

ACTION FOR JOBS - SUPPORTING YOUNG SCOTS INTO WORK

SCOTLAND'S YOUTH EMPLOYMENT STRATEGY



First Minister's Foreword



The Scottish Government is committed to doing everything in its power to boost youth employment. This strategy describes how we are supporting young people through an all-Government all-Scotland approach, where all those who can make a contribution across Scottish society are encouraged to do so.

We have put in place a range of initiatives, including providing almost 300,000 training opportunities since 2007 and we have committed to providing 125,000 new Modern Apprenticeships in the lifetime of this Parliament. This annual level of 25,000 is nearly 60 per cent higher than when we came to office.

Our commitment for access to higher education to be based upon the ability to succeed rather than ability to pay continues. We have protected the number of student places in Scotland's colleges and maintained the level of financial support available to college students to help young people remain in education or training. In contrast to elsewhere in the UK, we fund the Educational Maintenance Allowance for young people in school and college and will continue to do so.

The cause of youth opportunities required a clear and unequivocal champion in Government, which is why, in December last year, I appointed Angela Constance as Minister for Youth Employment, the first appointment of its kind in the UK. Her appointment is instrumental in ensuring that all efforts to support our young people move into work are focused.

Increasing youth employment in the current economic climate is undoubtedly a complex challenge that has no single solution and will require a range of different approaches to address.

Until Scotland gains the key economic levers that would help to support youth employment we will work with the tools we have, alongside all those willing and able to support young people. By working together across government, across parliament and across Scotland we can help Scotland's young people into work and ensure they have the opportunities that we all believe they firmly deserve.

The Rt. Hon. Alex Salmond MSP
The First Minister of Scotland

Minister For Youth Employment's Foreword



The transition from education to employment is a key journey in a young person's life. Giving young people the opportunity to channel their talent, enthusiasm and energy into sustainable and rewarding employment is critical to Scotland's future economic success. It is crucial for building the sort of society that reflects the values and hopes of the people of Scotland.

Although our efforts to support job creation and economic recovery are hindered by not having the economic powers enjoyed by independent nations, we are providing a strong package of education and training support to give young people opportunities to develop their skills.

Through Opportunities for All, the Scottish Government will ensure that every 16-19 year-old not in employment, education or training has access to a suitable place in learning or training. For this, we are building from a strong base. Through 16+ Learning Choices, we have increased the proportion of school leavers who sustain a positive destination upon leaving school to a record 87.2% in March 2012.

In each year of the current Parliament we will offer 46,000 training places and we will offer university places without asking young people to meet the costs of a high quality higher education.

Ours is an all-Government, all-Scotland response to youth employment. Since the publication of our draft youth employment strategy, with my colleagues in Government I have met many individual businesses and employer organisations. I have engaged with the third sector and visited a range of social enterprises, voluntary organisations and charities involved in supporting young people. I have listened to the views of stakeholders, including elected members, through meetings such as the National Economic Forum, a range of parliamentary committees and the series of regional events I am holding across Scotland.

The Scottish Government will work with any organisation, company or individual who shares our commitment to supporting youth employment. A collaborative, strategic, all-Scotland approach will help us tackle this issue and support our young people take the next steps on their own journeys.

Angela Constance MSP
Minister for Youth Employment

INTRODUCTION

Secure employment for young people gives them a firm foundation on which to build their lives. This is not simply a question of personal finances, there are clear benefits to health for individuals and a reduction in inter-generational social problems.

The cost to our society of not having employment opportunities for young people are all too familiar. The impact of the economic downturn of 2008 is being felt the world over and its effects are not unique to Scotland. The International Labour Organisation (ILO) has highlighted that 75 million young people worldwide, including one in five young Europeans, are out of work and the ILO does not anticipate turnaround within the short-term.

On 20 December 2011, President Barroso urged European Union member states to develop youth jobs plans; increase the number of apprenticeships and traineeships; guarantee a job, education or training for young people leaving school and re-direct Structural Funds to give priority to youth unemployment.

This is the global context. The challenge that this strategy seeks to address is to provide, coordinate and support as many youth opportunities as we can to help more of Scotland's young people into the workplace.

The Scale and Nature of Youth Unemployment in Scotland

Since the 2008 recession, young people have increasingly found it harder to move into sustained employment. At time of publication, the Labour Force Survey youth unemployment figure for Scotland for February-April 2012 was 86,000. Since the start of the downturn, unemployment among 16-24 year-olds in Scotland rose from 49,000 in early 2008 to a peak of 113,000 during the summer of 2011. This increase reflects a pattern repeated across many developed economies, for example two thirds of countries in the European Union have youth unemployment rates in excess of twenty per cent. To consider how best to respond to the challenge, we need to understand what the youth unemployment statistics are telling us.

To gain a greater understanding of the characteristics of young unemployed people, we can use the Annual Population Survey (APS) which provides significantly more detail than the headline unemployment figures reported each month. The APS shows that in the period April 2011 to March 2012 the unemployment level for 16-24 year-olds in Scotland was 88,000, which included 25,000 full-time students looking for work. Of the 63,000 who are unemployed and not in full-time education –

- 40,000 (63%) are male;
- 15,000 (24%) have low or no qualifications;
- 19,000 (29%) have been unemployed for more than 12 months;
- The majority (91%) are aged between 18 and 24; and
- 51,000 (82%) live in urban areas, the rest in small towns or rural areas.

