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# Addressing the labour market emergency

The Scottish Government's response to the Report by the Enterprise & Skills Strategic Board sub-group on measures to mitigate the labour market impacts from COVID-19

**August 2020**

## Ministerial Foreword

Since the outbreak of the COVID-19 pandemic in Scotland, the Scottish Government has set out investment of over £2.3 billion to support business through the shut down and gradual re-opening of the economy. Despite our investment, and that of the UK Government, it is clear that Scotland faces an unprecedented economic challenge.

In June, the Advisory Group on Economic Recovery chaired by Benny Higgins reported its findings to the Scottish Government. The response to that report, setting out the Scottish Government's ambition to deliver recovery that supports a wellbeing economy and social renewal, is published alongside this document.

We also sought an expert view on the action we should be taking now to mitigate rising levels of unemployment across Scotland. I asked the Enterprise and Skills Strategic Board to consider the immediate actions that could be taken, not just across the enterprise and skills agencies but across civic society.

The Strategic Board immediately formed a sub-group, chaired by Nora Senior, Chair of the Strategic Board, and Frank Mitchell, Chair of Skills Development Scotland. The group worked intensely over a few short weeks to deliver a series of [recommendations for immediate action](#). I am immensely grateful to the group members who gave their time and expertise to pull this report together.

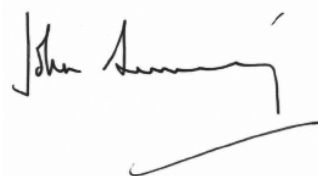
I agree with the co-chairs that urgent action is needed. This response covers the first four areas identified by the group for immediate action.

The actions set out here will draw together the capacity of our enterprise, skills and employability system to address rising unemployment. Many actions are already underway or in planning, including the work led by Sandy Begbie CBE, a previous leader of Edinburgh and Lothian's Developing the Young Workforce Group, to develop a Job Guarantee for young people.

But implementing these actions and mitigating the labour market impacts of COVID-19 requires the full support of businesses and employers of every type and in every sector of the Scottish economy – our progress towards recovery is a shared endeavour.

Together, this work can act as a catalyst for a truly collaborative approach between all parts of the Scottish economy to tackle inequality, address the risk of unemployment and contribute to a just and fair transition to net zero emissions.

Scotland faces a challenging journey towards economic recovery, but through a variety of means, including this report, this Government is committed to working with all its partners to accelerate that journey.

A handwritten signature in black ink, appearing to read 'John Lanning', with a long horizontal flourish underneath.

**Deputy First Minister and  
Cabinet Secretary for Education and Skills**

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## Executive Summary

The Enterprise and Skills Strategic Board sub-group (ESSB) recognise the strength of the Scottish education, skills and employability provision to support people to acquire the skills needed to succeed in the labour market and the existing support for businesses to survive in the COVID-19 crisis.

Many of the recommendations point to the need to develop services and increase support available to enable Scotland to respond to the anticipated increase in demand in the coming months as the UK Government Job Retention Scheme (JRS) ends.

Across four themes, the ESSB set out recommendations for immediate action which the Scottish Government broadly endorses. We have already taken action, and in the main sections of this paper, we highlight the work already underway that responds to the recommendations and the actions we plan to take in the immediate future.

**Section One** addresses the range of business support available through the enterprise agencies and partner delivery bodies such as Business Gateway. Key actions include:

- The £2.3 billion direct package of support for business put in place since April
- The continued development of the [findbusinesssupport](#) website and helpline to offer advice on business support
- A £62 million Energy Transition Fund to support businesses in the North East in the oil, gas and energy sectors as they grow and diversify
- Investment to support increased digital capacity in our small and medium sized enterprises (SME)
- The redoubling of efforts through Scotland's export growth plan, 'A Trading Nation' to identify export opportunities.

In the coming months, we will ask our enterprise agencies to work with companies, and partners including local government, to identify what more can be done to maximise the employment impact of services and support, and to take forward action accordingly. We will also work with the enterprise and skills agencies, equality groups and other key partners to initiate early feasibility planning for a Centre for Workplace Transformation.

**Section Two** considers the recommendation for an increase in scale and structure of the long established and successful Partnership Action for Continuing Employment (PACE) approach to helping those facing redundancy in Scotland. In July, the Cabinet Secretary for Economy, Fair Work and Culture set out our intention to invest further in PACE, in line with this recommendation.

Alongside this, a Ministerial PACE Activity and Resources Group is working quickly to agree how we will implement change to meet increasing demand for redundancy support as a result of the economic crisis.

In the coming weeks and months, we will implement the changes agreed by the Ministerial group to enable us to respond to an anticipated increase in demand for support as businesses restructure following the closure of the Job Retention Scheme.

**Section Three** sets out recommendations for change to and enhancement of Scotland's skills system, alongside proposals for new training provision to support people to transition to different sectors where their job is at risk. Key actions now underway to implement these recommendations include:

- Working with partners to protect existing apprenticeships and to enable more employers to participate
- Re-purposing the Flexible Workforce Development Fund to respond to the current labour market challenges to enable employers to adapt to a post COVID-19 delivery environment
- Providing, through the Scottish Funding Council (SFC), £6 million funding for the 2020/21 Academic Year for the provision of short reskilling courses.

In the coming months we will review our [Labour Market Strategy](#) to ensure a coherent package of education, skills and employability support is in place to respond to the future labour market challenges. This will include working with partners to consider and implement, where feasible, the recommendations for change to apprenticeships including pathways to apprenticeships, shared apprenticeship models and group training.

As announced in July, we will also bring forward proposals for a COVID-19 Transition Training Fund focused on helping those in sectors where there is the greatest risk of job losses.

We will also take forward the actions on our [Sustainability Plan](#) for colleges and universities to address existing resource constraints within the system, the scale of the external shock caused by COVID-19 and the outcomes of the SFC review into achieving sustainability within the sector.

**Section Four** sets out the action we will take to implement the recommendations of the ESSB to support young people and other groups more adversely affected by the economic downturn. Key actions underway now include:

- Building on our award winning Developing the Young Workforce Programme
- Investing £33 million in employability services this year, including [No One Left Behind](#)
- Extending [Fair Start Scotland](#) (FSS) services for a further two years to March 2023 to provide support for unemployed people with disabilities, health conditions and other barriers to moving into fair and sustained work
- Reviewing with partners all Employability services to protect provision for those accessing employability services.

In the coming months, we will invest at least £50 million to support youth employment including delivery of the Job Guarantee and additional investment in Developing the Young Workforce.

We will also publish an updated No One Left Behind Implementation Plan setting out our continuing commitment to the transformational change in the delivery of employability services and the key actions to be undertaken in the coming months and years.

Finally, we will write to invite public sector buyers to focus community benefit requirements on activity that will aid economic recovery and tackle inequality.

**Next Steps** sets out how we, alongside the Enterprise and Skills Strategic Board, will monitor progress to implement the actions we will take to tackle rising unemployment and also develop proposals to measure impact.

## **Introduction**

The ESSB is a body independent of government with members drawn from business and stakeholder bodies, and with responsibilities which cover the role of the enterprise and skills system in Scotland across [four missions](#) and a particular focus on how collaboration across the system can create greater impact. As such, they were considered the group best placed to provide rapid and expert input to the immediate challenge of addressing rising unemployment.

## **Economic Context**

The economic context for the work of both groups is set out clearly in our response to the Advisory Group on Economic Recovery. The ESSB sub-group has focused specifically on the labour market impacts of COVID-19.

