

Introduction

Thank you Janet for the kind introduction and for organising today's event.

It is a while since I have visited St Mirren football club with me being a supporter of one of the top six teams in Scotland - the famous Partick Thistle.

But seriously St Mirren is a well-run football club with a great new stadium and strong connections with the community. I am also delighted to say it currently has 6 young people working to the Achieving Excellence in Sports Performance Modern Apprenticeship Framework.

Today event

I'm pleased to have the opportunity this morning to talk to a new audience about things that are important to you. The Scottish Government response to the UK Government levy, Our Plans to expand apprenticeships, our support for National Occupational Standards, and the changes in apprenticeships in England.

Scotland is ahead of the curve!

I will never be complacent, but I believe in Scotland we have been ahead of the curve for some time on many of the issues relating to the future of good quality, fair work.

As youth unemployment was peaking we identified the need to move from a solely reactive approach to take a more long sighted view. Through independent Commission for Developing Scotland's Young Workforce we identified ways to improve the labour market outcomes for all of our young people regardless of the economic cycle.

The introduction of Developing Young Workforce Groups throughout Scotland, the growth of Modern Apprenticeships and the development and introduction of Foundation and Graduate level apprenticeships are all key elements of the Commission's recommendations.

Unprecedented Progress

The policies and initiatives we have introduced are clearly delivering significant success. The most recent employment figures show unprecedented progress with youth

unemployment in Scotland. Scotland has one of the lowest rates of youth unemployment since the series began.

Latest showed Scotland's Youth Unemployment at 9.4% significantly lower than the UK figure of 12.0%. This equates to 26,000 less, young people unemployed in Scotland than at this point last year.

This is a quite remarkable shift from the peak of the economic downturn where we saw youth unemployment at almost 25%.

To put that achievement in further context, Scotland currently has the fourth lowest youth unemployment in the EU.

While it is important to celebrate Scotland's success we have set out a clear commitment to go further. We are not satisfied with a youth unemployment rate of 9.4%.

We need to do more. We must do more. We will do more.

Apprenticeship Levy

I understand that there is considerable interest in the UKG apprenticeship levy and want to make some key points;

- It was not a policy of the Scottish Government's choosing.

- It was not a policy we were consulted on.
- it was not a policy we were made aware of before it was announced.
- And it created uncertainty

There is no doubt that the introduction of this new tax by the UK Government has created unhelpful distractions.

Scotland's share of the Levy money will be £221m in 17/18. It is important though to make clear that that there is not £221m of additional money

Indeed, when the full £73million cost to the public sector is factored in, Scottish public sector spending leeway has actually been reduced by a net figure of some £30million.

Responding to the introduction of the Levy, therefore, has not been without its challenges.

Nonetheless we have been clear that all of the funds raised through the Apprenticeship Levy will be invested by Scottish Government in skills, training and workforce development to meet the needs to employers, the workforce, learners, young people and Scotland's economy.

Unlike the UK government we consulted on the levy and reflecting the views of employers and stakeholders our response to the UK Government Apprenticeship Levy sets out how we will use the money to support skills and training and employment in Scotland with employers asking to see a more flexible approach than that being offered by the UK Government in England.

Our actions have been consistent with what we were asked to do through the consultation we undertook.

Growing, Enhancing & Widening Apprenticeships

Building on our highly respected Scottish apprenticeship programme, we have committed to growing, widening and enhancing our offer.

Growing

We surpassed our target of 26,000 MAs this year (26,262) and our new commitment is to provide a further 27,000 Modern Apprenticeship starts in this financial year. A further step towards providing 30,000 new starts per year by 2020.

This success is due to the strong partnership arrangements existing with employers, training providers, colleges, Sector Skills Councils, SQA and Skills Development Scotland. I recognise the contribution that all of these partners make to deliver these high quality opportunities for learners and employers.

Enhancing

Based on the current apprenticeship model, we have developed a new programme of Foundation Apprenticeships.

These will enable young people in their senior phase at school to get started on their apprenticeship journey and complete elements of a Modern Apprenticeship while they are still at school.

This not only illuminates the apprenticeship pathway for young people, parents and teachers. It also potentially reduces the costs of employing an apprentice if they can enter their employed Modern Apprenticeship with advanced standing.

In March the Deputy First Minister, announced significant growth in the scheme and by the end of 2019, up to 5,000 young people will start a Foundation Apprenticeship, up from 351 such starts during last financial year.

This massive expansion of Foundation Apprenticeships in Scotland's schools will raise the attainment bar in vocational education and give young people equal chances and choices to succeed at school and to succeed in life.