While young men represent the clear majority of unemployed 16-24 year-olds, the headline youth unemployment rate for females increased by 4.5 percentage points over the year while the rate for males increased by 1.0 percentage points. However,

over the past two years the trend is different, with the male unemployment rate increasing by 4.7 percentage points and the female unemployment rate increasing by 3.0 percentage points. It is important that we understand why this is the case in order to determine how best to respond and we will explore this in detail with the Scottish Trades Union Congress and others at our Women's Employment Summit in September 2012.

We have seen a significant increase in the number of young people looking for work while they are engaged in full-time education since the recession. This group represented 27 per cent of all unemployed 16-24 year-olds in 2011. As far as graduates are concerned, employment levels are higher than for other young people, although this is in part due to graduates taking on entry level jobs which could otherwise be filled by non-graduates. The number of graduates in non-graduate level jobs increased from 16% in Q1 2009 to 22% in Q1 2012, resulting in displacement of other young people trying to enter the labour market. It is therefore important that we make the most effective use of the various graduate recruitment schemes available.

Among the remaining 63,000 young people seeking work there are two broad groups and different support is required for each.

In 2011/12, 15,000 young people within the 16-24 year-old youth unemployment cohort were not enrolled in full-time education, and had either low levels of qualification or no qualifications at all. Many in this group will have faced multiple disadvantages during childhood and, as a consequence, disrupted education. Those particularly affected include young people in the care system, young people in the justice system and young carers. The range of services which cater for these young people can improve their job prospects and are most effective if enhanced with tailored support to help them re-engage with education and training. This is why the Scottish Government announced in December 2011 that it would provide funding to incentivise employers to support young people facing the greatest disadvantages, including care leavers and young carers.

The third group comprises around 46,000 young people with a reasonable level of educational qualifications who are not enrolled in full-time education and who, in a stronger labour market, would have better employment prospects and be less likely to experience prolonged periods of unemployment. The size of this group has increased by 45 per cent since 2008/09. The most effective support for this group is likely to comprise a mixture of supported transition into employment, work experience, internships and opportunities to re-engage in full-time learning.

Action for jobs

The Scottish Government's strategy for supporting youth employment has short, medium and long term aspects. At the onset of the economic downturn, the Scottish Government responded quickly and effectively to support young people. Measures such as expanding the number of Modern Apprenticeship places, protecting college and university places and retaining the Education Maintenance Allowance have made a real difference to thousands of young Scots.

Before President Barroso's statement, the Scottish Government had already responded to the rising concern of youth unemployment by appointing a dedicated Minister for Youth Employment and an additional £30 million to support youth employment initiatives, committing to 25,000 new apprenticeships in each year of this parliament and announcing Opportunities for All, a guarantee of a place in education or training to all 16-19 year-olds. We published our draft strategy for youth employment on 31 January 2012 and in May announced that we would direct £25 million of European structural funds to support youth employment.

Aware that ILO projections indicate continuing challenges in the youth labour market in the medium term, we are supporting the development of policy responses for the increasing number of young people unable to secure jobs because of depressed demand. In normal economic circumstances they would have secured employment and our response needs to focus on getting these young people into work or providing them with experience of work.

In the long term, as well as building for economic growth, the investment we are making in early intervention, the implementation of Curriculum for Excellence and the reform of our post-16 education system will ensure that any systemic problems in preparing young people for adulthood and the world of work are addressed. It is important that we make best use of Government and other resources to address these short, medium and long term needs.

Working in Partnership for Maximum Results

Education and skills are part of the solution; work readiness and work experience are another. Offering young people opportunities to demonstrate their capability to potential employers is very important, but not possible without the commitment of Scotland's private, public and third sector employers who will provide the jobs and work experience opportunities that young people need. We will collaborate with employers to help them work with young people and will ensure that post-16 learning and training is sufficiently flexible and focussed on employers' needs to support this.

Local authorities across Scotland make a significant contribution to supporting young people as they move from education into work. Local employability partnerships work with young people to match training provision with local labour market opportunities. All local authorities are in the process of drafting Youth Employment Actions Plans with Skills Development Scotland and key partners such as colleges, the voluntary sector and the Department of Work and Pensions. These plans will identify the priority cohort of young people unemployed locally, where they are geographically, who is delivering what for this group and referral arrangements between partners.

Scotland's third sector is already making a distinctive contribution to our response to rising youth unemployment. Social enterprises, voluntary organisations and charities provide support for young people furthest from the labour market and deliver opportunities to develop skills and aptitudes which enhance their employability. Through strong, practical support and excellent partnerships with private sector companies, they help young people sustain work.

Responding to Young People's Concerns

Scotland's young people are not all the same. They face a range of challenges and a one size fits all solution is not appropriate. Youth unemployment is a complex problem that necessitates a diverse range of policy interventions to support different needs. We have drafted an Equalities Impact Assessment of our Youth Employment Strategy and plan to discuss this in detail with groups and organisations such as the Scottish Disability Equalities Forum, BEMIS (Black and Ethnic Minority Infrastructure Scotland), LGBT Youth Scotland and the Equality and Human Rights Commission Scotland. These discussions will consider what interventions may be necessary to support young people facing particular disadvantages.