In June, Scotland's Claimant Count (the number of claimants of Job Seekers Allowance and Universal Credit 'searching for work' conditionality) was 215,200, around double the level in March and the rate increased marginally to 7.7% from 7.6% in May. Scottish Government estimates overall unemployment in Scotland could reach around 10% towards the end of this year, roughly 275,000 people.

Alongside this, we know that some groups and geographic areas could be disproportionately impacted by the current emergency. This includes young people, women, and low earners, those living in disadvantaged areas, lone parents, disabled people and black and ethnic minority people. Rural and island communities, whose employment relies more heavily on sectors like Tourism and Hospitality, may also be more adversely affected.

## **Our Response - moving forward from a position of strength**

The COVID-19 pandemic has intensified many of the challenges facing Scotland's labour market. In all our actions towards a better recovery, we will consider: the continued impact of demographic challenges - particularly in rural and island communities; Brexit; the Global Climate Emergency and just transition to net zero; and technological advance/digitalisation.

However, in comparison to previous periods of recession, Scotland has strong foundations in its employment and skills provision to build on. Developing the Young Workforce, our Youth Employment Strategy running from 2014 to 2021 was successful in tackling youth unemployment, while our local, regional and national employability system is better integrated and aligned than ever with strong partnerships in place.

Our apprenticeship family of Foundation, Modern and Graduate Apprenticeships continue to develop and strengthen and we have a world class tertiary education system delivered through our colleges and universities.

Finally, the key indicators in our [Labour Market Strategy](#) remain as relevant as ever and will act as a guide for the actions we take to support a wellbeing economy. They are:

- A skilled, productive and engaged workforce capable of meeting the needs of employers
- Equality of opportunity to access work and to progress to ensure everyone is able to maximise their potential
- Fulfilling, secure and well-paid jobs, where employees' contributions are encouraged, respected and valued
- Low unemployment and high employment
- An economy that supports a sustainable working population and that can retain and attract new talent, to meet our wider economic and social ambitions.

It is on these foundations that we can build with partners across Scotland to support recovery. Despite the challenges in the current labour market, Scottish Government investment is stimulating demand, for example in our transition to a net zero economy. Investment like this will lead to more job opportunities, and we are further strengthening the links between skills and training supply to emerging strategic areas of demand to maximise outcomes. This will be critical as we move towards labour market recovery.



## Theme one – Assistance to Support Business Retention

### Key actions

- We are investing over £2.3 billion to support Scottish Business through re-start and recovery.
- We have embedded the dimensions of Fair Work in the schemes and funds we have developed and are developing.
- We are providing funding, advice and support for businesses to adopt digital ways of working.
- We will focus on green, zero carbon opportunities for businesses in the North East through the Energy Transition Fund.
- We will work collaboratively with our agencies, local government and key partners to maximise employment opportunities across Scotland.

One of the key mechanisms through which we can protect existing jobs is to support our businesses and sectors of our economy to remain viable and sustainable as we move through the re-starting of the economy, and progress towards recovery.

By maintaining businesses, we also help to ensure individuals in existing roles, occupations and workplaces can continue to have secure employment.

### What we were asked to do

The ESSB sub-group made a number of recommendations aimed at supporting businesses in Scotland to help companies “Build Back Better” and minimise job losses.

This includes the expansion and marketing of the single portal helpline and website, supporting companies to source funding and identify new business opportunities. It recognises the importance of accelerating approaches to ecommerce for SMEs, the need for alignment to Fair Work in supporting the development of innovative workplace practices to increase efficiency, alongside support for those facing redundancy to start up their own business.

### What we are doing

We are:

- Pledging more than £2.3 billion of direct support for business
- Working closely with businesses, we are providing up to date information on how to access additional finances and other support through the [Find business support in Scotland website](#) and helpline
- Identifying further export opportunities through ‘A Trading Nation’ and Scottish Enterprise’s Export Compass scheme
- Increasing business digital adoption by offering support and advice through Business Gateway’s [Digital Boost](#) programme, as well as finance through the [Digital Development Loan](#) scheme

- Refreshing the [Statement of Fair Work Practices](#), demonstrating our continuing commitment to Fair Work from public, private and third sector partners, and the maintenance of [Fair Work First](#), ensuring fair work criteria are attached to grants awarded by and across the public sector
- Identifying opportunities to develop a vibrant, net zero energy industry through the newly created Energy Skills Alliance
- Exploring possibilities for employee ownership and cooperatives through Scotland for Employee Ownership and Co-operative Development Scotland.

## What we will do

We will:

- Contribute to climate change commitments and support businesses in the North East in the oil, gas and energy sectors over the next five years as they grow and diversify through the £62 million Energy Transition Fund
- Ask our enterprise agencies; Scottish Enterprise, Highlands and Islands Enterprise and South of Scotland Enterprise to work with companies, and partners including local government, to identify what more can be done to maximise the employment impact of services and support, and to take forward action accordingly
- Work with the enterprise and skills agencies, equalities groups and other key partners to initiate early feasibility planning for a Centre for Workplace Transformation to support the development of more diverse and inclusive workplaces where fair work and worker wellbeing are embedded in the culture and practice
- Scottish Enterprise will develop a tool to enable employers to self-assess their policies and practices against the [dimensions of Fair Work](#) and to access support to help them adopt fairer work practices, in consultation with the Fair Work Convention.

**Usage of Find Business Support:** Between 12 March and 30 July, there have been 431,284 visits to the website, over 1.6 million page views and 8,185 businesses have subscribed to the email updates.

The helpline ensures that our economic development agencies can offer advice and access to finance and expertise. This helpline has received 13,750 calls between 13 March and 30 July. At its peak, the helpline managed 2,500 calls per day compared to previous typical levels of 40 calls per day.

## How we will implement change

The Response to the report by the Advisory Group on Economic Recovery sets out in detail how we will work alongside the Enterprise Agencies and other delivery partners to support an economic recovery which is underpinned by our ambitions for a wellbeing economy one that is environmentally sustainable; supports local communities; and enables businesses to thrive and innovate.

In doing so, we will build on the new collaborative partnership between government and business which has begun to form as we deal with the COVID-19 crisis. Individual businesses and business organisations have been instrumental in the development and delivery of COVID-19 sectoral guidance and we will seek opportunities in the coming months to deliver a programme of collaborative, focused projects to address specific COVID-19 related challenges.

## Theme Two – Assistance for those facing redundancy

### Key actions:

- We will invest further in PACE, working with partners to maximise resources to continue to provide individualised and tailored support to those facing redundancy.
- We are responding now to increased demand for support across Scotland.
- We are working rapidly through the Ministerial PACE Activity and Resources Group to agree how we will collectively identify and implement change to meet increasing demand.
- We are developing a prospectus to ensure customer journeys are clear and co-ordinated.
- We will maximise web resources, digitally delivered interventions and contact centre support by working with PACE partners to develop a programme of webinars and online workshops.

Those whose employment is precarious and are at risk of redundancy will receive greater support. Engaging quickly and guiding individuals through this challenging experience is crucial for them, those who depend on them and for our economic recovery. We know the risks and challenges which periods of long term unemployment can present, and we will build on and expand Scotland's successes in addressing these issues.

### What we were asked to do

The sub-group recognised the value of Scotland's Partnership Action for Continuing Employment (PACE) support. PACE is the Scottish Government's initiative for responding to redundancy situations and is a partnership of organisations providing advice and guidance when people are made redundant or are facing redundancy.

