



Skills for the Future: Unlocking Potential Through Apprenticeships

Skills for the Future: Unlocking Potential Through Apprenticeships

The Withers Review of 2023 identified the major reforms needed to a fragmented skills system in Scotland. The Scottish Government plans to take forward a recommendation to streamline the way funding is distributed to the £3.2 billion post-school education and skills budget - with responsibility for skills funding moving from Skills Development Scotland to the Scottish Funding Council.

CMS Scotland held a breakfast event, with The Fraser of Allander Institute and the CBI, [Skills for the Future: Unlocking Potential Through Apprenticeships](#).

Mairi Spowage, Director of Fraser of Allander opened the event, before a panel discussion hosted by **Mags Simpson, Deputy Director of CBI Scotland**.

The panellists were:

James Withers, Author of the Independent Review of the Skills Delivery Landscape, published in June 2023;

Miles Briggs, Conservative MSP, Shadow Cabinet Secretary for Education and Skills;

Daniel Johnson, Labour MSP, Spokesperson for Economy, Business and Fair Work

Willie Rennie, Liberal Democrat MSP, Spokesperson on Education, Economy and Communities

The key takeaways of a wide-ranging and fascinating discussion were:



Scotland has a highly-qualified workforce, but suffers serious skills shortages

The Fraser of Allander survey commissioned by CMS Scotland showed one-third of all employers with job vacancies attributed this to skills shortages. Technical and digital skills were the most common gaps highlighted - as well as complex analytical skills, and skills related to the energy transition.

Mairi Spowage said there was a focus on getting the most out of new technology, like Artificial Intelligence - but in many occupations and sectors, digital skills needs were much more basic.

Skills shortages were not just present in newcomers to the job market, but also in the current workforce, raising questions around retraining and continuous skills development.



Skills funding structures are changing - and employers have mixed views

The Tertiary Education and Training (Funding and Governance) (Scotland) Bill was introduced in February 2025. It will unify the £3.2 billion post-school education and skills budget, aiming to join up universities, colleges, and wider skills provision. Mairi Spowage thought the Bill had a "focus on reducing costs, increasing efficiency and simplification" - rather than on the wider skills system.

Businesses had a wide range of views about the Bill, with some hostile to the idea that Skills Development Scotland (SDS) - seen as a body which interacted successfully with business - was losing responsibility for skills funding, to a body with no real track record of dealing with business and industry (Scottish Funding Council). Many businesses felt "something must change" - but weren't sure this was the right change.



Scotland's skills system is very fragmented

James Withers said: "During my review, I found nothing but people very passionate and committed about what they were doing, which is a good starting point for any skills system. But I also found incredible fragmentation - lots of different agencies, none of whom were working to an agreed vision of what good looked like." He said many had their own objectives, visions and KPIs - but no common goal.



Apprenticeships need to be plugged in to the skills system

James Withers said apprenticeships “dominated the discussions” during his review - despite making up only 3% of the entire post-school skills budget. He could have said “throw more money at apprenticeships” because that was needed. However, he felt that “if you throw more money at a fragmented system, you’ve still got a fragmented system” - and something more structural had to be done.

Withers thought SDS had done a really good job of funding skills, but that a distinct agency focused on apprenticeships would ultimately hold Scotland back, because apprenticeships had to be “plugged into the mainstream of learning in Scotland”.

Flexible apprenticeships have a key role to play in mid-career upskilling and rapid reskilling. Daniel Johnson said people in their 30s, 40s or 50s taking four years to retrain was not an option, and “short and sharp” training was needed. This often happened “despite the system, rather than because of it”, he claimed, citing an aerospace firm putting car mechanics through a short course to become aircraft mechanics, and paying them £60,000+.



Businesses like apprenticeships - but want more of them

Mags Simpson said CBI members loved Graduate Apprenticeships - but there just weren’t enough of them available.

Businesses generally see apprenticeships as an important lever to bring in new talent, and potentially help with re-skilling. But they felt they were under-utilised and there is enormous frustration about accessing apprenticeship levy funding Scotland.

James Withers felt the apprenticeship levy had damaged faith in the system in Scotland. He argued there was a lack of transparency, and that funding was not easily accessible. Some employers felt they paid money in, which was then “lost into a black hole”. Mairi Spowage felt the new proposals didn’t address changes to the use of the apprenticeship levy - or lay out how the interaction between the funding body and businesses would work.



