

REAPING THE BENEFITS: Encouraging Employer Engagement in Skills Utilisation

Introduction

1. The Skills Utilisation Leadership Group charged us - the Skills Utilisation Action Group - with examining how to increase the numbers of employers in the private, public and third sectors in Scotland who engage in activities to improve the effective use of skills in the workplace. Our detailed remit and membership is at **Annex A**.

2. Engaging in skills utilisation will involve a significant change in attitudes and workplace practices for many employers. This is a long-term challenge that requires urgent attention. 'Skills issues' have long been synonymous with issues about the quality of the learning system. It will not be easy to refocus attention also on to what happens in the workplace. That said, by increasing awareness of the issue and better supporting organisations to implement changes in the workplace, we believe that we can begin to increase the number of employers co-creating with their employees workplace environments that make better use of skills.

3. To achieve this aim, we have identified three objectives:

1. to **increase awareness** of the relevance and benefits of skills utilisation to organisations and of the range of workplace practices that may improve skills utilisation in their types of workplace;
2. to **help organisations implement workplace change** to improve the utilisation of skills; and
3. to **better support key delivery agencies and stakeholders** to deliver objectives 1 and 2.

4. In this report we (a) outline the actions we will take and (b) make recommendations to the Leadership Group on further specific actions that should, in our collective view, be taken, to achieve these objectives.

5. Accompanying this report is our draft communications plan for the Leadership Group¹. As we outline below, an effective communications plan to reach employers is in our view pivotal to the success of this endeavour. It should be considered very much as the start of an on-going process of communications, the messages of which will evolve over time as we learn more about what to communicate and how.

¹<http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation/CommsActionPlan>

Financial implications

6. Other than the following, we do not consider that this report or the draft communications action plan have significant financial implications:

- meeting any significant increase in demand for **organisational support services** would have financial implications for the delivery agencies concerned;
- we do not consider that the establishment of a **cross-sectoral network** would have any significant initial cost implications, though it will have some resource implications, particularly for the Scottish Government as the proposed interim leader of the network. Any future funding requirements would depend on how the network's work develops; and
- while we do not consider that communications action plan would have any significant initial cost implications, any future funding requirements would depend on how the plan develops.

Summary of Key Recommended Areas for Action

Objective	Key Recommended Areas for Action	Summary
1. Increase awareness	Adopt a communications plan	The plan outlines how to encourage those who influence employers to integrate messages about skills utilisation with their wider communications
	Public sector to lead by example	It is important that the public sector is seen to be embracing skills utilisation in their own organisations, otherwise communications with organisations in the private and third sectors will lack credibility
	Explore public procurement obstacles	Effective skills utilisation must be directly related to the subject matter of a particular contract. Contracts also need to include quantifiable and achievable outcomes
	Where appropriate, scrutiny frameworks to demonstrate skills utilisation	Scrutiny bodies can be clearer about the relevance of skills utilisation to their scrutiny
2. Help organisations implement workplace change	Enhance services for leadership and management	Leadership is a key influencer on strategies, which drive organisational demand for skills. Leadership and management also facilitate the necessary workplace change

	Embed skills utilisation in organisational development support services	With better alignment, support for skills utilisation could be integrated with the existing suite of organisational development support services in Scotland
3. Better support key delivery agencies and stakeholders	Establish a skills utilisation cross-sectoral communications and learning network	The key delivery agencies and stakeholders should work together and support each other.

7. In **Annex B** we map our remit to our high level actions and recommendations.

Roles and Responsibilities of Key Delivery Agencies and Stakeholders

8. The Leadership Group invited us to identify clear roles and responsibilities for each agent or stakeholder involved. We have identified in **Annex C** the specific roles and responsibilities of key delivery agencies and stakeholders in encouraging employer engagement in effective skills utilisation. Each of them also has a role, so far as is appropriate to their function, to promote and support the delivery of better workplace practices to enable effective skills utilisation.

OBJECTIVE ONE – INCREASE AWARENESS

Draft Communications Action Plan – Influencing the Influencers

Remit

9. The Leadership Group asked us to consider the audiences the Leadership Group should be seeking to influence and how those audiences are segmented, addressing barriers to understanding among the different groups and any constraints under which they are operating. We were invited to prepare a draft communications action plan.

Consideration

10. An effective communication plan is in our view pivotal to encouraging employer engagement in effective skills utilisation. Our draft plan outlines how to encourage those who influence employers to integrate messages about skills utilisation with their wider communications about improving productivity, competitiveness and creating better jobs.

11. The Leadership Group approved the concept of a medium term project to identify which organisational strategies to implement effective skills utilisation best work in particular circumstances. Knowing more about what workplace practices work, when and why will help address some barriers to understanding and some of the constraints employers are under. The draft communications plan includes the dissemination of the findings of this research.

Recommendation

12. **We recommend the Leadership Group adopts our accompanying draft communications action plan to begin to increase awareness of the relevance and benefits of skills utilisation to organisations and of the range of workplace practices that may improve skills utilisation in their workplace.**

DRAFT COMMUNICATIONS ACTION PLAN

The purpose of the draft plan is to influence those who influence organisations, so that they can begin to increase awareness of the relevance and benefits of skills utilisation to organisations and of the range of workplace practices that may improve skills utilisation in their workplace.

To overcome barriers to understanding, we suggest the Leadership Group communicate with those who influence employers rather than directly with the generality of employers. Influencing organisations, such as business representatives organisations and Sector Skills Councils, know how best to communicate with their audiences and are better placed to engage with employers in their own 'language'.

We do not consider that communications with employers about skills utilisation in isolation would be particularly productive. We also suggest the term 'skills utilisation' itself should be avoided as it is not in common usage. To overcome barriers to understanding, **we recommend that in communicating with the generality of employers, skills utilisation messages are explicit but also integrated with other messages about organisational/business development.**

We propose an approach which identifies key influencers who will be conduits for communications. We have identified different influencing organisations for:

- cross-sectoral organisations;
- private sector organisations;
- public sector organisations; and
- third sector organisations.

At the outset, communications would involve general awareness raising. As more information about which skills utilisation strategies might best work in particular circumstances becomes available, and as we learn more about what messages and approaches best motivate employers and employees, the messages and approaches will evolve. This is very much the start of an on-going long-term process that will require organisations to test approaches and messages and learn from each other about what works and when.

Public Sector Leading by Example

Remit

13. The Leadership Group invited us to consider how the public sector as an exemplar can increase demand for more effective skills utilisation.

Consideration

14. In encouraging employer engagement in effective skills utilisation, we believe it is important that the public sector leads by example in committing to take corporate action to improve skills utilisation, otherwise its messages to organisations in the private and third sectors will lack credibility. It is particularly important in our view that those public sector organisations with key roles in encouraging others of the benefits of skills utilisation ‘walk the walk’ themselves.