The sub-group also identified that demand for redundancy support will rise in the coming months, particularly after the withdrawal of the UK Government's Job Retention Scheme. They made a number of recommendations, including increasing capacity of PACE and ensuring business support (see Theme One above) supports the retention of workers to reduce the risk of unnecessary redundancies in viable businesses.

### What we are doing now

The PACE model of redundancy support has developed over a number of years, strengthening and adapting to meet the support needs of individuals across all sectors and parts of Scotland. In the year to March 2020, PACE provided in-depth support to 2,215 individuals, while working with 295 companies. Since the start of the COVID-19 crisis, it has adapted its delivery model to be able to continue to deliver for those who need support.

We are:

- Working rapidly through the Ministerial PACE Activity and Resources Group to agree how we will collectively identify and implement change to meet increasing demand for redundancy support as a result of the economic crisis
- Delivering services by telephone and through Skype with enhanced online resources including webinars, in response to COVID-19
- Responding to increased demand for support across Scotland, recognising the disproportionate impact the crisis has had and will have on particular sectors, including Tourism and Hospitality and Oil and Gas.

## **What we will do**

We will:

- Invest further in PACE, working with partners to maximise resources to continue to provide individualised and tailored support to those facing redundancy
- Act quickly to implement the actions identified by the Ministerial PACE Activity and Resources Group
- Finalise with partners the 2020-21 PACE Continuous Improvement Plan to ensure that PACE continues to review and adapt delivery in the coming months, which includes
  - Undertaking a rapid review of the PACE offer to remove duplication of support provided by partners
  - Developing a prospectus to ensure customer journeys are clear and co-ordinated
  - Maximising web resources, digitally delivered interventions and contact centre support by working with PACE partners to develop a programme of webinars and online workshops
  - Increasing the marketing of PACE to ensure that the reach is as extensive as possible whilst simultaneously ensuring that partners can respond to increased volumes of participants.

## **How we will implement change**

In a statement to the Scottish Parliament on 16<sup>th</sup> July, the Cabinet Secretary for Economy, Fair Work and Culture confirmed that:

“The Scottish Government is committed to supporting people facing redundancy and ensuring that they have access to the appropriate support. Through a partnership approach, working with the public, third and private sectors we will look to maximise resources, to provide individualised and tailored support”.

The Minister for Business, Fair Work and Skills, has established a short life working group, the PACE Activity and Resources Group, with members including Skills Development Scotland (SDS), the Department for Work and Pensions (DWP), Local Government, Colleges, Enterprise Agencies and the Scottish Training Federation.

This group is focused on ensuring our PACE offer responds to the current crisis through a truly collaborative partnership approach, working across public, third and private sectors to align and maximise resources and to provide the wrap around services for those facing redundancy situations.

The work is focussed on two key themes:

### **Support for Business**

Our Enterprises Agencies, colleges and Business Gateway are working together to offer pre-PACE support to businesses in distress, including tailored support where possible.

### **Support for Individuals**

SDS, DWP and local authorities are working together to set out their roles and responsibilities for PACE delivery, developing a prospectus to ensure customer journeys are clear and are co-ordinated. The prospectus will complement the existing PACE Guide, to clearly set out possible pathways for individuals who have been made redundant. Where appropriate this will provide links to a range of additional advice services such as welfare, mental health, and debt counselling, which will be a critical service for many facing redundancy or reduced income.

These key partners are also collectively considering how the reach of our PACE service can be extended through marketing and promotion of services to businesses and individuals.

SDS, as the lead PACE delivery partner on behalf of Scottish Government, is developing a programme of online webinar sessions. These will be focused around common themes of support that have traditionally been delivered by PACE. This will provide significant opportunity to deliver support on a 'one to many' basis, helping to reach a significant proportion of the predicted numbers of redundancies expected. The programme will be co-designed, created and delivered between SDS and the relevant partner, e.g. Local Government, Enterprise Agencies etc.

In order for this to be a truly partnership approach the Minister for Business, Fair Work and Skills, will continue to chair the short life working group as we develop the proposals for a scaled up PACE delivery and ensure the reach of PACE is as extensive as possible.

### **PACE support gets Garry back on the road to a new career**

Garry Pollock accessed PACE support when made redundant. He said:  
“PACE stepped in straight away.....when I was told you could get retrained for a different skill to pursue a different career I couldn't believe it, as it's something I probably couldn't have afforded to do myself.

I asked if I could be put through my LGV Class 2 training and they said yes. So I did the training, passed the course, and now I've got a job driving trucks for Muller in Cambuslang.”

Garry was delighted with the support he received from PACE and would encourage anyone who is facing redundancy to make use of the free service.

He said:

“I would definitely recommend PACE to anyone. Losing your job is not good for morale or self-confidence, but thanks to the support and training I received, I got a new job pretty quickly. I'm loving my new job.”

## Theme three – Training to enable unemployed people to transition into employment

### Key actions

- We are reviewing our Labour Market Strategy to ensure a coherent package of education, skills and employability support is in place.
- We are working with partners to protect existing apprenticeships and to enable more employers to participate.
- We will work with Skills Development Scotland (SDS) to develop plans to enhance the current Adopt an Apprentice offer to allow more redundant apprentices to complete their training.
- We will develop a COVID-19 Transition Training Fund focused on helping those in sectors where there is the greatest risk of job losses.
- We are re-purposing the Flexible Workforce Development Fund to respond to the current labour market challenges to enable employers to adapt to a post COVID-19 delivery environment.
- The Scottish Funding Council (SFC) is undertaking a review to consider ways of achieving responsive, sustainable and coherent provision.
- The SFC has provided £6 million funding to universities for the provision of short reskilling courses.
- We are taking forward the actions on our [Sustainability Plan](#) for colleges and universities to address existing resource constraints within the system and the scale of the external shock caused by COVID-19.

Skills, both which have been acquired by those already in work and in those entering the labour market for the first time, are key to unlocking opportunities in the labour market as they emerge and by extension supporting our businesses to re-start, adapt and recover.

We will radically re-purpose Scotland's training offer to ensure we maximise the accumulated talent, knowledge and experience of our existing workforce, and ensure those entering the jobs market for the first time receive the support and acquire the skills which are relevant to Scotland's recovery.

### What we were asked to do

The ESSB sub-group report has highlighted the need to revisit, and where appropriate or feasible, repurpose all of the Scottish Governments skills interventions to ensure they deliver for the future needs of the labour market.

The sub-group made a significant number of recommendations on training and skills including actions to support the Apprenticeship Family through the crisis, expansion of existing interventions including Individual Training Accounts and the Flexible Workforce Development Fund, and additional measures to help workers facing redundancy as a result of COVID-19, transition into sectors with greater job opportunities, such as green jobs and social care.



They also set out a number of recommendations for further and higher education to prioritise how the sector responds to the COVID-19 crisis with a focus on flexibility.

## **What we are doing now**

Since the start of the COVID-19 crisis, we have worked with partners to better understand how the labour market is changing and the impact this will have on skills needs for people of all ages. It is clear many more people will need skills support as unemployment rises and some sectors continue to be more adversely affected.

We are:

- Working with partners to protect existing apprenticeships and to enable more employers to participate
- Extending the SDS COVID-19 Relief Grant to the end of August, providing continued support for training providers through the phased route map out of lockdown
- Re-purposing the Flexible Workforce Development Fund to respond to the current labour market challenges to enable employers to adapt to a new post COVID-19 delivery environment
- Supporting training providers to provide critical services to employers and learners during lockdown.