Scotland is obsessed with young people going to university above all else

James Withers said: “I was the first in my family to go to university. You’d think I was the second coming. We’ve got a culture where ‘good’ looks like going to university and everything else is a varying form of second best, including college and apprenticeships.

“This is probably instilling in [many young people] a sense of failure before their lives have really begun. That’s incredibly dangerous in a country with a declining population with real skills needs “It’s going to take a long time to get past that.” He thought Curriculum for Excellence was a good innovation - but if success was still based on collecting grades and league tables for the ‘best’ schools, there was “a real cultural problem.”

Miles Briggs said: “We’re obsessed with people going to university and benchmarking people against that, and our school sector is still very much operating like that. Headteachers are incentivised and judged on the number of students getting 5 As at Higher.”

Willie Rennie made a similar point: “The perception of your peers, parents, and teachers, that to succeed you have to go to university, is more deep-rooted problem than we can imagine. No structural change will resolve that.”



Give non-education pathways parity of esteem

Miles Briggs called for “an apprenticeships revolution” to offer opportunities to far more people, while Willie Rennie said a cultural shift was needed: “We need to stand up and say, an apprenticeship or some kind of skills programme is just as good, if not better, than going to university.” He called for positive examples of apprenticeship success to be shared widely.

Daniel Johnson said: “It shouldn’t matter whether you achieve through academic routes, or skills route or technical route. We need to look at the outcomes, then make sure our bodies are delivering, and delivering efficiently. What we’ve got is a proposal to shuffle the deck chairs rather than deliver flexibility. My concern is the government’s going to latch on to the funding body proposals, and I’m not sure that will make a difference.”

Jess Insall, an Actuarial Consultant at EY, took an apprenticeship in accountancy - an unusual pathway for a straight As student from a private school with lecturer parents. “Both my parents thought it was a great idea, but all of my friends’ parents thought it was outrageous, like I was going off to the circus.” She said she wanted to be solving real-life problems rather than doing an academic course and later, many of her friends said “I wish I’d done an apprenticeship, but I didn’t know how.”



The language around apprenticeships might need to change

Foundation Apprenticeships and Graduate Apprenticeships were both “brilliant concepts with terrible names”, said James Withers. He suggested his own son did a Foundation Apprenticeship in software development - the same attainment level as Higher English. “But one is called ‘Higher’ and one’s called ‘Foundation’, so it’s seen as of less value,” he argued.

He thought Graduate Apprenticeships could be re-badged (as in England) as Degree Apprenticeships - and that universities should be able to use their flexibility and funding to decide how many graduate apprenticeships they offer, rather than having it capped. Withers said he would ditch the old terminology like ‘Highers’ and just use levels on the Scottish Credit and Qualifications Framework (SCQF) - what he called ‘The Holy Grail’. Daniel Johnson agreed with the principle of greater parity, but said people were comfortable with language like Highers and degrees, and it should be retained.



Businesses must have a greater voice over skills and apprenticeships

James Withers said there was “a real need to build a greater, stronger business voice into the whole system”. The panel agreed this voice should involve a meaningful governance role which could directly shape the skills system.

Businesses who operate both sides of the border found the English skills system more flexible - and felt employers had more control over skills funding, and therefore a more meaningful say. It was suggested that this meant it was easier for them to get funding for apprenticeships.

Daniel Johnson feared Scotland could “lose any element of employer-led control in the skills system”. He said: “What is being proposed is a kind of an employer network, but what we need is employers, sectoral bodies and trade unions actually determining what skills-based learning should look like: How are skills best acquired? What should the outcomes be?”

He feared the system would be less responsive and less flexible if this didn’t happen. Miles Briggs said a greater focus on workforce planning was required and that this would help align the system with the needs of the economy. He said there was a failure to incentivise jobs we really need - like planners - and action was needed now as it would take 5 years or more to get enough people through the system.



Businesses feel they are not listened to

A representative of the UK’s largest independent hire company said they had “never been consulted” about skills and apprenticeships - despite employing 2000 people and using the apprenticeship system. He said: “When we send our apprentices to college, they’re working on equipment that’s 15 years old. We’re having to buy equipment for the colleges so it is up to date.” The panel said politicians had to listen more, and to be way more responsive to business needs - by reducing bureaucratic barriers to work experience, and ensuring apprentices had real-life, practical, on-site training experiences with the best equipment.