The Sector Skills Council **Energy & Utility Skills** is currently carrying out a full review of how the organisation operates to ensure the council maximises the skills of its workforce and ensures it has the right people working on the right projects at the right time².

15. By backing their talk with action, this will not only be likely to lead to improvements in the delivery and efficiency of public services, their experiences may also provide useful assistance to other public sector organisations wishing to implement their own strategies to improve skills utilisation. We recommend in paragraph 57 the establishment of a cross-sectoral network, which would among other things, help those members taking action to improve skills utilisation in their own organisations to learn from each other on an on-going basis.

16. While we do not consider that the Scottish Government or any public sector delivery organisation could claim at this stage to be an exemplar in the delivery of effective skills utilisation, they have a leading role in committing and implementing measures aimed at becoming exemplary workplaces.

² Information about the activities Sector Skills Councils are taking to improve how the skills of their own workforces are utilised and of the actions they are taking to encourage employer interest in skills utilisation can be found at <http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation/ActionGroup/SSCResponses/Q/forceupdate/on>

Actions

17. The Scottish Government will:

- **audit its present position:**
 - **analyse the recent results from its staff survey about staff skills and how they are used in the organisation; and**
 - **participate in the Government Skills Survey looking at the range and depth of skills across the UK Civil Service, the skills gaps , how we might work with within the UK Civil Service to meet these skills gaps and how best we use existing skills. This survey will report in the summer 2009;**
- **confirm skills utilisation as a key action within its new skills and learning plan, which will be published shortly; and**
- **convene a representative working group to consider skills utilisation in the Scottish Government as part of its corporate skills and learning plan.**

18. **Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and the Scottish Funding Council similarly commit to consider skills utilisation issues as part of their wider corporate strategies and implement necessary workplace changes.**

19. The Convention of Scottish Local Authorities (COSLA) has written to councils in Scotland inviting them to express an interest in taking a lead on implementing corporate skills utilisation strategies, which a number of councils have done. **COSLA will propose that the National Local Government Workforce Strategy Task Group consider skills utilisation as part of its work.**

NATIONAL LOCAL GOVERNMENT WORKFORCE STRATEGY

A recent development, the workforce strategy aims to encourage all Councils to invest in and develop a highly trained, flexible and innovative workforce who will in turn assist in delivering the best services. Work will include:

- identifying current and future workforce challenges;
- putting in place national programmes to address the issues;
- galvanising relevant support from national bodies e.g. Sector Skills Councils, Scottish Government;
- joining up initiatives with others with similar issues;
- providing Councils with regular information on the national picture; and
- providing an accessible library of good practice and model frameworks.

20. **NHS Education for Scotland will integrate skills utilisation in its corporate plan for 2009/2010 and develop the existing workforce across the range of clinical and support workforce groups using a combination of skills development and skills utilisation.**

Public Procurement and External Scrutiny

Remit

21. There are also more direct ways to encourage some employers to engage in skills utilisation. The Leadership Group highlighted “*public procurement*” and “*inspection and quality improvement strategies of the public sector*” as two such examples that could drive demand for skills utilisation. We therefore considered the role public procurement and external scrutiny can play. (More information about our consideration of these issues is at **Annex D**).

External Scrutiny

Consideration

22. We considered the extent to which external scrutiny might be better deployed to encourage more effective skills utilisation. In doing so, we recognised that following the 2006-07 Crerar Review³, the Scottish Government is seeking to reduce external scrutiny and to replace this, where appropriate, with a robust system of self-evaluation.

23. We acknowledge that the primary responsibility for improvement clearly lies with the organisation providing the service. However, models of self-evaluation and improvement, while more prevalent in Scotland, are not yet embedded across all of our public bodies. There is therefore a need to continue to drive this improvement for the time being, as these new frameworks develop.

Recommendations

24. We **recommend** that all public service self-evaluation frameworks encompass effective skills utilisation.

25. We **recommend** that external scrutiny bodies ensure, so far as is consistent with their functions and other aims underpinning their scrutiny regimes (including the importance of proportionate and risk-based scrutiny), that their frameworks allow scrutinised bodies to demonstrate that they are delivering ‘*leadership and management in the workplace that enables meaningful and appropriate encouragement, opportunity and support for staff to use their skills effectively*’.

Public Procurement

Consideration

26. There is a legislative hurdle that would appear to prevent the inclusion of conditions to require effective skills utilisation in other types of contracts. That hurdle

³ The Report of the Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland, which can be found at <http://www.scotland.gov.uk/Topics/Government/PublicServiceReform/IndependentReviewofReg/latest-news/TheCrerarReview>

is that effective skills utilisation must be directly related to the subject matter of a particular contract. Contracts also need to include quantifiable and achievable outcomes⁴. That said, we would like to test these propositions.

Action

27. Skills Development Scotland will actively consider for each contract it tenders over a 6 month period whether conditions to encourage effective skills utilisation could in principle be directly related, including whether it would have been appropriate to ask tenderers to explain how they measure the effectiveness of their leadership and management practice. The agency will report back its findings to the Leadership Group.

Recommendation

28. We recommend that public bodies in Scotland consider whether, where appropriate, their procurement processes contribute to effective skills utilisation within their organisations.

⁴ Given the current lack of a consistent and comparable basis for measuring skills utilisation (we note that this was a recommendation of the Skills Utilisation Literature Review) this would seem to suggest that skills utilisation conditions should be tied to particular workplace practices, however, there is yet not clear consensus what those should be.

OBJECTIVE TWO – HELP ORGANISATIONS IMPLEMENT WORKPLACE CHANGE

Progressive and Innovative Leadership and Management

Remit

29. The Leadership Group highlighted “*leadership campaigns*” as an example of a means to drive demand for skills utilisation. The Group also invited us consider how to improve the opportunities for middle management to lead improvement activity and the development of a cross-sectoral network for leaders – and innovators – of the future. The Leadership Group also asked us to address barriers to understanding among different groups and any constraints under which they are operating (see paragraph 9).

Consideration

30. The quality of leadership and management is in our view an important constraint – and potentially a key enabler – to employer engagement in skills utilisation activities. Leadership is a key influencer on the strategies of firms and other organisations, which drive their demand for skills. As the Skills Utilisation Literature Review outlines, leadership and management are also main factors that facilitate workplace change (the other being employee trust and motivation⁵). More than that, improved leadership and management is also the result of better workplace practices.

SKILLS UTILISATION: COLLEGE AND UNIVERSITY PROJECTS - CULTURES OF INNOVATION

The Scottish Funding Council issued a circular to colleges and universities in October which called for proposals to enhance their contribution to skills utilisation. Over 50 proposals were received. The Funding Council and Skills Development Scotland have worked together to select the projects. Fourteen institutions submitted full business proposals, which explore various aspects of skill utilisation by sector, geography and company size.