In partnership with our colleges and universities, we have:

- Announced an additional £75 million of funding for university research to help Scottish universities protect their research and innovation base in the short term
- Provided, through the Scottish Funding Council (SFC), £6 million funding for the 2019/20 Academic Year for the provision of short reskilling courses, with a further £6 million funding available for Academic Year 2020/21
- Sustained Foundation and Graduate Apprenticeships places
- Commissioned the SFC to consider ways of achieving responsive, sustainable and coherent provision.

## **What we will do**

We will:

- Review our Labour Market Strategy to ensure a coherent package of education, skills and employability support is in place to respond to the future labour market challenges we face while maximising outcomes from economic opportunities such as the transition to a net zero economy
- Work with SDS to develop plans to enhance the current Adopt an Apprentice offer to allow more redundant apprentices to complete their training. We will also work with SDS and SFC to develop improved pathways to apprenticeships
- Develop a COVID-19 Transition Training Fund focused on helping those in sectors where there is the greatest risk of job losses. As part of this, we will ensure Individual Training Accounts are focussed on our COVID-19 response

- Take forward the actions on our [Sustainability Plan](#) for colleges and universities to address existing resource constraints within the system and the scale of the external shock caused by COVID-19
- Work with colleges and universities to maximise their contribution to recovery, including scoping additionality to ensure the best utilisation of our skills budget
- Take forward the outcomes of the SFC Review into achieving sustainability within the sector.

## Case Study – Fast Track

During 2019, two "Fast Track" 6 week work-readiness courses were piloted in Glasgow. Fast Track is a 6-week course directed to un/under-employed HNC/D and Degree level graduates seeking careers in Financial & Professional Services who need more learning support for future employment in those sectors.

Co-designed and co-delivered by industry SMEs, the course curriculum has been co-designed and delivered with the Hub's industry members. These include BNP Paribas, Lloyds, Barclays, HSBC and Morgan Stanley among others.

Fast Track follows a common curriculum centred on four main modules, Environment, Business Culture, Risk and Skills. But there is content flexibility to reflect the regional nature of in-demand roles. The collaborative and innovative nature of Fast Track was reflected in its Pioneer Award at 2019 Financial Services Awards.

Barry Connolly from the Royal Bank of Scotland, and Chair of the Financial Services Advisory Board Skills and Talent Group, said:

“Fast-track is making financial services feel more accessible to more people – and is a great example of the collaboration happening across industry, government and the education sector.”

### Future Demand/Scale Up

People who have customer service skills and experience, but who are impacted by redundancy, are a future audience for Fast Track. Responding to the pandemic, there has been progress to deliver Fast Track “at scale” and through online and blended delivery. There has also been increased interest from colleges and more companies are being invited into the East and West Hubs. SDS is also progressing Fast Track sustainable funding options with the SFC. When SQA accreditation is confirmed, separate discussion will be led with DWP to secure Fast Track as an approved course for people on benefits.

## How we will implement change

The principles of Scotland’s Future Skills Action Plan, launched in 2019 remain valid today. As we respond to the economic crisis, we must increase the agility of the skills system to respond to employers and workers needs and demands. There must

be more opportunities for upskilling and retraining and ensuring a financially sustainable system, working with employers in all sectors to develop a culture of co-investment. Finally, noting the risk of long term scarring of unemployment on young people, we must continue to work to enhance the experience of 15-24 year olds in the education system to enable them to progress successfully through learning.

## **Increasing flexibility in the skills system; reprioritising available capacity**

We will work with employers, apprentices, colleges, SDS, the Scottish Apprenticeship Advisory Board, the Scottish Qualifications Authority (SQA) and the Apprenticeship Approval Group to consider all of the recommendations made including:-

- Considering how education and skills sectors can work to sustain models of on-line delivery in the future across the apprenticeship family, including Foundation, Modern and Graduate Apprenticeships
- Working with colleges and other stakeholders to consider the expansion of shared apprenticeships
- A relaxation of the single employer status
- The development of apprenticeship pathway programmes
- Considering an extending period of off-the-job training for apprentices, while ensuring that any such period does not affect the integrity of apprenticeships in Scotland
- Working with employers and delivery partners to consider how we can extend the 'group training' model.

## **Retraining and upskilling**

The Scottish Government has committed to bring forward proposals for a new retraining offer focused on helping those at greatest risk of unemployment. This will be a flexible and proactive programme of skills interventions to support people facing redundancy in those sectors and regions most affected by the current crisis.

In the coming weeks, we will work with stakeholders and delivery partners including SDS, SFC, local government, employers and the STUC to develop proposals for this fund. We will work to identify key sectors where jobs are most at risk, including hospitality, while also identifying those sectors which continue to recruit, or where growth is predicted, including to support our ambitious just transition targets.

## **Maximising the contribution of Further and Higher Education**

In support of economic recovery, our colleges and universities will be central to our national reskilling effort and we are working to support the swift increase in upskilling and retraining opportunities targeted on furloughed staff and those seeking to retrain.

For the college sector, in particular, we are considering how adaptations to the Flexible Workforce Fund can assist in responding to the increased demand for these

skills. The Flexible Workforce Fund has enabled colleges to further develop their engagement and collaboration with employers. Building on these existing partnerships we are supporting colleges to flex more of their provision to respond to new employer demand and are currently working with employer representatives to ensure the Flexible Workforce Fund can support a broader employer base.

Ensuring courses are visible and accessible to learners is essential. We expect both sectors to work with SDS in increasing the visibility of courses, such as through the online skills portal already established for furloughed workers and the ongoing development of the [My World of Work](#) website course search facility.

Work is already underway to support universities to respond to the demand for upskilling and reskilling. In maximising their contribution, the SFC will encourage universities to consider business focussed partnerships, such as The Future Made for Success initiative, set up by Heriot-Watt University. Evaluation of such schemes will help build best practice across the sectors. We will also work with the sector to maximise the contribution of existing post graduate programmes.

In light of COVID-19, the volume and demand for on-line learning has increased substantially, requiring the sectors to adapt at pace. The quality and importance of a consistent learning experience is being monitored by institutions, Education Scotland and the Quality Assurance Agency. Evident progress is already underway, as demonstrated by the partnership between Jisc; the UK digital network for colleges and universities, and the College Development Network (CDN), which has, for example, introduced Virtual Bridge online training sessions for college staff in Scotland and Northern Ireland.

We also recognise the importance of the Open University (OU) in Scotland in shaping future on-line learning. The OU's modular provision, MOOCs, Micro credentials and free online content and Badged Open Courses all offer the accessible, flexible skills development opportunities that business and industry require.

Partnership and greater alignment is a theme running through the recommendations and we recognise the importance of partnership and place, ensuring alignment between national and regional economic recovery. We will be seeking to maximise the role institutions and regional colleges, in particular, play in generating and responding to the demand for skills. We also recognise the vital role Regional Economic Partnerships have in bringing together key economic actors across public, private and third sectors, to take a strategic view regarding skills demand and requirements, based on direct knowledge of regional advantages and strengths which can be built upon.

The requirement for more significant system alignment will be a key consideration of the SFC's review of coherent provision, which in turn will be central in shaping future cross sector collaboration in support of longer term regional and national economic regeneration.

## Skills planning

The need for an aligned skills system remains a priority. Up to date labour market data and intelligence will be critical to this, but so too will a clear commitment to collaboration at a local, regional and national level across partners and agencies.

Work is already underway, including the monthly publication on SDS' website of labour market data and insights report and dashboard. Detailed, individual regional data and insights reports are currently in development. Data updates of "Regional Skills Assessments" Data Matrix tool are in progress to allow partners to self-serve on updated 'post COVID-19' labour market intelligence.

