.

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<tr>
<th>SDS Corporate Performance Outcome</th>
<th>2018/19 Key Achievements</th>
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| **Informed Choices**             | • We continue to embed of our enhanced service offer in 357 publicly funded secondary schools and **over 100** special and residential schools  
• In the 2018/19 academic year, to the end of May 2019, **205,814** secondary pupils received **415,084** CIAG engagements in all schools  
• **95%** of P7/S1 pupils received transition group work from SDS in secondary schools  
• **88%** of S2/S3 pupils making subject choices received an individual engagement in secondary schools  
• In the 2018/19 academic year, to the end of May 2019, **95%** of targeted pupils in S4-S6 received coaching (guidance) in all schools  
• In the 2018/19 academic year, to the end of May 2019, **85%** of targeted senior phase school pupils showed improved Career Management Skills.  
• **Next Steps**, our intensive case-managed service for young unemployed people, supported **8,977** people in its second year  
• In the 2018/19 operating year, **66%** of Next Steps customers showed improved Career Management Skills  
• In the 2018/19 operating year, over **42,000** people accessed our universal CIAG service and received support through over **89,000** engagements  
• **Over 2.6 million users** of our award winning CIAG web service, ‘My World of Work’, up from 2.2 million users last year  
• **My Kids’s Career website** launched to help current and future parents and carers have career conversations at the right time. |
| **Career Pathways**              | • **84%** of senior phase school pupils (S4-S6) surveyed in 2018 agreed that their Careers Adviser supported them to make their own decisions and take control of their career path  
• **66%** of Next Steps customers supported by SDS (5,498 individuals) progressed to learning, training or work. |
| **Achieve & Progress**           | • **94.4%** of 2017/18 senior phase school leavers were in a positive destination approx. 3 months after leaving school (from **93.7%** in 16/17)  
• **59%** of Next Steps customers supported by SDS (4,163 individuals) progressed to learning, training or work, and sustained that outcome for 6 months (compared to **58%** in 2017/18)  
• The Annual Participation Measure 2018, published by SDS, showed **91.8%** of Scotland’s 16 –19 year olds had been participating in education, training or employment, up from **91.1%** in the previous year. |
| **Satisfied Customers**          | • **7 in 10** senior phase school pupils (S4-S6) were satisfied with the amount and range of support available to them, and their ability to access support when needed  
• **98.5%** overall satisfaction rate with Next Steps service  
• **98.1%** of Next Steps customers likely to recommend to others. |
| **Excellence & Innovation**      | • Education Scotland reviewed CIAG provision in seven Local Authority Areas with **97%** of review grades scored at good or above. |
Scott Morris had an apprenticeship lined up after finishing school but when he realised he didn't get the necessary grades in his exams, he turned to SDS' Next Steps programme for support.

Next Steps is a programme of intensive career information, advice and guidance support offered to unemployed young people aged 15 to 18-and-a-half.

After meeting with an SDS Careers Adviser, Scott was talked through the different opportunities he could explore and received help to build a CV. He’s now back in education, studying for an HNC in Business at Fife College, with plans to continue to university for a degree in Sports Management.

He said: “It’s helped me realise what I can do with the qualifications I’ve got and that there’s really no limitation on what I can do. It has obviously opened my mind up to the pathways you can take.”
We support individuals through a range of programmes to increase their work-based and employability skills, enabling them to experience and enter the labour market, make successful career choices and progress within those careers. We also support those facing redundancy, equipping them with the career management skills they need to adapt to change.

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<tr>
<td><strong>Career Pathways</strong></td>
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<td>• 9,398 people started on the Employability Fund(^1), exceeding the 2018/19 target for 9,000 starts</td>
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<td>• 5,237 individuals were supported by the National Third Sector Fund</td>
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<td>• 1,260 people started the Certificate of Work Readiness</td>
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<td>• 21,716 applications for Individual Training Accounts (ITAs) were approved, which enabled individuals to achieve work-related qualifications</td>
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<td>• Employees in 304 companies were supported through Partnership Action for Continuing Employment (PACE), up from 233 companies in 17/18</td>
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<td>• The Transition Training Fund (TTF) closed after receiving over 10,000 applications since it was established in 2016, of which over 900 applications were approved in 2018/19</td>
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<td>• 521 redundant apprentices were given support from SDS to access alternative learning and/or employment destinations, up from 407 in 17/18.</td>
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| Achieve & Progress |                          |
|• 74% of leavers from the Employability Fund achieved a positive outcome in the form of an outcome, an output or both |
|• 53.5% of Employability Fund leavers achieved an outcome, +1.2 percentage points (pp) on the previous year |
|• 68% of outcomes were job related (3,318 of 4,894 outcomes), +0.4 pp on the previous cohort and -0.2 pp on 2017/18. |

\(^1\) All Employability Fund (EF) starts figures contained within this document relate to EF starts in 2018/19 (April 2018 – March 2019. All EF Outcomes and Outputs relate to a cohort of leavers (from July 2017 to June 2018)
PACE support

Having worked for the same employer for 23 years, being made redundant came as a shock to Audrey Lawson.

The 48-year-old from Airdrie worked for OKI in Cumbernauld when the firm announced plans to shut the site in August 2018. Audrey and her colleagues received support from PACE – the Scottish Government’s initiative for responding to redundancy situations.

SDS leads on the delivery of PACE support in conjunction with several partners including JobCentre Plus, local authorities, and Citizens Advice Scotland.