Skills challenges are here and now

A senior representative of a food and drink trade body said she understood the need to plan for a better skills future, but there was “a real crisis upon us now”. Businesses were scrapping training budgets to pay for the National Insurance increases, which would exacerbate existing skills shortages. Willie Rennie recognised the challenges and saw many examples of businesses “tightening up or finding it really hard”. However, he added: “If

we go through life dealing with every single crisis, we’ll never look over the horizon and try to design something better, so it is right to look longer term.”

Daniel Johnson accepted change would take time and that there was an opportunity for quick wins now. He suggested these could include lifting the age cap on apprenticeships, and making appropriate changes to short-term and part-time courses in colleges.



Economic inactivity is a real problem

Almost 1 in 4 people of working age in Scotland are currently economically inactive. This rises to 40% in some areas, figures described by Willie Rennie as “shocking”. He said: “In post- industrial times, the economically inactive were middle-aged white men who had battered their bodies and were now struggling to work. That’s changed. It’s young people from the start of the working career [with a range of problems], who will be out of the labour market for 40 years.

Daniel Johnson called for an “overwhelming focus on trying to help people find ways of using their skills that maximise their opportunities, because that’s good for them - and utterly necessary for the economy”. He urged Scotland to see labour as a “precious resource” rather than a “disposable commodity”. Global population decline means it will become increasingly difficult and potentially impossible to import talent.

Mags Simpson said: “Economic inactivity is frightening in Scotland. Combine that with our population projections, who’s going to do the jobs? We literally don’t have enough people.”

Summary

James Withers perhaps best summed up the discussion when he said: “The benefits of a major reform of any public sector system probably aren’t seen for a decade or so - with lots of disruption, challenges and electoral cycles in the meantime. But I think the end-point of having a more joined-up system will be a stronger place for Scotland, and start allowing us to treat apprenticeships, right from school age onwards, as a viable, equally valuable route to go down as other forms of learning. Scotland has the ingredients to be world class in this area.”

Contacts



Allan Wernham
Managing Director, CMS Scotland
E allan.wernham@cms-cmno.com



Professor Mairi Spowage
Director of the Fraser of Allander Institute
E mairi.spowage@strath.ac.uk

CMS Law-Now™

Your free online legal information service.

A subscription service for legal articles on a variety of topics delivered by email.
cms-lawnow.com

The information held in this publication is for general purposes and guidance only and does not purport to constitute legal or professional advice.

CMS LTF Limited (CMS LTF) is a company limited by guarantee incorporated in England & Wales (no. 15367752) whose registered office is at Cannon Place, 78 Cannon Street, London EC4N 6AF United Kingdom. CMS LTF coordinates the CMS organisation of independent law firms. CMS LTF provides no client services. Such services are solely provided by CMS LTF's member firms in their respective jurisdictions. CMS LTF and each of its member firms are separate and legally distinct entities, and no such entity has any authority to bind any other. CMS LTF and each member firm are liable only for their own acts or omissions and not those of each other. The brand name "CMS" and the term "firm" are used to refer to some or all of the member firms or their offices; details can be found under "legal information" in the footer of cms.law.

CMS locations:

Aberdeen, Abu Dhabi, Amsterdam, Antwerp, Barcelona, Beijing, Belgrade, Bergen, Berlin, Bogotá, Bratislava, Brisbane, Bristol, Brussels, Bucharest, Budapest, Casablanca, Cologne, Cúcuta, Dubai, Dublin, Duesseldorf, Ebene, Edinburgh, Frankfurt, Funchal, Geneva, Glasgow, Gothenburg, Hamburg, Hong Kong, Istanbul, Johannesburg, Kyiv, Leipzig, Lima, Lisbon, Liverpool, Ljubljana, London, Luanda, Luxembourg, Lyon, Madrid, Manchester, Maputo, Mexico City, Milan, Mombasa, Monaco, Munich, Muscat, Nairobi, Oslo, Paris, Podgorica, Poznan, Prague, Reading, Rio de Janeiro, Riyadh, Rome, Santiago de Chile, São Paulo, Sarajevo, Shanghai, Sheffield, Silicon Valley, Singapore, Skopje, Sofia, Stavanger, Stockholm, Strasbourg, Stuttgart, Sydney, Tel Aviv, Tirana, Vienna, Warsaw, Zagreb and Zurich.

Further information can be found at **cms.law**