Looking ahead, SDS and SFC will seek to enhance and extend existing skills alignment activity in support of future skills and job resilience. In support of regional economic sustainability, this work will be well aligned to new place based investments, responding to the new labour market challenges through targeted activity in partnership with specific college regions. Together, our skills agencies will bring a renewed focus to the mapping and alignment of our skills provision, updating this work, to enable colleges and universities to address skills challenges and opportunities and thereby maximise the impact of our joint skills and area based investments.

## Theme four – Helping vulnerable people into employment

### Key Actions in this section:

- We will invest at least £50 million to support youth employment including delivery of the Job Guarantee and additional investment in Developing the Young Workforce.
- We are investing £33 million in employability services this year, including [No One Left Behind](#).
- We are extending [Fair Start Scotland](#) (FSS) services for a further two years to March 2023 to provide support for unemployed disabled people, health conditions and other barriers to moving into fair and sustained work.
- With our partners, we are reviewing all Employability services to protect provision for those accessing employability services.
- We will invite public sector buyers to focus community benefit requirements on activity that will aid economic recovery and tackle inequality.
- We will publish an updated No One Left Behind Implementation Plan setting out our continuing commitment to the transformational change in the delivery of employability services and the key actions to be undertaken in the coming months and years.

The labour impact of COVID-19 is both broad and uneven. We know, that without specific focus and targeted support, certain groups of our population will be more exposed to the risks and challenges now presented in finding secure employment. This must, and will be, a collective effort across all tiers of Government and beyond. Scotland has faced similar challenges in the recent past and we will build on the strong foundations of our previous approaches and successes, to once again support those whose need is greatest.

### What we were asked to do

The sub-group's recommendations included supporting young people with improved links to schools and employers and a more consistent approach to building a better understanding of the workplace across Scottish secondary schools. The need to support young people under 25 into work-based placements was also highlighted.

The group also highlighted opportunities for economy focussed community benefits from public procurement to support for disadvantaged groups, including women and disabled people, alongside the need to increase tailored support including work experience through industry led schemes.

### What we are doing

Employability support in Scotland is developed and delivered in partnership with services focussed on supporting people of all ages who face disadvantage in the labour market. Since the start of the COVID-19 crisis, services across Scotland

have responded to increased demand for support and the need for new ways to deliver.

We are:

- Building on our award winning Developing the Young Workforce Programme, which provides an existing infrastructure to ensure our approach is led by labour market intelligence
- Investing £33 million in employability services this year, including [No One Left Behind](#). This is our joint ambition with Local Government and other key stakeholders and partners to develop an all age employability system that supports people experiencing barriers to accessing the labour market to achieve their full potential whilst delivering our shared priorities on sustainable inclusive economic growth, fair work and social justice
- Extending FSS services for a further two years to March 2023 to provide support for unemployed disabled people, health conditions and other barriers to moving into fair and sustained work. FSS is delivered through a key worker approach as recommended by the sub-group report
- Through Parental Employability Support Fund (PESF), investing £5 million in 2020/21 to support low income parents to access or progress in work, supporting parents to upskill, re-train and increase their overall household income. Like FSS, PESF offers holistic support via an employability key worker
- Reviewing with partners all Employability services to protect provision for those accessing employability services.

## **What we will do**

- We will invest at least £50 million to support youth employment including delivery of the Job Guarantee and additional investment in Developing the Young Workforce
- Led by Sandy Begbie CBE, previous leader of Edinburgh and Lothians' Developing the Young Workforce Group, the development of a Job Guarantee will build on and complement the UK government's Kickstart initiative, which will offer paid work for young people claiming Universal Credit
- We will invite public sector buyers to focus community benefit requirements on activity that will aid economic recovery and tackle inequality
- Publish, in the coming weeks, an updated No One Left Behind Implementation Plan setting out our continuing commitment to the transformational change in the delivery of employability services and the key actions to be undertaken in the coming months and years and
- We will continue to work with our existing service delivery partners, including building on our Working Partnership Agreement for Employability with Local Government to ensure collectively, we flex our approach and service offer for people impacted to respond to the economic and social impact of this crisis.

## How we will implement change

As noted above, we know from previous recessions and because of the nature of the sectors most immediately affected by the COVID-19 crisis that some groups are and will continue to be most affected by the current economic downturn. This includes young people, women, those in low paid work or living in our most deprived areas, disabled people, lone parents and ethnic minority people. The ESSB sub-group report rightly highlights the need to support these groups.

## Young People

Established in 2014 the Developing the Young Workforce (DYW) Regional Employer Groups are a network of 21 industry led regional groups tasked with strengthening employer engagement with education.

Rob Woodward, Chair of the Regional Employer led groups is already working alongside Sandy Begbie CBE to develop proposals for a Job Guarantee.

In the coming months we will work with partners including; our agencies; employers across all sectors; local authorities; and the third sector, who deliver critical services to our most disadvantaged young people. We must ensure we equip young people with the right skills for a changing labour market and help them move successfully through education and training into sustained work as we move towards a wellbeing economy and net zero emissions. Young people who face additional barriers in the labour market, including those from disadvantaged backgrounds, minority ethnic young people, lone parents and disabled young people will be a priority.

## Case Study

### **DYW West Hire Me**

In partnerships with Renfrewshire Council and West College Scotland, DYW West runs the Hire Me programme. Designed for those Renfrewshire school pupils who are expected to leave school with little or no qualifications, the programme brings together a range of activities to support them into finding a positive destination. The young people gain qualifications and work ready skills through workshops, short college courses and work experience. With support from industry they are offered support in completing application forms, cover letters, job searches, CV preparation and interviews.

## Procurement

We agree with the sub-group's view that community benefits in public procurement can aid economic recovery and tackle inequality through, for example, delivering jobs and training for priority groups, sub-contracting opportunities for SMEs, the third sector and supported businesses.

Echoing the excellent outcomes of projects like the Queensferry Crossing and the Scottish Government Warmer Homes Scotland contract, we will further promote the use of community benefits to drive local economic wellbeing. The Cabinet Secretary



for Finance will engage with leaders across the public sector in Scotland to drive this renewed impetus which is a vital component of our broader commitment to advance a community wealth building approach to economic development across Scotland.

## **All-age Employability Support**

The [No One Left Behind](#) approach, published in 2018, sets out our principles for helping people into fair, sustainable jobs. This is central to delivering many of our ambitions around Inclusive Growth, tackling child poverty, tackling severe and multiple disadvantage and public health reform among others. This approach supports the recommendations for tailored support for those who experience the most disadvantage in the labour market.

A strong partnership ethos, underpinned by the [Scottish and Local Government Partnership Working Agreement for Employability](#) supports collaboration at all levels to ensure individuals have access to tailored support appropriate to their needs. We recognise the crucial role of local government, the private and third sector to ensure that employability services deliver flexible, person centred support.

Phase 1 of No One Left Behind commenced in April 2019, taking two previous programmes, Activity Agreements and Scottish Employer Recruitment Incentive (SERI), which had already been delivered by local authorities and expanded them into an all age, all stage, key worker led model, maintaining our commitment to opportunities for all. No One Left Behind helps people of all ages to gain skills and confidence. It is there to help people prepare for employment, training, education and/or volunteering. To take part participants must not be in a job, education or training. They receive support from an Employability Key Worker who identifies barriers and agrees an individual plan to help them reach their goals.