Working collaboratively with industry leaders through the Institute of Directors, this Glasgow School of Art cultures of innovation project addresses skills utilisation through transformational learning with leaders and managers in applying creativity through design. The focus will be on training leaders how to use the knowledge and expertise of their workforce in applied creative projects which have the benefit of generating innovations for the business or service. The overall objective for businesses is to create a ‘culture of innovation’ in which creativity is a collective skill embedded in the organization.

The Funding Council envisages that final approval will be given to the projects in May. If all the projects are funded the Funding Council will spend in total between £1.5m and £1.8m. The lifespan of most of the projects is between six months and two years (the longest is five years).

⁵ Measures to encourage employee trust and motivation will be explored through the ‘best strategies’ project, the UK Commission’s case studies and the work of the cross-sectoral network in identifying better working practices.

Actions

31. We outline below, why we consider further work should be taken on this subject-matter. However, that is not to say that we cannot report some important actions that will be taken:

- **Scottish Enterprise will implement a revised Leadership Development policy (2009-2012); and**
- **the Alliance of Sector Skills Councils will scope out a collaborative approach to developing management and leadership skills across sectors. Early work is to begin on this in summer 2009.**

SCOTTISH ENTERPRISE REVISED LEADERSHIP DEVELOPMENT POLICY

The Scottish Enterprise policy will provide the agency with a clear framework within which to design and deliver its leadership services in the future. The aim of the policy is to expand and better integrate leadership development as a core component of support to growing businesses and industries. Scottish Enterprise aims to increase take up of leadership development among the companies it already works with and to support additional growth companies.

Provision of an enhanced service to business will be at five different levels to reflect the differing needs of the business community and Scottish Enterprise's role to support economic growth. Service delivery will be an appropriate mix of Self Service, One to Many, and One to One support.

Recommendations

32. **We recommend that skills utilisation is embedded in mainstream leadership and management development programmes.**

33. We were aware at the outset that considering leadership and management would be a difficult task, not least because of the inherent complexity of the topic, the historic difficulties in encouraging employer interest in it and the fragmented nature of the delivery of support. We sought initially to map the current landscape with the aim of identifying gaps in provision and where improvements could be made. We learned from this work that to do justice to the subject-matter would require more time and more specialist input than we were able to devote to it. To give this policy area the further attention we consider it deserves, we **recommend that the Scottish Government review how best to encourage progressive and innovative leadership and management in workplaces in Scotland.** Such a review should supplement the work currently being scoped by the UK Commission for Employment and Skills to ensure investment in the development of high quality leadership and management skills.

Organisational Development Support Services

Remit

34. The Leadership Group highlighted "*encouraging the adoption of ambitious organisational strategies*" as an example of a means to drive demand for skills utilisation. We considered how organisational development support services, which

among other things, encourage the adoption of these strategies, can best drive such demand.

Consideration

35. We considered the delivery model of the Scottish Manufacturing Advisory Services (SMAS) to explore if any lessons could be learned about the delivery of support services to improve skills utilisation. Delivered in Scotland since 2005, SMAS is targeted at SMEs in the manufacturing sector. The SMAS model seeks to encourage “*companies to see the potential for increased competitiveness and productivity*” and is focussed on the improvement of production and business processes. SMAS has five areas of intervention - initial contact, manufacturing review, awareness and training events, intervention project support and signposting and referral.

36. We considered whether there should be a dedicated skills utilisation service in Scotland along the lines of SMAS. Such a service would enable the development of a centre of expertise that would have a clearly defined and identifiable mission. That said, the market for a skills utilisation service is on an entirely different scale and significantly more diffuse. There are, for example, 10,000 manufacturing companies in Scotland and SMAS has to date aimed to penetrate the market by 7% per annum. The establishment of a dedicated service might be perceived as signalling skills utilisation as an issue requiring separate attention, which we believe would be counter-productive at this time. We consider that we would have greater impact if the issue is factored in to the whole gamut of organisational support – and it is not seen as an issue separate from other issues about making organisations more ambitious and productive.

37. Mapped against an example of a four level delivery model, the table in **Annex E** shows the **existing** range of services and programmes that are currently provided by Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and some key organisations that can help organisations adopt effective skills utilisation practices. We are aware that some of the services and programmes may change in the near future. We also acknowledge that there is a wide range of tools and approaches available for improving the quality of performance of organisations which have direct relevance to skills utilisation. The increased take-up of these tools and approaches will help deliver on this agenda and should be encouraged.

38. We do not consider that a dedicated skills utilisation service is necessary. A similar level of service could be delivered with the integration of skills utilisation support with the existing suite of business support services and better alignment of these services. Unlike with the establishment of a new service, this could be done without any organisational upheaval, which we believe is an important consideration, given the level of change that some key delivery agencies are undertaking at present.

39. While we do not consider that the availability of such public support necessarily guarantees success, we believe that integrated services such as these

have the potential to contribute to the adoption of better workplace practices that enable effective skills utilisation.

Recommendations

40. We **recommend** that support for skills utilisation should be integrated with the existing suite of organisational development support services in Scotland. Like the SMAS model, we **recommend** differentiated levels of service based on the differing needs of organisations. We **recommend** better alignment of organisational development support services⁶.

Actions

41. The following specific actions will be taken to embed support for skills utilisation in organisational development support services. Strong partnership working will be a key element of these activities.

42. **Skills utilisation will be integrated within the following key services being developed by SDS:**

- understanding skills utilisation issues in the articulation of industry skills needs matched to more relevant learning programmes and career advice through Skills Gateways in partnership with Sector Skills Councils and GES Key Sectors employers (Spring 2010);
- a refreshed Partnership Action for Continuing Employment service will be introduced (by Spring 2009);
- integrating skills utilisation messages and matching these with new forms of learning and advice support through the Scottish Employer Service (summer 2010);
- integrating skills utilisation messages and tools on My Learning Space - the SDS web-based resource for skills and learning information. (By summer 2010);
- developing and disseminating key messages to support staff in providing advice to individuals and businesses; and
- co-creating new solutions to improve skills development for the workforce through Skills for Growth (by autumn 2010).

43. **Scottish Enterprise will develop a detailed Skills Utilisation Action Plan by autumn 2009** The plan will identify key tasks to support skills utilisation through its services and is likely to include :

- **improving Scottish Enterprise web content to integrate messages about effective skills utilisation (2009-2010);**

⁶ We recommend in paragraph 57 the establishment of a cross-sectoral network, which would among other things, help ensure that organisational development services are aligned and utilised to maximum effect by the key delivery organisations and stakeholders. It would also provide a focus for the development of distributed expertise across sectors.