Graduate Level Apprenticeships

Two weeks ago I was in Aberdeen to celebrate the expansion of Graduate Level Apprenticeships which were warmly welcomed by industry and learners

Graduate Level Apprenticeships introduces another new dimension within the programme. They provide opportunities to undertake higher level study for individuals through the fully employed, work-based learning route.

Through this new offer Apprentices will be able progress to the highest level of professional qualifications with a range of entry and exit points from a Higher National Diploma to a Masters degree.

Widening

Across many fronts this Government is taking decisive action to create a fairer and more prosperous nation. Apprenticeships are a key part of that work.

The Wood Commission presented some strong messages on gender segregation and under-representation among young disabled people, those from BME communities and those who are care experienced. These issues are prevalent across vocational education and in the youth labour market.

Often deep rooted societal issues lie behind this and they will take time to address.

Skills Development Scotland is working with industry, employers and training providers to address the imbalances within our apprentice workforce.

This coming year there we introduced enhanced contributions for those who take on apprentices with a disability or those who are care experienced.

Not only are we delivering more Modern Apprenticeships than ever and enhancing the apprenticeship pathways, we are making sure they are more widely available.

Flexible Workforce Development Fund

As a result we are introducing a new Flexible Workforce Development Fund – to support in-work training by up-skilling or re-skilling existing employees.

At the heart of Scotland's Labour Market Strategy is the commitment to develop a distinct approach through supporting businesses to respond quickly to changing market, economic and social conditions.

I believe that to achieve this, secure, well-paid jobs which give fulfilment and offer opportunities for progression are essential. I recognise work based learning and development make a significant contribution to the productivity of the existing workforce.

From the outset, I have been clear that the Flexible Workforce Development fund will be delivered through the college sector bringing it closer together with industry. A lot of work that goes on in that sector is closely aligned with employer needs – and local economic needs. I believe this new fund can drive that alignment forward further still.

In the development of this new fund we have engaged with employers, including the industry-led Scottish Apprenticeship Advisory Board, Colleges Scotland, the Scottish Funding Council and Skills Development Scotland to name but a few.

We have also considered research about what works on an international stage.

I will announce full details of this programme later this year

Scottish Programmes

The growth, enhancement and widening of Apprenticeships in Scotland, highlights the flexibility of the Scottish system and our ability to react to the demand from stakeholders but also provide a consistent long term approach.

My message is clear in Scotland our high quality MA frameworks are already in place and SDS are working with employers and stakeholders across the country to ensure our ambitious plans to grow, widen and enhance our apprenticeship family are achieved.

England - Institute for Apprenticeships

You will know England has gone down a new route for the delivery of Apprentices the process of rolling out new

apprenticeship standards in England has consequently been and continues to be challenging.

As there is a staggered process in England of switching off apprenticeship frameworks as standards are developed and ready to replace them.

The Institute of Apprenticeships has warned that they recognise that there will be a gap between its recent launch, this month, and a complete suite of standards being in place to provide full occupational coverage across England.

The Institute for Apprentices has made a commitment to work with the devolved nations. I welcome the opportunity to engage with the institute to cooperate on matters related to the quality assurance of qualifications, technical education and training and their transnational impact.

We are keen to work together to agree an understanding of the implications to businesses across the UK and to consider the implications of policy divergence for providers, learners and employers.

National Occupational Standards

The Quality of Apprenticeships is important to Government, learners and business. National Occupational standards (NOS) are statements of effective performance which have been agreed by a representative sample of employers and other key stakeholders and approved by the NOS Panel.

They are a recognised national benchmark, they define job roles; they define the skills, knowledge and understanding needed by an individual within a given industry to perform competently at a specified level.

Like Scotland, both Northern Ireland and Wales remain convinced of the need for UK-wide standards to underpin our devolved skills policies. Through research we know employers value NOS because of the transferability and portability of recognised competencies across employers, sectors and borders.

The three nations are currently working to develop a 5 year plan to maintain and improve NOS. We know NOS are not perfect but we are working together to make the necessary improvements that employers and other users are looking to

see. We want to make NOS more user-friendly and to provide better labour market intelligence.

The on-going review and development of NOS for Frameworks and Qualifications are vital and the people in the room have a key part to play in supporting the three nations to deliver high quality apprenticeships.

Conclusion

We are on a clear path to develop our Modern Apprenticeship programme and Youth Employment Strategy and I – and indeed all of my Ministerial colleagues – remain fully committed to driving this forward.

We will continue to work with employers to deliver more and better employment opportunities to keep us on track to achieve our ambition of reducing youth unemployment by 40% as set out in our Youth Employment Strategy.

I want to thank you for all the work you do in developing and reviewing apprenticeship frameworks to maintain the high quality of the Modern Apprenticeship programme in Scotland.

Thank You