To ensure a joined-up response across employability services in Scotland, we have convened a COVID-19 Response Employability Operational Group, with our partners, to collaboratively develop and respond to our shared understanding of the impact of the pandemic on the Scottish labour market and employability system. This has allowed the flexibility to quickly refocus delivery to address changing economic and social challenges and provide “wrap-around” support.

## **Next Steps**

As noted in the Introduction, the sub-group had set out other areas for consideration it had planned to consider over the summer and report further. As plans emerged for further work by Government, the co-chairs concluded that the areas they felt required further consideration were already being taken forward by other groups or strands of Scottish Government work. The areas for consideration were:

- Incentives for employers to retain and recruit trainee workers
- COVID-19 Transition Training Fund
- Maximising graduate apprenticeship provision focusing on sectors and jobs supporting recovery
- Further business creation, growth and demand stimulus measures.

In closing the group at this time, the co-chairs noted that the Enterprise and Skills Strategic Board (ESSB) would seek to ensure that the other actions identified for further consideration were fed into relevant work already underway including the review being conducted by the SFC and the work around a Job Guarantee for Scotland which is being undertaken by Sandy Begbie CBE. This has now been done.

The ESSB will oversee the specific recommendations being taken forward by the enterprise and skills agencies. This includes the proposal to look more closely at demand stimulus as part of a Business Creation and Growth package which is being taken forward now by the ESSB as part of the review of their four Strategic Missions work.

## **Monitoring implementation**

In the coming weeks, we will develop a monitoring plan to enable us to track progress on the actions underway or at planning stage.

While the Scottish Government will monitor progress, the Enterprise and Skills Strategic Board will also seek regular updates and monitor delivery through the skills and enterprise agencies.

As many of the actions set out are underway, we will seek to align this plan to existing programme management structures already in place or being developed.

## Summary of Recommendations

<b>Enterprise &amp; Skills Strategic Board sub-group – Framework for Action</b>
<b>Action</b>
<b>Top Priorities for Immediate Action</b>
<b>1. Assistance to Support Employee Retention</b>
<p>Building on the Enterprise Agencies’ recent experience of scaling up information and advice and delivering the Pivotal Enterprise Resilience Fund and Hardship funds, they will now also look to support businesses during restart and recovery with the aim of helping companies “Build Back Better” and minimise job losses. A process of continuous improvement is needed, working between enterprise and skills agencies, local authorities, sector groups and regional business organisations such as Chambers/FSB to ensure an agile response to support local economies. Greater alignment of enterprise and public sector support schemes is needed to ensure whole system approach and clarity is needed on the business engagement process and a clearer customer journey to ensure all businesses can access relevant support services. Given the scale of future demand, support will need to be prioritised for those with the greatest prospect of surviving and growth companies in key sectors identified by the Scottish Government. Achieving this will require shared investment and co-ownership with the public and private sector. Over the summer there is an expectation that the Scottish Government will be considering various incentive measures for retention and recruitment.</p>
<ul style="list-style-type: none"> <li>• Expand single portal helpline and website for businesses (<a href="http://findbusinesssupport.gov.uk">findbusinesssupport.gov.uk</a>) to enter the process for support, with appropriate marketing. Signposting to private sector intermediaries where appropriate.</li> </ul>
<ul style="list-style-type: none"> <li>• Work collaboratively with local government and the key national and regional business organisations, such as the Chambers of Commerce and the Federation of Small Businesses (FSB), to ensure an offer of support, informed by industry insight, which is integrated and accessible and tailored to meet business needs across Scotland.</li> </ul>
<ul style="list-style-type: none"> <li>• Enterprise agencies with relevant partners to support companies to identify funding needs, source and raise the right funding from the right provider prepare funding applications and pitches. Depending on demand, this may need to increase in scale.</li> </ul>
<ul style="list-style-type: none"> <li>• Coherent offer to business on preventative measures to retain employees through upskilling and reskilling, recognising the unique challenges facing different parts of Scotland.</li> </ul>
<ul style="list-style-type: none"> <li>• Identify opportunities for Employment Growth schemes focussed on sectors and regions.</li> </ul>

<ul style="list-style-type: none"> <li>• Identify new business opportunities that can be undertaken domestically via increased exports or substitution of imports through working with business/ILGs/sector bodies.</li> </ul>
<ul style="list-style-type: none"> <li>• Maximise the use of data and insight from industry partners and foster new improved channels to Industry Leadership Groups (ILGs).</li> </ul>
<ul style="list-style-type: none"> <li>• Support for the STUC's Scottish Union Learning should be increased and specifically targeted over the next 12 months to supporting workers to upskill and retrain in those sectors where there is a high risk of redundancies.</li> </ul>
<ul style="list-style-type: none"> <li>• Inclusive Business Models with support for companies looking to shift their business to employee ownership or cooperative models.</li> </ul>
<p>Develop appropriate tool kit with services to enable businesses to consider innovative workplace practices consistent with the principles of Fair Work and enabling the adoption of efficient working practices.</p>
<ul style="list-style-type: none"> <li>• Support the principles of Fair Work First and encourage closer collaboration between the public sector, businesses and unions to understand, promote and deliver on the benefits of Fair Work.</li> </ul>
<ul style="list-style-type: none"> <li>• Manufacturing Adaptation Grant targeted at hardest hit sectors and companies diversifying into green recovery. Match funding for companies who can demonstrate support would enable them to be more resilient and attain pre-COVID-19 levels of productivity.</li> </ul>
<ul style="list-style-type: none"> <li>• Scottish Manufacturing Advisory Service (SMAS) will provide support to help companies review their business processes to achieve maximum productivity.</li> </ul>
<ul style="list-style-type: none"> <li>• Work with employers to co-design employment schemes to encourage shared investment in Scotland's workforce.</li> </ul>
<ul style="list-style-type: none"> <li>• Accelerate approaches to ecommerce for SMEs.</li> </ul>
<p>Business Creation and Diversification</p>
<ul style="list-style-type: none"> <li>• Financial support and advice for individuals facing redundancy or unemployment to start up their own business (including current advice packages from enterprise agencies, Chambers and FSB).</li> </ul>
<ul style="list-style-type: none"> <li>• 'New Opportunity' diversification support to help business to adapt to the post-COVID-19 demands and rebuild competitiveness, targeted support at the more vulnerable companies operating in markets that have shifted or diminished.</li> </ul>
<ul style="list-style-type: none"> <li>• Expand Fair Start Scotland with funding support for start-up businesses.</li> </ul>

## 2. Assistance for Those Facing Redundancy

Scale up PACE to offer tailored support with a package of services co-designed by business i.e. skills assessment, job search and training advice to redundant workers and companies considering making redundancies, that maximises web resources, digitally delivered interventions and contact centre.

- Move to a model which focuses on tailored support for businesses of all sizes, that maximises web resources, digitally delivered interventions and contact centre assets (i.e. tailored support for businesses any size and universal support for individuals seeking support).
- Reshape models of working across PACE and local authority, third sector and industry partnerships to secure commitment and flexibility to meet greater demand from employers of all sizes, and individuals seeking support directly (currently 18 PACE Partnership Boards).
- Invest in scaling up job search and job matching digital tools e.g. My World of Work, and strengthening linkages and signposting to E-DYW (latter is work in progress) and other partner sites.
- Further develop systems and processes for individuals' profiles to be matched to employers' opportunities e.g. creation of an online available people register (self-completion) of skills and capabilities.
- Adopt a supporting sectoral/regional specialist approach using local authorities' insights and intelligence.
- Scale up resources and frontline advisers, in partnership with business organisations such as Chambers/FSB and where possible, support from industry through secondments and volunteers, to enable individualised and tailored information, advice and guidance on Fair Work, upskilling/reskilling opportunities and support for moving back into employment. Expert advisors required for 50+ population and women to provide targeted advice and guidance, match to specific vacancies or advise on upskilling/reskilling opportunities.
- Marketing and promotion of services to businesses and individuals to raise awareness of multi-channel and multi-partner support.
- Business Response Team provides a critical element of existing support to strategically significant companies who require assistance to restructure maintaining viability and jobs. Additional budget to augment very specialist skills would enable a more bespoke service to companies.