- reviewing and revising its Organisational Development services to ensure they are fit for purpose and reflect the skills utilisation theme (2009 ongoing);
- reviewing its broader range of products and services to identify where they support skills utilisation and may require updating (2009 ongoing);
- increasing participation in workforce development seminars, Leadership programmes, business mentoring and Strategic Training Needs Analysis (2009-2012);
- incorporating skills utilisation within staff Continuing Professional Development for customer facing staff (autumn 2009); and
- developing key messages to support staff in their dealings with companies (autumn 2009).

44. Highlands and Islands Enterprise will be looking to embed the key principles of skills utilisation within all the products and services it offers.

45. Highlands and Islands Enterprise will develop a series of Virtual Conferences to enable businesses to respond effectively to the key issues for business survival through the current recession. These Masterclasses will be delivered through Learningworks, the agency's online skills advisory service. All the keynote speakers will promote good practice techniques in the concept of skills utilisation.

46. Scottish Enterprise has responsibility for two component parts of the business gateway National Framework, namely web content and the national enquiry service. **The Scottish Enterprise Skills Utilisation Action Plan will identify actions required in these areas to ensure promotion of skills utilisation.**

47. **The PACE partnership will explore how best to reflect skills utilisation messages and support in the delivery of PACE services.**

48. Background to these actions is at **Annex F**.

Financial implications

49. Meeting any significant increase in demand for organisational support services would have financial implications for the delivery agencies concerned.

Tying Business Support Services to Improvement in Skills Utilisation

Remit

50. The Leadership Group highlighted "*business support assistance potentially being tied to improvement in skills utilisation, i.e. investment assistance*" as an example of a means to drive demand for skills utilisation.

Consideration

51. Improving workplace practices to deliver effective skills utilisation is particularly important to organisations in these challenging economic circumstances. Making the best use of skills is a clear-headed necessary strategy that will help organisations better weather the recession and plan for recovery.

52. That said, we consider it would be particularly difficult in such economic conditions to demand effective skills utilisation as a condition for public support especially when it is also not clear what organisations would have to demonstrate in order to qualify. There are two approaches that could be taken – to specify a level of skills utilisation that has to be met or specify particular workplace practices. However, there is no agreed measurement of skills utilisation nor is there any consensus on what those practices should be.

53. Policy for investment assistance will transfer from the Scottish Government to Scottish Enterprise later this year. It may be appropriate to consider if skills utilisation as part of the grant approval process at some point in the future.

Recommendation

54. **We recommend that this is not the time to impose skills utilisation conditions on business support assistance.**

OBJECTIVE THREE - BETTER SUPPORT KEY DELIVERY AGENCIES AND OTHER STAKEHOLDERS

Skills Utilisation Cross-Sectoral Communications and Learning Network

Remit

55. The Leadership Group asked us to increase the number of employers in Scotland engaged in improving the skills utilisation of their workforce.

Consideration

56. We consider that the key delivery agencies and other stakeholders should be better supported to help them achieve the twin objectives of increasing employer awareness of skills utilisation and helping organisations implement workplace change. This can best be achieved by delivery agencies and stakeholders working together and supporting each other.

Recommendations

57. We **recommend** the establishment of skills utilisation cross-sectoral communications and learning network. The roles of the network would be to help:

- key delivery agencies and other stakeholders exchange information and learn from each other about how best to communicate about skills utilisation, both in terms of the messages and the best forms of delivery of those messages;
- share knowledge and experience across sectors and to help identify better working practices that have wider effective application beyond a particular sector;
- relevant organisations to learn from each other as they plan and implement their own corporate skills utilisation strategies; and
- align organisational development services and to help ensure that they are utilised to maximum effect by the key delivery organisations and stakeholders.

58. We **recommend** that the network is led by the Scottish Government on an interim basis. We **recommend** it comprises sector lead organisations, Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and Alliance of Sector Skills Councils. In addition, we **recommend** that the following organisations should be invited to join: the Scottish Funding Council, the Scottish Trades Union Congress, the Chartered Institute of Personnel and Development the UK Commission for Employment and Skills, the Institute of Directors and the two private sector leaders – Microsoft and BT Scotland⁷. The proposed members of the network are at Annex G.

⁷ The role of the Institute of Directors as the conduit for business representative organisations and of Microsoft and BT Scotland is outlined in the accompanying draft communications action plan.

59. Given the numbers of organisations that support organisations in different sectors, **we recommend identifying sector leads**. That said, we recommend that while for some sectors identifying a single lead organisation may be relatively straight-forward, for others there may need to be more than one. Building on discussions at the Leadership Group, **we recommend that Scottish Enterprise, Highlands and Islands Enterprise and Skills Development Scotland jointly identify at least one lead organisation for the following sectors:**

- **creative industries (including digital content and technologies);**
- **energy;**
- **financial and business services;**
- **food and drink (including agriculture & fisheries);**
- **life sciences (including biotechnology and translational medicine);**
- **tourism;**
- **construction;**
- **universities;**
- **local government;**
- **health; and**
- **third sector.**

SKILLS FRAMEWORK FOR THE THIRD SECTOR

The Scottish Government is working in partnership with the Scottish Council for Voluntary Organisations, other third sector bodies and the Alliance of Sector Skills Councils to develop a skills framework for the third sector. It is anticipated that this will include identifying the existing skills within the sector and how best to utilise them to unlock the potential of the workforce.

60. The role of sector lead organisations would be to communicate integrated messages about skills utilisation to employers in their sectors (differentiated where appropriate to reflect market positioning, geography and size of organisation and taking into account equalities issues). Scottish Enterprise, Highlands and Islands Enterprise Skills Development Scotland and the Alliance of Sector Skills Councils would have specific responsibility for the communication of cross-sectoral issues, such as the use of ICT systems and other technologies and common issues affecting small and medium-sized enterprises. We expect the network to work closely with others such as the ICT Forum⁸. There are clear synergies between the work of the network and of the Forum: better skills utilisation can lead to better ICT exploitation and better use of ICT is an enabler of better skills utilisation.

⁸ The Forum's objectives may be summarised as :

- developing a shared understanding of ICT's contribution to productivity, sustainable economic growth and the development of high-value solutions to complex public sector, industrial and commercial problems;
- identifying barriers that need to be overcome to enable Scotland to maximise the contribution of ICT across the private, public and academic sectors; and
- proposing a new set of actions, building on existing initiatives, that both private and public sectors can take to enable innovation, improve productivity and find solutions to complex problems through the use of ICT.

Financial implications

61. We do not consider that the establishment of a cross-sectoral network would have any significant initial cost implications, though it will have some resource implications, particularly for the Scottish Government as the interim leader of the network. Any future funding requirements would depend on how the network's work develops.