It is important that young people affected by, or concerned about, unemployment have the opportunity to express their views and contribute to the development of policy measures. In May, the Minister for Youth Employment held an Action Forum on Youth Employment in Lanarkshire, the first of a series of regional events bringing together employers and young people with local authorities, employability and skills providers, the third sector and local politicians. Young people participating in these events are equal contributors and offer valuable insights.

One of the recommendations made at the February 2012 National Economic Forum was to hold a similar type of national event aimed at young people, providing an opportunity to engage with Government Ministers and other senior stakeholders. We will take this forward with a range of youth organisations and ensure that young people are engaged fully in our all-Scotland approach to tackling youth unemployment.

Our Approach

This strategy provides an overview of the Government's approach to harnessing and supporting the national effort required to increase youth employment through a strategic approach which builds on the knowledge, experience and commitment of others. Our approach to this challenge is designed to make a positive difference for young people in the short, medium and long term.

This strategy is a call to action, a catalyst for change, a stimulus for collaborative, innovative responses to supporting young people into employment. It is built upon three strategic themes –

- Adopting an all-Government, all-Scotland approach to supporting youth employment;
- Enhancing support for young people; and
- Engaging with employers.

AN ALL-GOVERNMENT AND ALL-SCOTLAND APPROACH

It is essential that we direct all available resources towards supporting youth employment. In addition to our £1.5 billion annual investment in tertiary education, skills and training, we will take advantage of Government spending across all Ministerial portfolios to help young people seeking work. What follows is a flavour of action being taken across government. This is not an exhaustive list and is likely to prompt further action.

Urban and Rural Focus

Around three quarters of the 16-24 year-old population in Scotland live in urban areas. However, of the cohort of young unemployed not in full-time education, 82 per cent live in urban areas. Cities are vital to the success of the Scottish economy and the job prospects of tens of thousands of young people. Key to the success of our cities and city regions will be harnessing young people's energy, skills and commitment. As part of our work with Scotland's city local authorities and other key partners we will identify how our policy and programmes to help Scotland's cities flourish will contribute to responding to the challenge of increasing youth employment.

In May, the Minister for Youth Employment initiated a series of Action Forums on Youth Employment events to encourage outcome-focused discussions between local employers, young people and key partners on how we can help young people into work. Events in urban areas such as Glasgow, Lanarkshire and the Lothians have taken place already and others will be held in the next twelve months.

Geography is important in a nation with such a diverse range of cities, towns and villages, spread across highland and lowland rural expanses and centralised urban areas. Interventions to support youth employment need to be tailored to the challenges presented by the different geographies of Scotland and a number of rural Action Forums on Youth Employment, starting with Dumfries in June and Oban in September, will look in detail at how to do this. In addition, through the Convention of the Highlands and Islands, the Scottish Government will continue to exchange ideas on strategic issues such as youth employment affecting the people of the Highlands and Islands.

In rural parts of Scotland, such as the Highlands and Islands, many young people migrate to Scotland's main urban centres to access jobs or higher education. However, not all of Scotland's potential for future economic prosperity and jobs growth is concentrated in cities and some of the best opportunities to develop our low carbon economy and renewables industry exist in small towns and rural areas. Through the Energy Skills Investment Plan we will support training opportunities to help young people move into Scotland's energy, renewables and low carbon sectors. For example, the establishment of the Nigg Skills Academy will support young people into energy jobs.

More established industries such as oil and gas also offer career opportunities to support young people in rural areas. We will focus resources for skills development and employer support on those sectors which offer prospects for employment for

young people in small towns and rural areas. The skills investment plan for the food and drink sector will help inspire young people in education to consider the diverse range of career opportunities available to them in this growing and dynamic sector.

We will also continue to work to attract young people to the farming industry through the ongoing development of the New Entrants scheme. The Scottish Government, industry figures and Skills Development Scotland will look at proposals for improving the understanding of current Modern Apprenticeship frameworks with employers and adapting content to fit with the land-based skills required for rural businesses. This will improve the training and employment support available to young people living in rural areas and help them acquire the skills required to grow Scotland's rural economy.

Infrastructure and Procurement

The Government's infrastructure investment is designed to support Scotland's long term economic development, while supporting economic recovery in the short and medium term. In particular, our capital investment provides employment opportunities for people of all ages at a time when we face significant labour market challenges. For example, eighty of the 380 new jobs being created by the New South Glasgow Hospitals have so far gone to 16-24 year-olds, 140 of the 180 work placements on offer have been set up for young people and 88 apprenticeships will be created.

The Government's Infrastructure Investment Plan sets out how we will use our £9 billion public procurement spending to maximum effect, and to promote economic growth and jobs, for example by –

- Asking every company in receipt of a major Government contract to produce a training and apprenticeship plan, targeted at young people in particular;
- Using community benefit clauses to support employability and targeted recruitment and training through public sector contracts, with an increasing focus on supporting young people; and
- Introducing a Sustainable Procurement Bill which legislates for a systematic use of community benefit clauses within public procurement to support youth employment, training and work experience opportunities.