<b>3. Training to Enable Unemployed People to Transition into Employment</b>
The Deputy First Minister made clear that the status quo is not an option as our skills and business support needs to change to meet the scale of the challenges we face. Given the scale of the challenge, all institutes need to be flexible and re-prioritise available capacity to help unemployed people transition into employment.
Apprenticeships and Training
<ul style="list-style-type: none"> <li>Implement a range of innovations and flexibilities that address physical distancing challenges while making it easier and more accessible, particularly in rural areas, for SMEs and micro-businesses to recruit and retain apprentices and trainees (allowing for different types of apprenticeships). SAAB will be fully involved in all implementation aspects for short life programmes.</li> </ul>
<ul style="list-style-type: none"> <li>Provide proportionate, time limited additional grant support for furloughed training providers (or those who can't operate) during COVID-19 period of 'lockdown' to ensure enough training resource post COVID-19.</li> </ul>
<ul style="list-style-type: none"> <li>Re-introduce Transition Training Fund to support training as pathway to a job (building on oil and gas sector model).</li> </ul>
<ul style="list-style-type: none"> <li>Work with employers to consider options for shared apprentice approach, removing admin burden on employers by transferring to SDS/FE college during crisis period.</li> </ul>
<ul style="list-style-type: none"> <li>Relaxation of single employer status for short-life apprentice products to allow multi-employer approach or ease of transfer between companies for crisis period.</li> </ul>
<ul style="list-style-type: none"> <li>Introduce Apprenticeship Pathway Programmes for those encountering difficulty finding employer-led programmes or employment as an apprentice. Student bursary or industry aligned training allowance to attract apprenticeship candidates until industry place available.</li> </ul>
<ul style="list-style-type: none"> <li>Extend period of off-the-job training (12 months), focusing on vocational learning aligned to competencies as part of the course where employers cannot accommodate work based learning due to physical distancing.</li> </ul>
<ul style="list-style-type: none"> <li>Support expanded use of virtual learning environment for off-the-job training – Foundation Apprenticeship SQA Level 4/5; Level 6 in schools.</li> </ul>
<ul style="list-style-type: none"> <li>Bursary or training allowance for furloughed employees in 'incubated' sectors to study short term courses.</li> </ul>
<ul style="list-style-type: none"> <li>Explore 'group training' scheme approach to share training costs &amp; HR support for micro businesses in partnership with businesses, Chambers of Commerce, FSB, Trade bodies and sectoral ILG's (in line with the guidelines in Strategic Board ILG review recommendations.)</li> </ul>
<ul style="list-style-type: none"> <li>Expand scale and support for Individual Training Accounts (ITA) immediately for key sectors (TBC from Economic leadership Group).</li> </ul>

Further and Higher Education Actions to Prioritise how the Sector Responds Now with a Focus on Flexibility
<ul style="list-style-type: none"> <li>• Refresh catalogue of college, university and private training providers information on short, sharp courses and publish on a monthly basis by SDS and SFC as directory to facilitate retraining/training in line with market demand (with monthly course updates on My World of Work).</li> </ul>
<ul style="list-style-type: none"> <li>• Maximise the flexibility of college and university provision to meet the critical skills needs of employers and the future economic vision of Scotland, addressing key challenges and opportunities including; digital, automation, artificial intelligence (AI); the transition to a net zero carbon economy; health &amp; social care; early years; construction; technical STEM-D. (consistent with AGER, SE/HIE/SOSE economic growth plans).</li> </ul>
<ul style="list-style-type: none"> <li>• Short course accreditation and awards working with SFC, SDS, SQA and SCQF and professional awarding bodies.</li> </ul>
<ul style="list-style-type: none"> <li>• FE and HE should deliver as a priority new blended models across more courses with high quality digital pedagogy to provide vocational, technical and professional skills training in light of physical distancing (building on the recommendations by the Advisory Group on Economic Recovery in developing Scotland's digital infrastructure).</li> </ul>
<ul style="list-style-type: none"> <li>• In partnership, FE, HE and private training providers to consider a National Online Training Academy where learners would sign up to skills development courses which would focus on the needs of jobs in growth sectors or gaps in public sector provision.</li> </ul>
<ul style="list-style-type: none"> <li>• Scaling up of online learning from universities of high level skills for those in employment or those seeking employment targeted towards areas of critical skills demand from employers.</li> </ul>
<ul style="list-style-type: none"> <li>• Encourage co-design and collaboration of courses and join up across institutions to ensure maximum impact and a good return on public investment.</li> </ul>
<ul style="list-style-type: none"> <li>• Expand Flexible Workforce Development Fund (beyond levy payers) for college provision and repurpose 2020-21 funding short courses for transition; upskilling/retraining for workers made redundant; any remaining funding used for transition training for employees in sectors facing risk of significant job losses. (This allows £20M of funding to be repurposed quickly for the crisis following the commitment by Scottish ministers to increase investment in workforce development from £10M to £20M in academic year 2020/21).</li> </ul>
<ul style="list-style-type: none"> <li>• Expand one year post graduate study and Masters provision, prioritising those disciplines that match future growth areas in the economy.</li> </ul>
<ul style="list-style-type: none"> <li>• Roll out programmes such as Future Made for Success (industry linked scholarships for postgraduate study); virtual internships working in partnerships with business to solve critical business challenges.</li> </ul>
<ul style="list-style-type: none"> <li>• Industry led engagement to inspire young people to consider careers and training in key sectors backed up with support from education partners to develop key influencing strategies to attract students into these sectors.</li> </ul>

Skills Planning
<ul style="list-style-type: none"> <li>Local authorities and colleges/universities should work more closely together on regional labour market and economic planning development to ensure there is a skilled workforce to meet the demand from local businesses.</li> </ul>
<ul style="list-style-type: none"> <li>Use of live data to identify existing and future skills demands (e.g. alignment of skills courses with R and D outputs and key growth sectors) including intel from ILGs.</li> </ul>
<ul style="list-style-type: none"> <li>Monthly real-time labour market intelligence and data at national and regional level shared between SDS, SFC, local authorities and colleges and universities support the planning of additional or redeployed capacity aligned to the needs of employers and individuals.</li> </ul>
<ul style="list-style-type: none"> <li>Skills Alignment programme and model to be utilised to analyse demand, provision and evaluation data on an ongoing basis. Up to date and robust labour market intelligence is shared monthly with colleges, universities and private sector providers as they seek to plan provision.</li> </ul>
<ul style="list-style-type: none"> <li>Align new provision to regions and sectors that are assessed as high risk &amp; high opportunity and work with Employer Led Groups, Chambers of Commerce, FSB, Trade bodies and sectoral ILG's/ILG bodies to identify regional/sector needs on an ongoing basis.</li> </ul>
<ul style="list-style-type: none"> <li>Employers to co-design schemes (with funders, providers and learners) to support school leavers into sustainable employment and work with skills agencies to resource, plan and cohere the expansion of work-based learning in schools</li> </ul>
<b>4. Helping Vulnerable People into Employment</b>
Action for Young People
<ul style="list-style-type: none"> <li>Adapted delivery model for DYW. Move from a pilot to full implementation of funded DYW dedicated regional school coordinators delivered through budgets controlled by DYW Regional Groups to provide a dedicated, long-term link between young people and teachers with employers. Universal coverage across all secondary schools with funding channelled through DYW Regional Groups.</li> </ul>
<ul style="list-style-type: none"> <li>Enhanced DYW (Employer)/School/College relationship. Local authorities and schools will be focused on new learning approaches and maximising the number of young people spending time in a school setting. It will be vital for DYW, Scottish Government, Skills Development Scotland and local authorities to work in partnership to implement the roll-out of DYW Coordinators across Secondary schools and align this with the role of SDS Careers Advisers available to every secondary school delivering services that support young people in planning and making decisions for post-school that are informed by the needs of employers. Colleges will continue to underpin DYW across Scotland.</li> </ul>