**Skills Utilisation Action Group
May 2009**

REMIT AND MEMBERSHIP OF SKILLS UTILISATION ACTION GROUP

Background

1. The Government's Economic Strategy⁹ directly recognises the importance of human capital as being the basis upon which Scotland would compete in the world. Given recent economic events this is evermore central to Scotland's prosperity. Yet we have to recognise that skills utilisation does not sit front and centre for all employers in Scotland. This group is therefore concerned with raising employer interest for improving the utilisation of skills within their organisation.

2. In adopting a holistic approach, the advantage for the Scottish economy is in recognising that levers aren't simply those available to the Scottish Government. There is a range of market, business advocacy and policy levers that may be identified and used to drive demand. Some examples may be:

- leadership campaigns;
- encouraging the adoption of ambitious organisational strategies;
- supply chain procurement practices of Scotland's biggest industries;
- public procurement;
- inspection and quality improvement strategies of the public sector; and
- business support assistance potentially being tied to improvement in skills utilisation, i.e. investment assistance.

Remit

3. The role of the Action Group is to support the Leadership Group to help increase the number of employers in Scotland who see their sustained competitive advantage as coming through improved skills utilisation of their workforce.

4. The Action Group will also:

- consider the audiences the Leadership Group should be seeking to influence and how those audiences are segmented, addressing barriers to understanding among the different groups and any constraints under which they are operating;
- identify clear roles and responsibilities for each agent or stakeholder involved;
- prepare a draft communications action plan; and
- make recommendations to the Leadership Group by April 2009 on specific actions that should be taken on the basis of the key themes emerging from its analysis taking into account, among other things:

⁹ <http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation/GES>

- the needs of different organisations (including according to sector, geography, size of organisation and public/private/voluntary sector); and
- the need to promote equalities issues.

Supplementary actions

5. Action Group to take forward –

1. mapping work, including better understanding of the current mechanisms for the dissemination of good practice;
2. how the public sector as an exemplar can increase demand for more effective skills utilisation;
3. improve the opportunities for middle management to lead improvement activity;
4. the role of public procurement and financial aid packages, including how to respond to criticisms about the imposition of unnecessary burdens;
5. development of a cross-sectoral network for leaders – and innovators – of the future; and
6. development of tools as a means of organisations reaching good decisions on the more effective use of skills¹⁰.

Membership

6. The members of the Action Group are:

Col Baird (Chair)	Scottish Government
Stephen Boyd	Scottish Trades Union Congress
John Brown	Lifeskills Centres (Representing business organisations in Scotland)
Celia Carson	Scottish Council for Voluntary Organisations
Claire Cassidy/ Jeannette Hagerstrom/ James Taylor (Minutes)	Scottish Government
Kate Connor	Convention of Scottish Local Authorities
Brian Durward	NHS Education Scotland
Richard Garrett/ Katerina Rudiger	UK Commission for Employment and Skills
Jacqui Hepburn	The Alliance of Sector Skills Councils (Scotland)
Alan Hughes	Scottish Funding Council
Katie Hutton	Skills Development Scotland

¹⁰ The Group has concluded that the development of tools should be taken forward by The Leadership Group a project to identify which organisational strategies to implement effective skills utilisation best work in particular circumstances. This project is being led by Scottish Enterprise and Skills Development Scotland.

Bob McGonigle	Microsoft (Representing business organisations in Scotland)
John McGurk	Chartered Institute of Personnel and Development
Linda Murray	Scottish Enterprise
Graham Young	Highlands and Islands Enterprise

7. Papers of the Action Group (and of the Leadership Group) and are on the Scottish Government's website at:
<http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation>.

MAPPING OF ACTION GROUP REMIT TO HIGH LEVEL ACTIONS AND RECOMMENDATIONS

Examples of levers that may be used to drive demand	Summary of high level actions (A) / recommendations (R)
leadership campaigns	R – Review to consider further
encouraging the adoption of ambitious organisational strategies	R – Embed skills utilisation in organisational development services
supply chain procurement practices of Scotland's biggest industries	Explored. Not recommended A - Microsoft and BT Scotland will use their networks to promote skills utilisation to explore approaches.
public procurement	A – SDS to explore legislative hurdles
inspection and quality improvement strategies of the public sector	R - External scrutiny frameworks to demonstrate skills utilisation
business support assistance potentially being tied to improvement in skills utilisation, i.e. investment assistance	Explored. Not recommended at this time
Action Group will:	
consider the audiences the Leadership Group should be seeking to influence and how those audiences are segmented, addressing barriers to understanding among the different groups and any constraints under which they are operating	R - Adopt communications action plan R - Embed skills utilisation in organisational development services
identify clear roles and responsibilities for each agent or stakeholder involved	Roles and responsibilities identified in report
prepare a draft communications action plan	Prepared
make recommendations to the Leadership Group by April 2009 on specific actions that should be taken on the basis of the key themes emerging from its analysis	Recommendations made
taking into account, among other things	
the needs of different organisations (including according to sector, geography, size of organisation and public/private/voluntary sector);	Communications action plan, report and establishment of cross-sectoral network take these into account.
the need to promote equalities issues.	Equalities issues identified as integral to skills utilisation in communications action plan. Sectoral leads would be given specific equalities role
Supplementary actions	
mapping work, including better understanding of the current mechanisms	Mapping of organisational development support services in

for the dissemination of good practice	report. Mapping of leadership and management initiated but incomplete. Mapping of information, advice and guidance mechanisms published ¹¹
how the public sector as an exemplar can increase demand for more effective skills utilisation	A - Scottish Government action identified A - Commitment of key delivery agencies given
improve the opportunities for middle management to lead improvement activity	R – Review to consider further A - Scottish Funding Council funded Business Improvement Techniques project to be undertaken.
the role of public procurement and financial aid packages, including how to respond to criticisms about the imposition of unnecessary burdens	A – SDS to explore legislative hurdles Financial aid conditions considered but not recommended. Responding to criticism not relevant at this stage as no new burdens proposed.
development of a cross-sectoral network for leaders - and innovators - of the future	R – Establish new group to consider further
development of tools as a means of organisations reaching good decisions on the more effective use of skills.	This action will be pursued at part of the ‘best strategies’ project.

¹¹ The Alliance of Sector Skills Councils (Scotland) mapped, on our behalf, organisations in Scotland with a potential interest/role in the provision of information, advice and guidance. The outcome of this work can be found at <http://www.scotland.gov.uk/Topics/Education/skills-strategy/making-skills-work/utilisation/ActionGroup/ActionGroupMeetings/Q/editmode/on/forceupdate/on>

ROLES AND RESPONSIBILITIES OF KEY DELIVERY AGENCIES AND STAKEHOLDERS IN ENCOURAGING EMPLOYER ENGAGEMENT IN EFFECTIVE SKILLS UTILISATION

1. Each of the following key delivery agencies and stakeholders have a role, so far as is appropriate to their function, to promote and support the delivery of better workplace practices to enable effective skills utilisation.