Scottish Government and its Agencies

Government agencies and non-departmental public bodies will take innovative steps to support the youth employment agenda. Many will be able to provide opportunities for employment, apprenticeships and work experience. Scottish Ministers and public sector chief executives met in March to discuss youth employment and generated nearly 100 specific pledges, including commitments to –

- Offer Modern Apprenticeships, work experience and student placements;

- Make use of community benefit clauses or influence their supply chain in other ways to create opportunities for young people; and
- Increase the proportion of young people in their workforce.

As well as providing direct employment and work experience, many Government bodies are in a position to take an imaginative approach to supporting youth employment as they discharge their core activities. Scottish Ministers have made clear their expectation that all Government bodies should support the youth employment agenda and report to the Minister for Youth Employment on progress.

Scottish Enterprise and Highlands and Islands Enterprise are well placed to provide encouragement to businesses to provide opportunities for young people, as part of the advice and financial support they provide. In the draft strategy we said that we would explore with the Enterprise Agencies a range of options to work with the businesses they engage with to support the youth employment agenda. In response, Scottish Enterprise developed its own youth employment action plan in May which, as well as committing to increase their own recruitment of young people and offering more work experience opportunities, outlines actions for supporting businesses and industry sectors recruit young people.

Digital

A strong range of digital skills is essential for success in the world of work and we need to work with the widest range of partners to help young people develop these critical skills. We will work with a range of bodies such as the Digital Participation Action Group to support the development of work-focussed digital skills among our young people.

National Health Service

The National Health Service is a major employer in Scotland and offers a wide range of job and work experience opportunities. As NHS Boards pursue the delivery of their core objectives, they are also well placed to offer young people support in their efforts to move into work. The Government will continue to encourage NHS Boards to offer apprenticeship opportunities to young people and to identify work experience opportunities for young people within the health service.

Justice

The CashBack for Communities Programme takes the ill-gotten gains of crime recovered through the Proceeds of Crime Act 2002 and invests them in community programmes, facilities and activities largely focussed on young people to benefit Scottish communities affected by crime and anti-social behaviour. Money is provided to local communities to support a wide range of sporting, cultural, educational and mentoring activities for children and young people aged 10-19 year-olds. Over £44 million has been invested in this way, allowing more than 600,000 young Scots to participate in a wide range of activities. Through CashBack we will continue to invest in young people and the communities they live in to help them prosper, flourish and contribute positively to society.

Culture

Culture and heritage organisations have extensive reach to young people through creative educational programmes and as attractive places to work. Apprenticeship opportunities are already in place in organisations such as Historic Scotland, which will be employing an additional 30 apprentices in traditional skills over the next 3 years. There are further apprenticeship opportunities in National Records of Scotland and Creative Scotland.

We will make strategic partnerships across culture and heritage to maximise the use of resources to address youth employment. For example we are working with the Heritage Lottery Fund which has prioritised skills in its current funding plans and future strategy. Each of the Government-funded culture and heritage organisations will be encouraged to develop explicit major plans for training, volunteering and work experience activities.

The Conservation Centre, which will be on-stream in 2014, will enable Historic Scotland to provide increased flexibility for the training of young people, particularly in traditional industry sectors. With funding from the Young Scots National Youth Fund, Creative Scotland is bringing together partners, including the Royal Conservatoire of Scotland and the national youth performing companies, to develop detailed plans for the new Arts Centre. These plans will be clear about youth training and employment opportunities

Sport

Large scale events such as the Commonwealth Games and the Ryder Cup provide opportunities to help young people into jobs, apprenticeships and volunteering opportunities, helping to create a lasting youth employment legacy. For example, we will invest Commonwealth Games Legacy Funding to support youth employment initiatives through -

- Adapting models such as Personal Best, a programme of volunteering particularly designed to help people into work, to focus on youth employment; and
- Providing an Employer Recruitment Incentive for Modern Apprentices who access opportunities directly and indirectly related to large scale events across Scotland in sectors such as tourism, hospitality, horticulture, and creative.

Local Authority Support for Young People

Local authorities and Community Planning Partnerships are key in supporting young people into work. Local employability partnerships are best placed to understand and respond to challenges specific to their areas. Partnerships work hard to ensure that provision is aligned to the needs of local labour markets and to reduce duplication between the support they offer young people and that offered by the Scottish and UK

Governments through Skills Development Scotland and the Department for Work and Pensions.

The Scottish Government has made Community Planning Partnerships strategic partners in the allocation of funding through the European Social Fund and the Social Enterprise and Third Sector Challenge Fund, to support employability and skills delivery. This has helped implement locally developed and locally led approaches in different parts of Scotland. The Scottish Government will continue to support a diverse approach across Scotland in response to local needs. In particular we will –

- Continue to provide financial and other support to local employability partnerships which support young people;
- Provide financial and practical support to local authorities as they implement Activity Agreements;
- Ensure Skills Development Scotland builds on the joint commissioning approach it has developed with local authorities and local partnerships for pre-employment programmes such as Get Ready for Work; and
- Work closely with local authorities, Community Planning Partnerships, the Convention of Scottish Local Authorities and the Scottish Local Authority Economic Development group as we explore options for a cohesive and flexible employability fund built on local skills outcome agreements.

