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Conveners

Public Audit Committee

Education, Children and Young People Committee

Scottish Parliament

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1 February 2023

Dear Convener

Planning for Skills/Shared Outcomes Framework

Thank you for your letter of 4 October 2022 regarding the Planning for Skills report, advising that the Public Audit Committee (PAC) plans to close its scrutiny of the report. I note that you have asked the Education, Children and Young People Committee to review and monitor progress and delivery of the Shared Outcomes Framework, therefore, I am addressing this letter to both Committees.

It is now a year since the publication of the Auditor General's "Planning for Skills" report, published in January 2022. The Chairs of Skills Development Scotland, the Scottish Funding Council and I are pleased to offer a collaborative update on our work on skills planning and skills alignment. Since January 2022, we have made excellent progress both in delivering upon our existing skills planning commitments and on improving the relationships across our partnership.

At the end of 2021, we established the Shared Outcomes Assurance Group (SOAG), replacing earlier structures to provide a regular forum for senior representatives from each of the organisations to meet and drive forward our collaboration.

In March 2022, we jointly published the Shared Outcomes Framework (SOF) setting out details of the skills alignment projects on which we are collaborating and a framework allowing us to monitor and assess progress. The SOF was updated in July 2022 to add the Executive Summary which PAC had requested and we envisage that it will be revised again in 2023 to incorporate finalised metrics - to replace the indicative holding measures - that will link also to the measures of the National Strategy for Economic Transformation.

SOAG has continued to meet regularly throughout the Parliamentary session, two weeks in advance of the joint bilateral meetings that the signatories below hold, supported by the Chief Executives of the SFC and SDS. The delivery of SOF is its key focus; by the end of January 2023, SOAG will have completed a series of substantive discussions on each of the

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listed projects on which it provides assurance to us: further detail of its considerations are set out in the minutes of its meetings which are available on the [Scottish Government website](#).

It is our assessment that good progress has been made in implementing the existing commitments set out in SOF. A list of these projects and the progress we have made to date on each is appended at **Annex A**. Links to relevant reports are attached at **Annex B**.

Perhaps of equal importance, in addition to supporting the delivery of SOF, SOAG has provided a structure that has further strengthened working relationships and regular collaboration between SFC, SDS and the Scottish Government. For example, the principle of joint operational delivery that began in the Foundation and Graduate Apprenticeship projects has now been adopted across other elements of the programme. Intensive working across the operational teams – and regular engagement between the Senior Responsible Owners and project sponsors – has become a regular feature of business.

Looking beyond SOAG and SOF, it is, of course, important to recognise that the Scottish Government, SDS and SFC continue to work jointly on many other aspects of skills planning and alignment which complement the Shared Outcomes Framework. These include engagement with industry through Industry Leadership Groups, the Careers Review, joint implementation of the Climate Emergency Skills Action Plan and collaboration on Health and Social Care and on the digital economy to name but a few examples. In addition to the engagement via SOAG, the leadership of SFC and SDS have brought their senior leadership teams together to foster a culture of joint endeavour; this has been illustrated in the joint approach to the preparation of Shared Outcomes Framework and Strategic plans as well as in the development of more joined-up operations.

Of greatest significance clearly is our collaborative approach to the delivery of the National Strategy for Economic Transformation (NSET), published 9 March 2022, which sets out our vision for transforming Scotland's economy over a ten-year period, and for creating the skilled workforce that Scotland will need.

The National Strategy for Economic Transformation is a key and shared priority, with both NDPBs represented in the governance structures at a senior level. At a working level partners are involved in regular discussions about the delivery of the projects and actions, notably those relating to the Skilled Workforce Programme, which will naturally take an interest in skills planning. The delivery of SOF contributes to the ambitions and higher-level commitments set out in NSET including the Skilled Workforce Programme aim to ensure that our people have the skills they need at every stage of life to have rewarding careers that meet the demands of an ever changing economy and society. This is indeed the very purpose of skills alignment.

The Directors of Lifelong Learning and Skills will continue to chair both SOAG and the NSET Skilled Workforce Programme Board and the structures and membership allow for close connections between the groups and their work programmes.

As we move into 2023, there is of course much still to be done to deliver the agile and responsive skills system to which the government has committed. Significant work is underway to inform our approach to this and while we await in the springtime the publication of the Independent Review of the Skills Delivery Landscape, we are continuing to finalise the Purpose and Principles for the post-16 education, skills and research ecosystem, the Interim

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version of which was published on 9 December 2022. This will provide a platform for taking forward further reform of the system. The final version, which will set out our ambitions for implementation, will be published in May 2023.