2. Their specific roles and responsibilities in encouraging employer engagement in skills utilisation are:

Organisation	Roles and responsibilities in encouraging employer engagement in effective skills utilisation
Scottish Government	<ul style="list-style-type: none"> ■ provides strategic leadership and direction; ■ facilitates change at a national level; and ■ funds devolved public services.
Skills Development Scotland	<ul style="list-style-type: none"> ■ improving how skills are gained by creating connectivity between learning and jobs, brokering new relationships and better sector-specific information; and ■ building capability in employers to instigate workplace change through awareness raising, improving articulation of business demand, and effective upskilling and re-skilling.
Scottish Enterprise	<p>enables growing companies and priority and growth industries to develop and implement ambitious growth strategies through our enterprise, innovation and investment services, in particular :</p> <ul style="list-style-type: none"> ■ supports companies to develop new markets (including international), new products and new services ; ■ enables growth through Business Improvement services such as LEAN management and SMAS; ■ enables companies to become more innovative through services such as winning through Innovation and R and D grants; ■ enables more effective linking

	<p>between business growth strategies and people strategies to enhance productivity through Organisational Development activities.</p>
Highlands and Islands Enterprise	<ul style="list-style-type: none"> ■ develops Learningworks to be a world-class, region wide interactive business development portal providing information, advice and networking opportunities; ■ through close working with Sectoral Teams, Account Managers and other Key Partners, identifies the key skill requirements for high growth businesses and sources or develops appropriate initiatives and innovative ways to meet those needs; ■ develops collaborative tools to collate information on skills needs and works with suppliers to develop appropriate solutions; and ■ wherever possible, aims to use technology to provide access to learning events to the widest possible audience across the Highlands and Islands.
Business Gateway	<ul style="list-style-type: none"> ■ offers assistance and advice to people starting up or growing businesses in Scotland; and ■ provides access to publicly funded services.
Scotland's colleges	<p><i>"encourage employer demand for skills and help employers better utilise the skills available to them, especially for small and medium-sized enterprises"</i>¹².</p>
Scotland's higher education institutions	<p><i>"have a crucial part to play not just in responding to the need for Scotland's economy to have a sufficient stock of highly skilled graduates but also the increasingly important agenda of</i></p>

¹² This role was outlined in **Promoting Excellence**, the Scottish Government's response to the Review of Scotland's Colleges, which can be found at <http://www.scotland.gov.uk/Publications/2007/11/08154543/2>

	<i>improving the utilisation of skills in the workplace</i> ¹³ .
Scottish Funding Council	<ul style="list-style-type: none"> ■ develops the capacity of colleges and universities to engage in knowledge transfer; and ■ develops initiatives to strengthen the knowledge exchange activities of colleges and universities and links with business.
Business representative organisations	<ul style="list-style-type: none"> ■ provide information, advice and guidance to businesses to improve their productivity and competitiveness.
The Alliance of Sector Skills Councils in Scotland	<ul style="list-style-type: none"> ■ supports Sector Skills Councils to engage with the skills utilisation agenda; and ■ shares information and progress.
Sector Skills Councils	<ul style="list-style-type: none"> ■ as employer led and Government licensed organisations, improve the skills of the UK workforce to boost productivity and competitiveness; and ■ work with business, public and professional bodies and learning providers to ensure the training employers need is available to meet their current and future skills requirements.
NHS Education for Scotland (NES)	<ul style="list-style-type: none"> ■ provides resources and support to develop new roles capable of ensuring delivery of effective health care in new and emerging areas; ■ with a focus on existing staff, supports the extension of existing roles to meet new and emerging requirements; and <p>within the administrative, clerical and support staff group, establishes pathways and educational resources to support career development in line with the service needs.</p>
Scottish Trades Union Congress	influences Government and other representative organisations in the interests of affiliated unions and trades union councils

¹³ This role was outlined in **New Horizons: responding to the challenges of the 21st century**, which can be found at <http://www.scotland.gov.uk/Topics/Education/UniversitiesColleges/16640/hetaskforce>

Investors in People Scotland	<ul style="list-style-type: none"> ■ provides a national benchmark of good practice (The Standard), focusing on how an organisations approach to leading, managing and developing people contributes to the achievement of its vision, purpose and goals. ■ encourages a comprehensive range of higher level practices which extend and challenge organisations to improve further.
Professional/awarding bodies	<ul style="list-style-type: none"> ■ provide advice at a variety of levels; and ■ award and certify leadership and management competence.
Scottish Council for Voluntary Organisations	works with Government, skills agencies and local authorities to promote clear and joined up messages about skills, including skills utilisation, to the third sector.

FURTHER INFORMATION ON CONSIDERATION OF PUBLIC PROCUREMENT AND EXTERNAL SCRUTINY

Public Procurement

1. As *Scottish Procurement Policy Handbook*¹⁴ explains, public procurement has a key role to play in supporting sustainable economic growth in Scotland. The public sector spends over £8 billion each year on goods, works and services. It is essential that we make the best use of this significant amount of expenditure. We therefore considered the extent to which public procurement might be deployed to encourage employer interest in more effective skills utilisation.
2. We note that in February 2008 the Scottish Government published *Community Benefits in Public Procurement*¹⁵. Community benefits in this context are contractual requirements which deliver social benefit in addition to the core purpose of the contract; in particular, requirements in relation to targeted training and employment outcomes.
3. The accompanying guidance note focuses on the possibilities for including recruitment and training clauses in contracts and states that these should be part of the 'core elements' of what is being purchased. In considering whether public procurement can be used as a means to encourage skills utilisation, a key issue is therefore whether the public body is able to demonstrate that skills utilisation is part of a 'core element' of what is being purchased. We have been advised that the public body would also need to be able to demonstrate that it had properly considered all issues related to the requirement (are there other means of achieving the objective other than through the procurement route and if so what are the pros and cons?) and set quantifiable and achievable outcomes.
4. Colleagues in Scottish Procurement Directorate have confirmed that, where relevant to the subject of the contract, the procurement of (a) training for staff and (b) learning materials by a public body would be amenable to conditions to ensure effective skills utilisation. Conditions could be included to ensure that the learning and teaching (and learning materials) not only help develop skills but also help the later effective application of those skills in the workplace.
5. If a public body is purchasing training or learning materials, it should consider how to address in its tender documentation issues around the practical application of the training or learning materials. In this context, skills utilisation becomes integral to the delivery of the contract.
6. There may be other instances where, although not integral to the delivery of a contract, skills utilisation is nonetheless relevant to the subject matter. For example, a public body may engage consultants to research an issue and prepare a report of their findings. In order to equip its own staff with the skills and competencies

¹⁴ <http://www.scotland.gov.uk/Publications/2008/12/23151017/0>

¹⁵ <http://www.scotland.gov.uk/Publications/2008/02/13140629/0>

required to implement the report and/or to undertake similar research in the future, the public body might address issues around skills utilisation in its tender documentation. This aspect of skills transfer has been included in post project review template for engagement of consultants within the Scottish Government¹⁶.