Social Enterprises and the Third Sector

The third sector is key to the Scottish Government's response to rising youth unemployment and very well placed to work with young people at all stages of their journey into employment. From working with those young people at greatest risk of disengagement through to offering opportunities to those closest to the labour market, the sector provides a broad range of support.

The Government has recognised this key contribution through a range of means including the third sector's strategic access to the European Social Fund through the Scottish Council for Voluntary Organisations, the sector's involvement in the implementation of Activity Agreements, its role in the delivery of pre-employment training programmes, and funding for Community Jobs Scotland. As we move forward, we will continue to work with all parts of the sector on the youth employment agenda. In particular, we will -

- Support the continuation of Community Jobs Scotland to create 1,000 subsidised jobs for 16-19 year-olds in the third sector in 2012/13;
- Incentivise employers to support up to 1,000 young people facing the greatest disadvantages, including care leavers and young carers;
- Continue to support the innovative, entrepreneurial Inspiring Scotland model; and

- Launch a Social Enterprise and Third Sector Challenge Fund to enable social enterprises and specialist third sector organisations to provide innovative and strong support for young people into jobs.

Youth Work

Through youth work, hundreds of thousands of young people across Scotland are accessing a wide range of activities that help to improve their life chances and wellbeing, and support them to build skills in preparation for further learning and employment. Youth work provides opportunities for young people to develop confidence and resilience, acquire leadership and negotiation skills, learn to solve problems and work well with others. The Scottish Government provides core funding for national youth work and youth engagement organisations such as YouthLink, Young Scot and Youth Scotland.

ENHANCING SUPPORT FOR YOUNG PEOPLE

Opportunities for All

The Scottish Government has made clear its explicit and exclusive commitment to young people in Scotland through Opportunities for All which offers all 16-19 year-olds not in work, education or training a place in learning or training. This unprecedented commitment, launched in April 2012, will ensure that all young people have the opportunity to improve their chances of sustainable employment through learning and training.

Opportunities for All builds upon the well-established 16+ Learning Choices approach which helps young people to progress successfully from school to further learning, training or employment. Since the introduction of 16+ Learning Choices in 2008, there have been steady improvements in school leaver destinations - 87.2 per cent of leavers in 2011 sustained a positive destination.

Opportunities for All will take this approach to the next level with a focus on ongoing engagement in education and training for those 16-19 year-olds at greatest risk of becoming long term unemployed. To support the successful implementation of Opportunities for All the Scottish Government will -

- Focus on 16-19 year-olds in the 46,000 training places, including 25,000 Modern Apprenticeship opportunities, on offer in each of the next four years;
- Prioritise provision in Scotland's colleges for 16-19 year-olds;
- Protect the level and quality of higher education available in Scotland without passing the cost onto young people through a prohibitive fees regime;
- Support local authorities deliver Activity Agreements, which provide a package of tailored activity and learning to re-engage young people furthest from the labour market;
- Maintain the Education Maintenance Allowance to provide financial help to young people who need it most stay in education;
- Provide an in-depth range of careers support to young people through My World of Work and other social media; and
- Introduce more intensive support for young people most likely to disengage from learning and employment through My Work Coach.

Reforming Post-16 Education

The aim of our ambitious programme of post-16 education reform is to put learners, especially young learners, and employers at the heart of the system. Through this reform, we will deliver a sustainable post-16 education system that improves people's life chances and meets the needs of employers and Scotland's economy. The reform programme will contribute to the delivery of Opportunities for All by

offering better provision and better guidance to young people. Proposed changes include -

- Refocusing college places on those who need them most; ensuring every 16-19 year-old who wants one has a place in learning and training; and prioritising college places for 20-24 year-olds, as well as making provision for those with no or low skills;
- Meeting industry needs more effectively by engaging employers in the design of education and training provision;
- Reducing college drop-out rates; and
- Developing a regional delivery model of college provision to improve coherence, prevent duplication and better meet learners' needs, while protecting local access within that model.

Making Training Work Better

As part of our post-16 education reform programme, the Scottish Government carried out a review of training provision, Making Training Work Better. The guiding principles of this were to focus on moving people further towards employment and improving outcomes for individuals; better meet the skills needs of employers; reduce any duplication of funding; and provide better alignment between the Scottish Government's skills programmes. As a result of the review the Government will –

- Develop higher level Technical and Professional Apprenticeships to offer a wider range of entry and progression opportunities through the apprenticeship programme;
- Provide flexible support, including incentives to employers, to support 16-24 year-olds from disadvantaged groups such as care leavers and young carers into jobs, including Modern Apprenticeships;
- Introduce a contribution rate for 20-24 year-old Modern Apprentices across all frameworks rather than for selected sectors;
- Have a transparent process for developing new apprenticeship frameworks that focus on employer needs through Scotland's Modern Apprenticeship Group;
- Enhance the work experience element of the Get Ready for Work programme;
- Explore the potential for an outcome-focused national employability fund that brings together funding from a range of sources to provide more coherent and flexible pre-employment support for young people and adults.
- These measures will enhance the relevance and flexibility of training provision with a particular focus on responding to the needs of young people and employers.