The next phase of all of this work will be led in government by the new Directorate for Lifelong Learning and Skills. The new Directorate has brought together teams from the previous Advanced Learning and Science Directorate and Fair Work, Employability and Skills Directorate, the divisions of government responsible for post-16 education, skills and research including the sponsorship of SFC and SDS, in line with the recommendation from the Auditor General. The new Directorate is located within DG Education and Justice reporting up through to the Minister for Higher Education, Further Education, Youth Employment and Training to the Cabinet Secretary for Education and Skills. This will give a clearer line of accountability, reflecting portfolio structures, enabling government to strengthen its collective relationships with SFC and SDS and to ensure that our collective endeavours continue to be clearly focused on the key commitments that we have made.

We trust that you will welcome this confirmation of the progress made and we will keep you apprised of further developments.

Yours sincerely

JAMIE HEPBURN

MIKE CANTLAY

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SHARED OUTCOMES FRAMEWORK: SUMMARY UPDATE: JANUARY 2022

Projects	Summary progress highlights
Foundation Apprenticeships (SOAG/ 22/01) Graduate Apprenticeships (SOAG/ 22/02)	Early figures suggest that more than 5000 Foundation Apprentices (FAs) have been recruited in 2022/23 – a record number – and 1378 Graduate Apprenticeship opportunities provided, via joint operational delivery. SFC and SDS are now operating an agreed single reporting system across all providers for FAs.
Education and Skills Impact Framework (SOAG/ 22/03)	The publication of 2 December of the technical report by London Economics and accompanying contextual reports on Modern Apprenticeships (MAs), Colleges and Universities makes a notable contribution to our understanding of the economic return for our investment in education and skills. The ESIF Collaborative Working Group will meet again in February 2023 to discuss options for further work, including development of LEO, the Longitudinal Education Outcomes resource.
Regional Pathfinders North-East (SOAG/ 22/04) Regional Pathfinders South of Scotland (SOAG/22/05)	Implementation of the pilot projects is underway, focused around regional tests of change. Work package 1 which focused on data and analysis about current skills provision and unmet demand has concluded and a report of the outputs has now been published ; work packages 2 and 3 are underway and it is envisaged that these will inform provision that will begin in summer 2023 as well as yielding broader learning.
Climate Emergency Skills Action Plan Pathfinders: Net Zero (SOAG/22/06) Commercial and Domestic Heat in Building (SOAG/ 22/07)	A key output of phase 1, The Green Jobs report , was published in November 2022 and welcomed by the Scottish Government; phase 1 is on track to complete in March 2023. Further analysis to understand demand for heat decarbonisation is underway as part of work package 2 (SOAG project 22/07); this is an important contribution to our planning and planning for skills to enable Scotland to meet our Net Zero ambitions.
Upskilling and Reskilling (SOAG/ 22/08)	This work - which had not been scoped at the time of the publication of SOF and the National Strategy for Economic Transformation (NSET) - is being incorporated within the NSET Lifetime Skills project (Project 12), enhancing connections and reducing duplication. The aim is to simplify and strengthen the Scottish Government's support for adult upskilling and reskilling as part of an ambition to embed a culture of lifelong learning where individuals and employers are motivated to invest in and take up training opportunities. SOAG discussed this work in January 2023. We will keep the Committees apprised of the progress.

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List of relevant publications

[Skills: Shared Outcomes Framework](#) – July 2022

[Green Jobs in Scotland Report: An inclusive approach to definition, measurement and analysis](#) – November 2022

[Post-school education, research and skills - interim purpose and principles: discussion guide](#) – December 2022

[Graduate Apprenticeship Annual Report 2022](#) – December 2022

[SFC Tertiary Pathfinders – Data and Analysis Summary Report](#) – December 2022
Education and Skills Impact Framework Reports

[London Economics: Education and skills Impact Measurement Report](#) – September 2022

[Education and Skills Impact Framework \(ESIF\) - Modern Apprenticeships Provision: contextual summary report 2022](#) – December 2022

[Education and Skills Impact Framework \(ESIF\) - University Provision: contextual summary report 2022](#) – December 2022

[Education and Skills Impact Framework \(ESIF\) - College Provision: contextual summary report 2022](#) – December 2022

[Graduate Apprenticeships Annual Progress Report for 2021-22](#) - December 2022