<ul style="list-style-type: none"> <li>• The new DYW industry co-ordinators will intensify employer long-term engagement in senior phase apprenticeships and maximise the 5,000 opportunities available to young people in S5 and S6 during 2020/21.</li> </ul>
<ul style="list-style-type: none"> <li>• Accelerate alignment of DYW - Online portal and My World of Work to simplify and streamline opportunities for young people to find everything they need about their options, support, pathways and opportunities including support to develop their work ready skills.</li> </ul>
<ul style="list-style-type: none"> <li>• Increase support for schemes that mentor young people in developing business enterprise skills, with a particular focus on areas of deprivation. For example, pilot schemes based on Career Ready and MCR pathway - coordinated and promoted through DYW regional groups.</li> </ul>
<ul style="list-style-type: none"> <li>• Short placement schemes re-introduced providing work experience for under 25s who have been out of work for six months to include essential employability skills, with employer subsidy.</li> </ul>
<p>Action for Wider Vulnerable Groups, Including Women</p>
<ul style="list-style-type: none"> <li>• Public buyers should build on the existing practice of considering community benefit requirements in public sector contracts, by considering use of proportionate requirements in all contracts, regardless of value and, where relevant to the contract, focus such requirements on economic recovery and tackling inequality - specifically opportunities to tackle unemployment and to protect jobs. Young people and other vulnerable groups should be a target group for support.</li> </ul>
<ul style="list-style-type: none"> <li>• Consideration should be made for enhanced, tailored support for vulnerable groups, such as under 25s and disabled individuals, made redundant and women as they may require additional support from agencies (e.g. through more case management support).</li> </ul>
<ul style="list-style-type: none"> <li>• Scottish Government to lead Social Security Scotland, local authorities, Skills Development Scotland, Third Sector and businesses to review additional measures to support threat to long term unemployed and vulnerable groups, covering: scale up the provision of key worker support for at risk groups; options to extend industry-led work experience programmes; best models for intermediate labour market programmes; and industry led schemes to support vulnerable groups into meaningful work</li> </ul>
<ul style="list-style-type: none"> <li>• Colleges and Open University to focus on support for vulnerable adults and families through to access learning consistently across Scotland.</li> </ul>

**Important Actions to be Taken Forward by Other Groups Supporting the Recovery**

**5. Ongoing Fiscal Support for Private Employers**

Scottish Government must look at fiscal options directly or via the banks to minimise company failures of otherwise successful businesses. Furthermore, the Scottish Government must use its convening power to get banks, equity investors, creditors and other partners together to support the recovery.

- Preserve viability in key employment sectors through ‘incubation’ e.g. tourism (through banks; finance, government, agencies) and support furlough in these sectors for extended period (particularly apprentices and trainees).
- Financial rescue package for companies (deemed viable) under threat of failure. Government equity investment.
- Grant support to meet social distancing requirements.
- Clear process of assessment to determine level of support and whether responsibility of agency or bank intervention.
- Ensure companies know how to access any emergency available funding working with enterprise agencies other organisations on administration.
- Investigate merits of ProAct programme, modelled on the programme developed by the Welsh Assembly Government, that provides employers who are working at less than fully capacity with support to upskill and retrain those of their workforce on short time working.

**6. Social Responsibility**

Public sector bodies need to lead on social responsibility  
In conjunction with local authorities, employers and trade unions, prioritise schemes that provide opportunities for unemployed workers with the opportunity to work on projects of community benefit, linked to the net zero carbon transition and City Deal priorities, paid at the rate for the job and including accredited upskilling and retraining opportunities.

**Further Actions to be Considered by the sub-group Over the Summer**

**7. Incentives for Employers for Employment of Trainees**

- Scale up incentives for employers to retain and recruit trainee workers of all ages including: recent school leavers; FE/HE graduate support programme; Vulnerable young workers; and c. 37,000 apprentices currently in training.
- Carry out review of all training funds available to business to train/retrain young people and build in flexibility over the summer to review the sub-group’s recommendations to ensure they support business and individual needs. This includes agreeing appropriate evaluation approaches and measures to better understand the impact of the different interventions.
- Support the restructure of UK Government’s Apprenticeship Levy, recognising the Scottish Government’s recent call for the scrapping of the levy.
- Over the summer there is an expectation that the Scottish Government will be considering various incentive measures for retention and recruitment.

**Employer Support Package**

- Targeted % wage subsidy from Scottish Government for vulnerable groups
- Government job guarantees training
- £ direct grant for trainee retention
- Multi-employer trainee support scheme (admin support administered by SDS or Chambers)
- £ direct grant for ‘adopting an apprentice’ Incentive to accept trainee/apprentice transferred from failed company, especially SME and Micro businesses
- Short life product to introduce scheme to bring trainees in to workplace to complete specific business ask e.g. digital enhancement; web development Specific financial incentives for small/micro employers
- £ direct grant for training/ retraining in declining/hard hit sectors e.g. Hospitality and Tourism

**8. COVID-19 Transition Training Fund (aggregate all programmes in single COVID 19 fund; TTF, ITAs, bursaries etc.)**

Reintroduce the Transition Training Fund to provide redundant workers with personal funding accounts to purchase access to appropriate training that will lead to a job now or a job that will be in demand in the future;

- Use labour market insights / Burning Glass/ILG intel to identify local economic opportunities.
- Apply a themed approach to training around exporting, new technologies, new modelling, energy transition.

- Focus on key growth areas to include; digital; zero net carbon; construction; health & social care; early years; technical; STEM-D (link to SE/HIE/SOSE economic growth plans).
- Private training provision to accelerate immediate intervention response.
- Additional funding for STEM students (or incentives for future skills needed to support R&D tracked innovations).

**9. Maximise Graduate Apprenticeship Provision with Pathways to Employment, Focusing on Sectors and Jobs that will Support Economic Recovery**

- Maximise Graduate Apprenticeship provision with the critical skills needs of employers and the future economic vision of Scotland, addressing key challenges and opportunities including; digital, automation, artificial intelligence (AI); the transition to a net zero carbon economy; health & social care; early years; construction; technical STEM-D. (consistent with AGER, SE/HIE/SOSE economic growth plans).
- Alignment of skill system to medium term sectors identified by Economic Recovery working group recommendations.

**10. Further Business Creation and Growth and Demand Stimulus**

- Continue to review employment growth schemes over the summer in light of emerging sectoral and regional challenges.
- Optimising the City Region and Regional Growth deals.



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