Support for Graduate Recruitment

We will continue to support high quality, paid graduate placement programmes to provide graduates with the opportunity to gain valuable work experience in their chosen field and give them a step onto the careers ladder. Since 2010, we have funded the Adopt-an-Intern programme run by the Centre for Scottish Public Policy to match graduates with businesses, offering paid, meaningful and career-enhancing internships in Scotland. Scottish Enterprise and Highlands and Islands Enterprise continue to provide graduate places through the TalentScotland Graduate Placement Programme. To support graduates into jobs in Scotland's small businesses the Scottish Chambers of Commerce, with Scottish Government funding, will deliver a pilot scheme in 2012/13 offering a recruitment incentive to companies which take on an unemployed graduate.

Support for Young Entrepreneurs

Scottish Enterprise, through the Scottish Investment Bank, has allocated £1 million in 2012/13 to the Revolving Loan Fund, which is administered by Prince's Trust Youth Business Scotland. The Fund offers access to loans for young people interested in starting up or growing their own business. It is estimated that the extra money will generate nearly 500 new businesses, creating over 600 jobs. The Revolving Loan Fund complements existing start-up support available to unemployed people aged over 18 who are interested in starting up their own business, such as the Scottish Government's Training for Work self-employment option and the Department for Work and Pensions' New Enterprise Allowance.

Support for High Quality Work Experience

In May 2012, the UK Commission for Employment and Skills published a report which showed that employers in Scotland reported higher levels of work-readiness among school and college leavers than elsewhere in the UK. Of employers who had recruited someone straight from education, the majority were satisfied with the work-readiness of education leavers.

However, many employers do not recruit young people straight from school, college and university, often citing lack of work experience as the main reason. We want all young Scots to have the skills, knowledge and opportunities needed to step onto the career ladder. Skills Development Scotland is developing an employer-led Certificate for Work Readiness, in partnership with the Scottish Qualifications Authority and employers, that aims to recognise the work readiness of 16-19 year-olds and to help businesses recruit with confidence. Central to this will be 192 hours of work experience.

Responses to the draft youth employment strategy from organisations such as the Federation of Small Businesses, the Scottish Training Federation, the Trade Union Working Party on Lifelong Learning and the Scottish Local Authorities Economic Development group suggested there should be standards for work experience and that guidance should be available to employers on how they could provide work placements that benefit their business and the young people taken on. We will therefore investigate existing guidance on work experience with relevant

organisations and identify whether there is a need for further resources to be developed.

Youth Contract and the Work Programme

The Department for Work and Pensions (DWP) is responsible for the delivery of employment services in Scotland for those in receipt of benefits. The Scottish Government has no doubt that these services could deliver more effective outcomes if responsibility was devolved to Scotland, allowing more effective integration with those parts of the employability and skills system which are already devolved. Reserved responsibility for employment reduces scope for a fully integrated employability and skills response that galvanises and makes the most effective use of public resources.

However, as long as the current constitutional arrangements remain in place, we will work constructively with DWP to ensure that the programmes they provide in Scotland deliver positive outcomes for young people. The UK Government launched the Youth Contract in April 2012. It includes additional work experience opportunities prior to entering the Work Programme at nine months of claiming unemployment benefits and recruitment subsidies of £2,275 for employers who employ young people from the Work Programme and Work Choice for disabled young people.

Work Experience forms a significant part of the Youth Contract and the Work Programme. Young people are keen to gain meaningful work experience and many employers are happy to provide it. However, it is essential that young people are not exploited and that existing employees are not displaced. We welcome the UK Government's decision to ensure participation in their work experience schemes is voluntary and to pull back from applying benefits sanctions on young people who withdraw from them.

We called on DWP to work with employers, existing employees and trade unions to ensure that the work experience element of the Youth Contract is well designed and managed carefully. In April 2012, the Chartered Institute for Personnel Development, on behalf of DWP, published a work experience quality charter, accompanied by guidance for employers, to ensure work placements are high quality and tailored to the needs of the young person.

ENGAGEMENT WITH EMPLOYERS

While the Government cannot create permanent employment for young people, it is essential that we support those who can. The Government will continue to engage with employers of all sizes and in all sectors to identify and address barriers they face in employing young people.

We will engage with employers in a range of ways to encourage them to consider taking on young people when they are recruiting, or provide work experience and other support when they are not in a position to recruit.

Employer representative bodies provide a valuable mechanism to communicate with businesses of all sizes in all parts of Scotland. A number of Scotland's business organisations are already engaging with the Government on this agenda and are keen to do more. We will continue to engage with business organisations and make use of their networks to promote youth employment and to better understand the needs of employers.

The Government is already engaging with a group of large employers in Scotland in partnership with the Scottish Council for Development and Industry. Each company is heavily involved in offering jobs and work experience to young people and is committed to doing more. Of particular interest to us is the role they can play in encouraging companies in their supply chains to support the youth employment agenda.

Business Case for Recruiting Young People

The Scottish Government has real confidence in the positive role that young people can play in supporting economic growth. We demonstrate this confidence with our significant investment in Modern Apprenticeships, where young employees develop valuable occupational skills in a range of industry sectors. Modern Apprenticeships are a vital means of developing the workforce and the wider economy, and investment in them pays off very quickly. After surpassing our target of 25,000 apprenticeships in 2011/12, we will continue to persuade employers across Scotland why it makes sound business sense to take on apprentices.