7. We recommend that public bodies in Scotland consider whether, where appropriate, their procurement processes contribute to effective skills utilisation within their organisations.

8. It has been confirmed to us that conditions to ensure that learning is transferred effectively to the workplace could be applied to contracts which contain training requirements as part of community benefits clauses.

9. Beyond this, we have been advised that there is a legislative obstacle that would appear to prevent the inclusion of conditions to require effective skills utilisation in other types of contracts. That hurdle is that effective skills utilisation must be directly related to the subject matter of a particular contract. Contracts also need to include quantifiable and achievable outcomes¹⁷.

10. That said, we would like to test these propositions. **Skills Development Scotland will actively consider for each contract it tenders over a 6 month period whether conditions to encourage effective skills utilisation could in principle be directly related, including whether it would have been appropriate to ask tenderers to explain how they measure the effectiveness of their leadership and management practice. The agency will report back its findings to the Leadership Group.**

External Scrutiny

11. The primary purpose of external scrutiny is to provide independent assurance that certain public services (whether delivered by public, private or third sector organisations) are well managed, safe and fit for purpose and that they represent the best value for money¹⁸. However, external scrutiny in Scotland also plays an important role in influencing a culture of continuous improvement and striving towards excellence. It is a powerful driver of change. What is within the scope of the frameworks that scrutiny bodies use in the course of external audit, inspection and review can concentrate minds to deliver on them. We therefore considered the extent to which such scrutiny might be better deployed to encourage more effective skills utilisation. In doing so, we recognised that following the September 2007 report of the Crerar Review¹⁹, the Scottish Government is seeking to reduce

¹⁶ <http://www.scotland.gov.uk/Topics/Government/Procurement/about/SPDDOCFORMS/ConsultProcs>

¹⁷ There are two approaches that could be taken – to specify a level of skills utilisation that has to be met or specify particular workplace practices. However, there is no agreed measurement of skills utilisation nor is there any consensus on what those practices should be.

¹⁸ HM Inspectorate of Education, the Social Work Inspection Agency and the Care Commission are examples of scrutiny bodies.

¹⁹ **The Report of the Independent Review of Regulation, Audit, Inspection and Complaints Handling of Public Services in Scotland**, which can be found at

<http://www.scotland.gov.uk/Topics/Government/PublicServiceReform/IndependentReviewofReg/latest-news/TheCrerarReview>

external scrutiny and make it more proportionate, and to replace it where appropriate with a robust system of self-evaluation.

12. We acknowledge that the primary responsibility for improvement clearly lies with the organisation providing the service and **recommend that all public service self-evaluation frameworks encompass effective skills utilisation**. However, models of self-evaluation and improvement, while becoming more prevalent in Scotland, are not yet embedded across all of our public bodies and other bodies key to the delivery of national outcomes. There is therefore a need to continue to drive this improvement for the time being, as these new models develop.

13. We also note that the current guidance on 'Best Value' recognises that employees are a key strategic resource and that the effective use of their skills is an important aspect of this. The Accounts Commission is presently consulting on a new approach to Best Value audit²⁰. The consultation paper proposes that "*the Council is making the best use of use of its key resources (people, money, assets, staff) to deliver the council's strategic objectives*" is one of six corporate characteristics of a Best Value council.

14. That said, not all external scrutiny bodies have remits that enable them to consider skills utilisation issues. Where they do, they tend not to convey outcomes in such terms. That is not surprising as, notwithstanding the explicit reference to such issues in the 2004 Best Value statutory guidance²¹, recognition of this important issue is fairly new. Without wishing to impose any new burdens on scrutinised bodies, we consider that there is scope for external bodies to be clearer about the relevance of effective skills utilisation to their scrutiny. **We recommend that external scrutiny bodies ensure, so far as is consistent with their functions and other aims underpinning their scrutiny regimes (including the importance of proportionate and risk-based scrutiny), that their frameworks allow scrutinised bodies to demonstrate that they are delivering 'leadership and management in the workplace that enables meaningful and appropriate encouragement, opportunity and support for staff to use their skills effectively'**.

²⁰ <http://www.audit-scotland.gov.uk/BV2/>

²¹ <http://www.scotland.gov.uk/Publications/2004/04/19166/35250>

MAPPING EXISTING BUSINESS DEVELOPMENT SERVICES/PROGRAMMES

1. The table below shows the existing range of services and programmes that are currently provided by Scottish Enterprise, Highlands and Islands Enterprise, Skills Development Scotland and some key organisations that can help companies adopt effective skills utilisation practices.

2. This is a first pass at mapping the key services and other relevant services may be subsequently identified.

<p>Level 1 (Information and signposting)</p> <p>Universal/Self service</p> <ul style="list-style-type: none"> ■ Business Gateway web and helpline ■ SE and HIE Web and Helplines ■ Learndirect Scotland for Business ■ Sector Skills Councils 	<p>Level 3 (Facilitating access to services)</p> <p>Business Base:</p> <ul style="list-style-type: none"> ■ IIP Scotland (New Choices approach) ■ Learndirect Scotland for Business (TNA) ■ Chambers of Commerce (often linked to ESF) <p>Growing companies:</p> <ul style="list-style-type: none"> ■ Scottish Enterprise & HIE (Fund IIP) ■ Diagnostic & undertake Strategic Training Needs Analysis, linked to growing business review and action plan) <p>Sector specific support</p> <ul style="list-style-type: none"> ■ Priority & Growth Industry Initiatives ■ Sector Skills Councils
<p>Level 2 (Transferring skills utilisation good Practice: one to many)</p> <ul style="list-style-type: none"> ■ SE – Workforce Development Skills Seminars ■ Leadership Development Projects ■ Business Gateway – How to get the most out of your people workshop 	<p>Level 4 (One to one implementation)</p> <ul style="list-style-type: none"> ■ Scottish Enterprise: Leadership for Growth; Future Leaders ■ HIE – Leadership Development Projects

SPECIFIC ACTIONS THAT WILL BE TAKEN TO EMBED SUPPORT FOR SKILLS UTILISATION IN ORGANISATIONAL DEVELOPMENT SUPPORT SERVICES

Skills Development Scotland

Background

1. Skills Development Scotland (SDS) has been created to work in partnership with others in an ambitious drive to change the way in which the people of Scotland learn, develop and utilise their skills, and to help the business and organisations of Scotland build their own capabilities and put these skills to the most productive use. The timing of this report provides an ideal opportunity to embed support and messages to encourage employer interest and action in skills utilisation within a new range of services and channels to employers and individuals currently being designed.