Supported by SDS Careers Adviser Glen Manchip, Audrey went on to secure a post with care provider Cornerstone. She said: “There’s no doubt that the support from PACE has been important in me getting a new job. I’d definitely recommend to other people facing redundancy that they make use of PACE. The help that is available is invaluable.”
We are deeply committed to improving equality, diversity and inclusivity both as an employer and as a provider of services. This commitment runs through every aspect of our work. From supporting employers to adopt inclusive recruitment, challenging stereotypes in schools, and continually seeking to refine and improve our own practices as an employer.

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<td><strong>Informed Choices</strong></td>
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<td>• In the 2018/19 academic year, to the end of May 2019, 84% of senior phase pupils in maintained schools with known care experience, and 76% of disabled senior phase pupils, received coaching guidance from SDS, compared to 47% of all senior phase pupils.</td>
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<tr>
<td><strong>Career Pathways</strong></td>
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| • Diversity in Modern Apprenticeship starts included:  
  • 14.1% for those who self-identify as having a disability (up from 2.9pp on 2017/18)  
  • 1.5% for those who self-identify as care experienced (down from 0.1pp on 2017/18)  
  • 2.3% for those who self-identify as being from a minority ethnic group (up 0.4pp on 2017/18)  
  • The annual report on our Apprenticeship Equality Action Plan was published in August 2018, and broadened to incorporate the whole apprenticeship family  
• Diversity in Employability Fund starts included:  
  • 24.3% for those who self-identify as having a disability (up 2.2pp on 2017/18)  
  • 7.1% for those who self-identify as care experienced (down 0.3pp on 2017/18)  
  • 4.0% for those who self-identify as being from a minority ethnic group (up from 0.5pp on 2017/18)  
• The Employer’s Guide to Recruitment was published, forming part of a series of guides to help employers achieve a more diverse workforce. |
| **Achieve & Progress**           |                          |
| • Diversity in Modern Apprenticeship achievement rate included:  
  • 69% for those who self-identify as having a disability (up 1.0pp on 2017/18)  
  • 59% for those who self-identify as care experienced (up 1.0pp on 2017/18)  
  • 75% for those who self-identify as being from a minority ethnic group (up 2.0pp on 2017/18)  
• Diversity in Employability Fund achievement rate included:  
  • 71.1% for those who self-identify as having a disability (up 1.9pp on 2017/18)  
  • 63.5% for those who self-identify as care experienced (up 3.1pp on 2017/18)  
  • 77.2% for those who self-identify as being from a minority ethnic group (up 8.2pp on 2017/18). |
| **Employer of Choice**           |                          |
| • 50:50 gender balance of Board Members achieved ahead of 2020 target  
• An anonymous application form was introduced in August 2018 as a positive action initiative to address the potential impact of unconscious bias in the recruitment process.  
• 92% of colleagues agree SDS is an equal opportunities employer (up from 91% in 2017). |
Stonewall success

SDS was recognised as the ‘Top Public Sector Employer in Scotland’ and placed 18th on the Stonewall Top 100 Employers list for 2019, demonstrating our commitment to LGBT workplace inclusion.

We were also noted as a Stonewall Top Trans Inclusive employer for supporting trans awareness at work.

Stonewall, the leading charity for lesbian, gay, bi and trans equality, compiles the list from submissions to the Workplace Equality Index, a powerful benchmarking tool used by employers to assess their achievements and progress on LGBT equality in the workplace, as well as their wider work in the community and on service provision.

Representatives from our HR team with our Stonewall award
## 2018/19 Key Achievements

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| **Employer of choice**           | • Established a Youth Board, made up of employees aged 16 – 28 to enhance the voice of young people across the organisation  
• 99% of colleagues achieved their 2018 target for continuing professional development  
• There are 80 current participants on our Young Talent Programme employed in a combination of traineeships, internships and Modern, Technical & Graduate Apprenticeships; including 57 newly appointed colleagues in 2018-19.  
• 93% of Young Talent leavers went on to a positive destination  
• 91% of colleagues agree that they are proud to work for SDS (up from 89% in 2017)  
• 91% of employees would recommend SDS as a place to work. |
| **Excellence & Innovation**       | • **Investors in Young People Gold Award** achieved in 2018  
• Significantly improved both our previous score and ranking in the [Stonewall workplace equality index](https://www.stonewall.org.uk/workplace-equality-index), from 335th in the UK in 2015 to 18th and top employer in Scotland in 2019. |
| **Best use of Resources**         | • Having achieved our 2020 target of 42% carbon reduction three years early in 2017, a new 2020 target was set of an 8% reduction in energy consumption on a 2016/17 baseline. With one year remaining, we are on track to achieve the target with a 7% reduction in 2018/19  
• Total value for money savings realised on central contracts placed by SDS of £618,358. |

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**Our Organisation**

Delivery of high quality, customer focused services requires engaged and empowered employees, adequately assisted by effective support services. To reflect this, our organisational aim is to be an employer of choice, an exemplar of fair work and internationally recognised for excellence, innovation and customer-focus.

Over the period 2015-19 we have focused on areas where we believe we can make 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.
Commitment to young talent

In August 2018, our commitment to developing young talent was recognised by being awarded a Gold Level Investors in Young People (IIYP) award.

The awarding body commended our Young Talent Programme for supporting colleagues under 29 to transition from education to work.

We continue to evidence the value we place in our young staff through our Youth Board, formed in 2018, which aims to influence and shape our products and services and highlights the contribution our young talent provides to SDS.