While some employers have negative perceptions of young people and are reluctant to recruit anyone from this age group, experience of employing or providing work placements to young people often changes these negative views. Reports produced by organisations such as the Chartered Institute for Personnel Development and the UK Commission for Employment and Skills demonstrate that employing young people makes good business sense and provides the skills needed for the development of the workforce.

We applaud companies who offer young people employment opportunities as an act of corporate social responsibility and would encourage more to do so. We also want to persuade employers that there are strong business reasons for recruiting young people. Even in these tough economic times, investing in young employees will help employers and Scotland thrive when the economy starts to recover. We plan to build on the business case for recruiting young people in the months ahead, building on

the appetite amongst employers of all sizes to support our youth employment agenda.

Simplifying the System

Employers have told us that they find the range of employment and training support available from different public agencies difficult to understand. We are committed to making it easier for all employers, particularly small and medium sized companies, to access public resources to help young people find work. As part of a wider programme of work to better align employability services in Scotland, we will develop a clear and simple national offer of support to employers which combines services from Skills Development Scotland, the Department for Work and Pensions, Scottish Enterprise, Highlands and Islands Enterprise, and other relevant national bodies.

Skills Support for Key Sectors

Understanding how the resources available can be deployed to support young people into different parts of the economy is critically important. Employers in different industry sectors may require specific support to employ young people, and we will work with Industry Leadership Groups and other sector representative bodies to identify and address those needs.

Public Sector as an Employer

The public sector offers a wide range of opportunities to support young people. As significant employers in all parts of Scotland, public sector bodies will continue to provide new employment and apprenticeship opportunities for young people. For example, Scottish Enterprise has committed to doubling the number of under-25 year-olds in its workforce.

Beyond direct employment opportunities, the public sector is in a strong position to offer a wide range of work experience opportunities which can significantly improve young people's employment prospects. We will secure senior level commitment across the public sector to supporting young people into work.

GOING FURTHER

Harnessing Available Resources

In December 2011, the First Minister announced an additional £30 million of funding to support youth employment policies over the three years of the current Spending Review period - in addition to our investment of over £1.5 billion per year in post-16 education and training. Beyond this, we will identify and direct other resources toward youth employment as part of our cross-government approach.

Of the £30 million, £18 million has been allocated for 2012/13 and £1 million for the following two years (see Annex B for details). Of the money committed, £9 million is enabling six local authorities with particular youth unemployment challenges to enhance the support they offer, and £8.5 million has been made available to the third sector to fund a range of opportunities to support young people.

In response to the economic downturn, the Scottish Government has made significant use of the European Social Fund to help address rising unemployment, with a specific focus on youth unemployment in recent years. In particular, £64 million has been allocated to support the development of the strategic employability pipeline (see Annex A) which has funded training places, additional college provision and a wide range of local authority support for young people. As we move forward to the next programme of European structural funding due to begin in 2014, we will ensure that youth employment is prioritised in its development, with a particular focus on addressing medium and long term challenges. In the short term, we will work with partners across Scotland to identify how best to use the £25 million of European structural funds announced in May 2012 to support youth employment.

Decisions on the use of the remaining £11 million youth employment funding and the £25 million European funding will be made in the months ahead.

Next Steps

This strategy outlines an all-Scotland approach to supporting young people into work and we will continue to encourage everyone who can support Scotland's young people to do so.

The Minister for Youth Employment's engagement with employers, young people and key partners across rural and urban Scotland will continue, for example through the Action Forums on Youth Employment. These events will help shape further policy responses and provide opportunities to mobilise resources across the public, private and third sectors in support of youth employment.

As this strategy makes clear, youth unemployment is a significant national challenge to which we must all respond. The costs of not doing so are too high. Working together, with and on behalf of our young people, we can and will make the difference we need to make.

ANNEX A

THE SKILLS AND EMPLOYABILITY PIPELINE

Many agencies involved in supporting young people toward work adopt a pipeline approach to skills and employability support characterised by the five stages outlined below.

This is a useful model when considering the range of support required for different groups of young people on the journey toward and into sustained employment, although it is important to be aware that people progress at different rates and it is not always essential to move through each stage of the pipeline.

What is important is that each young person starts at the stage of the pipeline that is right for them and that they are supported to progress through a route toward work which works for them as individuals. This is a critical contribution that many professionals working with young people are in a position to make.

Stage 1 – Initial Engagement with those Furthest from the Labour Market

Many young people will have experienced a disrupted school education. This happens for a wide range of reasons often related to multiple and complex disadvantages. In many cases this results in very poor educational outcomes, a significant disadvantage in the labour market irrespective of economic conditions. Re-engagement with education and training for this group is a critical step in the route to sustained employment. Such re-engagement often requires a wide ranging package of intensive, often prolonged, support tailored to the needs of the individual.

Local authorities across Scotland are providing support of this nature to young people through the system of Activity Agreements, which brings together partners to re-engage young people in a variety of learning opportunities. This draws in a wide range of activity in community settings, including community learning and development, volunteering activity and bespoke educational and training provision. The Lifeskills strand of Get Ready for Work provision also plays a part at this stage as it offers young people the opportunity to begin to develop the personal qualities which employers require.