2. SDS aims to encourage more effective utilisation within its new services through:

- raising awareness of how more effective use of skills in the workplace can have wide ranging benefits for business, employees and the Scottish economy;
- enabling individuals to identify, apply and develop their skills effectively in the workplace;
- brokering new relationships between employers and employees; including through the Scottish Union Learning Fund, and between employers, employees and Training Providers;
- improving understanding of system issues which lie behind Scotland's skills performance;
- enabling business improvements through more effective up-skilling and re-skilling, better recruitment, retention and progression; and
- effecting improved articulation of skills demand from businesses within the key sectors .

Actions

3. **Skills utilisation will be integrated within the following key services being developed by SDS:**

- **understanding skills utilisation issues in the articulation of industry skills needs matched to more relevant learning programmes and career advice through Skills Gateways in partnership with Sector Skills Councils and GES Key Sectors employers (Spring 2010);**
- **a refreshed Partnership Action for Continuing Employment service will be introduced (by Spring 2009)²²;**

²² See paragraphs 14 and 15 for more information.

- **integrating skills utilisation messages and matching these with new forms of learning and advice support through the Scottish Employer Service (summer 2010);**
- **integrating skills utilisation messages and tools on My Learning Space - the SDS web-based resource for skills and learning information. (By summer 2010);**
- **developing and disseminating key messages to support staff in providing advice to individuals and businesses; and**
- **co-creating new solutions to improve skills development for the workforce through Skills for Growth (by autumn 2010).**

Scottish Enterprise

Background

5. Scottish Enterprise provides a wide range of services to key sectors and growing companies as an Enterprise, Innovation and Investment agency. Through its Organisational Development activities, the agency is able to encourage employer interest in skills utilisation directly. Other services such as the Scottish Manufacturing Advisory Service and Business Improvement enable it to encourage employer interest more indirectly; this is an area that Scottish Enterprise will develop further.

6. Within Scottish Enterprise's Organisational Development services, the agency aims to encourage more effective skills utilisation through:

- **developing the capability of existing leaders through Leadership for Growth and Business Mentoring;**
- **identifying and developing prospective leaders through the Future Leaders programme and support for management training;**
- **promoting best practice in human resources and people management through Strategic Training Needs Analysis, Investors in People and workforce development seminars; and**
- **identifying and addressing growth constraints within companies and key sectors through our bespoke services.**

Actions

7. **Scottish Enterprise will develop a detailed Skills Utilisation Action Plan by autumn 2009** The plan will identify key tasks to support skills utilisation through its services and is likely to include :

- **improving Scottish Enterprise web content to integrate messages about effective skills utilisation (2009-2010);**
- **reviewing and revising its Organisational Development services to ensure they are fit for purpose and reflect the skills utilisation theme (2009 ongoing);**
- **reviewing its broader range of products and services to identify where they support skills utilisation and may require updating (2009 ongoing);**

- increasing participation in workforce development seminars, Leadership programmes, business mentoring and Strategic Training Needs Analysis (2009-2012);
- incorporating skills utilisation within staff Continuing Professional Development for customer facing staff (autumn 2009); and
- developing key messages to support staff in their dealings with companies (autumn 2009).

INVESTORS IN PEOPLE: NEW CHOICES

The new Investors in People approach *New Choices* creates a bespoke, personalised approach, which acknowledges that the starting point for effective skills utilisation is the specific needs and aspirations of the organisation. Critically it aligns leadership, management and development of people to organisational/business strategy and recognises that it is the sum of these parts not the individual actions which impact on business performance. The *New Choices* methodology can be deployed at regional, sector and community levels.

Highlands and Islands Enterprise

Background

8. Highlands and Islands Enterprise targets support towards the business sectors which are particularly important to its area and offers the best potential for achieving sustainable economic growth. An important aspect of this sectoral work includes the identification of any skills gaps/shortages and look to providing innovative solutions to these problems.

Actions

9. **Highlands and Islands Enterprise will be looking to embed the key principles of skills utilisation within all the products and services it offers.**

10. **Highlands and Islands Enterprise will develop a series of Virtual Conferences to enable businesses to respond effectively to the key issues for business survival through the current recession. These Masterclasses will be delivered through Learningworks, the agency's online skills advisory service. All the keynote speakers will promote good practice techniques in the concept of skills utilisation.**

Business Gateway

Background

11. Business Gateway was created specifically to offer assistance and advice to people starting up or growing businesses in Scotland, and provides access to publicly funded services. Supported by Scottish Enterprise, the Scottish Government, local authorities and other partner organisations, Business Gateway operates online and via outlets across Scotland.

12. One of Business Gateway's main objectives is to support new businesses to start. Business Gateway can offer informed, impartial advice on issues from financial

planning to researching potential markets. It provides a programme of free seminars and events where business people can develop essential skills to support the day to day running of their business, as well as provide opportunities for them to meet other like minded people.

Actions

13. Scottish Enterprise has responsibility for two component parts of the business gateway National Framework, namely web content and the national enquiry service. **The Scottish Enterprise Skills Utilisation Action Plan will identify actions required in these areas to ensure promotion of skills utilisation.**

SKILLS UTILISATION: COLLEGE AND UNIVERSITY PROJECTS - BUSINESS IMPROVEMENT TECHNIQUES

The Business Improvement Techniques project is a joint proposal led by West Lothian College with Anniesland, Adam Smith Colleges and Strathclyde University being supported by the science, engineering and technology Sector Skills Council (SEMTA). The project aim is to increase productivity and business improvement by initiating a skills development process for 15 to 20 manufacturing organisations and each of the college partners.

Partnership Action for Continuing Employment (PACE)

Background

14. A key outcome of the PACE summit on 9 February was the establishment of a high level strategic group comprising all agencies with an interest in PACE. It is anticipated the first meeting of the PACE Partnership will be held around end of May/early June. The remit of the PACE Partnership will be to look at ways of making the service more flexible and effective. Key areas for consideration include developing the capacity of PACE to support early intervention. This will involve those delivering PACE support working with employers at the earliest possible opportunity to consider alternative ways to avoid redundancy situations.

Action

15. **The PACE partnership will explore how best to reflect skills utilisation messages and support in the delivery of PACE services.**