Stage 2 – Engagement in Structured Education and Training

As young people achieve and sustain a place in the post-16 education and training system we need to support them to make progress into more structured provision. At this stage they still require a significant level of support to help them stay engaged and make headway in terms of meeting their educational, skills and social development needs.

Skills Development Scotland offers a range of employability support at this stage through the Lifeskills strand of Get Ready for Work. Local authority funded community learning and development provision, and a range of activity supported by the third sector also offers support at this stage. Many of Scotland's colleges offer opportunities in this area. For those aged 18 and over who have found the search for

work particularly difficult the Department for Work and Pensions (DWP) Work Programme begins to offer support at this stage.

Stage 3 – Mainstream Post-16 Education and Training

For the majority of young people leaving school, entry into the mainstream post-16 education and training system is straightforward with the bulk of them moving into college, university or training programmes. For those who have successfully moved through the stages outlined above this is often the next step. At this stage young people are supported to develop the skills and knowledge they will need to compete in the labour market.

The overwhelming majority of provision at this stage is delivered through colleges and universities with many learners moving straight into work on completion of their studies. This stage of support also encompasses the post-Lifeskills strand of Skills Development Scotland's Get Ready for Work programme. Many young people involved in the DWP Work Programme start at this stage or progress to it from earlier stages of that programme.

Stage 4 – Workplace Based Pre-Employment Training

For those young people who already have many of the skills and qualifications necessary to move into work, the main barrier is often the absence of meaningful work experience. This is highly valued by employers and for many is the final step on the journey into work.

Skills Development Scotland's Get Ready for Work programme has a significant element of work experience built into its design. DWP offers eight week work experience opportunities to young people aged 18 and over who have been unemployed for less than nine months as part of the Youth Contract. For those on the DWP Work Programme periods of work experience also constitute part of the range of support offered.

Stage 5 – In Work Support

Even after young people have found a job, continued support can be critical to ensure they sustain employment and progress in the workplace. At this stage of the skills and employability pipeline, support often takes the form of training directly related to the sector and occupations in which young people are employed. The effectiveness of this support requires employer commitment and input to the training.

The Modern Apprenticeship programme is central to this stage of the pipeline. Apprenticeships offer occupationally specific training to participants while they are employed. In addition, through a range of local authority and government funded programmes such as Community Jobs Scotland and the Work Programme, young people are supported to develop their skills and long term employability through publicly subsidised employment at this stage.

ANNEX B

SNAPSHOT OF SCOTTISH GOVERNMENT SUPPORT FOR YOUNG PEOPLE

Investment in Further and Higher Education

- Over £2.2 billion a year investment in post-16 education and student support
- Additional investment of £327 million in our universities over the three year spending review period to maintain the number of university places with no tuition fees for Scottish students
- Maintaining college places and prioritising 16-19 year-olds within that provision
- £15 million College Transformation Fund to help colleges reform

Student Support

- £95.6 million student support for academic year 2012-13
- A guaranteed sum of money for childcare, up to £1,215, for eligible lone parent students
- Committed to delivering a minimum income for students of £7,000 a year for the most vulnerable students

Opportunities for All

- Additional £30 million for youth employment including –
 - £1.5 million over the next three years to incentivise employers to support up to 1,000 young people facing the greatest disadvantages
 - £6 million for the continuation of Community Jobs Scotland in 2012/13 to create 1,000 subsidised jobs for 16-19 year-olds
 - £2.5 million in 2012/13 for the Social Enterprise and Third Sector Challenge Fund to provide support for young people into jobs
 - £9 million in 2012/13 to the six local authorities with the highest youth unemployment levels and rates (East Ayrshire £720,000; Glasgow £3,371,000; North Ayrshire £828,000; North Lanarkshire £1,825,000; Renfrewshire £799,000; and South Lanarkshire £1,457,000)
- £5.6 million in 2012/13 to ensure an offer of a place in learning or training for every 16-19 year-old in Scotland through Opportunities for All
- Additional £5 million to support employability initiatives in the college sector and an extra £8 million in 2012/13 to help colleges deliver Opportunities for All
- Targeting the majority of our £100 million investment in 46,500 training places in at 16-19 year-olds including –
 - 25,000 Modern Apprenticeships in each year of this parliament
 - Training allowances of £55 per week to young people on Get Ready for Work courses which include work experience
- £31.6 million to help less well-off youngsters stay in education through the £30 per week Educational Maintenance Allowance
- £5 million to support up to 2,500 young people into opportunities linked to major cultural and sporting events hosted in Scotland in the coming years
- Additional 1,000 flexible training places for small businesses in energy and low carbon in 2012/13

Support for Graduate Recruitment

- £350,000 since 2010 to the Centre for Scottish Public Policy to support the Adopt-an-Intern scheme
- £1 million from Scottish Enterprise and Highlands and Islands Enterprise for the TalentScotland Graduate Placement Programme
- £505,000 to the Scottish Chambers of Commerce for a new pilot scheme to support graduate recruitment and business growth in the small business sector

Support for Young Entrepreneurs

- £1 million, through the Scottish Investment Bank, to the Revolving Loan Fund administered by Prince's Trust Youth Business Scotland to offer access to loans of up to £5,000 to young people interested in starting up or growing their own business



The Scottish
Government

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