

Developing the Young Workforce

Scotland's Youth Employment Strategy

**3rd Annual Progress Report
2016-2017**

January 2018



Scottish Government
Riaghaltas na h-Alba
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Foreword

Deputy First Minister and Cabinet Secretary for Education and Skills



Minister for Employability and Training



We are pleased to present the third annual report on progress of the Developing the Young Workforce (DYW) seven year programme to reduce youth unemployment.

During 2017 there has been much change, particularly at political level, locally, nationally and internationally. What does remain constant, however, is the Scottish Government's absolute prioritisation of education and our on-going commitment to developing young people who have the right skills and qualifications needed to succeed in the labour market.

We are now at the halfway point of our 7 year programme and are delighted to report the achievement of the programme's headline target, to reduce youth unemployment by 40% by 2021, four years ahead of schedule.

We are determined to build on this progress. It is important that we pause to take stock and consider the challenges and opportunities which lie ahead, and how we can continue to maintain momentum and drive forward further progress. This is particularly timely since the economic conditions have changed significantly since the programme started and are likely to continue to change.

We are sure you will all recognise the tremendous amount of progress which is being made with the DYW agenda. This progress is due to a concerted, sustained partnership effort between the Scottish Government, local government and many other partners across the education and training system, as well as Scotland's employers.

We would like to thank our partners, including COSLA with whom we jointly lead the programme, for the energy and enthusiasm with which they are implementing Developing the Young Workforce. It is through this Local Authority support that we have seen the establishment of the national DYW Leads network, which acts as a hub to support capacity building across the system.

We are particularly pleased with the range of options now available for young people in school, including the expansion of the Foundation Apprenticeship. We have completed the establishment of 21 employer-led DYW Regional Groups, covering the breadth of the country. We have established a Career Education Standard 3-18 (CES); a Work Placement Standard (WPS); and Guidance on School-Employer Partnerships, all of which will help support employer engagement in schools.

Turning to the next half of the programme, our attention will focus on ensuring DYW is fully embedded within the curriculum and across the wider system.

To help emphasise this, we recognise that DYW sits alongside GIRFEC¹ and Curriculum for Excellence, as part of the three interrelated drivers of our wider ambitions for Scottish education. These programmes work alongside the recommendations of the Commission on Widening Access' report 'Blueprint for Fairness' to ensure that every child, no matter their background, has an equal chance to realise their full potential.

In June, the Scottish Government published proposals for the reform of Education Governance. At the heart of this reform is a simple, powerful premise: that the best decisions about a child's education are taken by the people who know that child best.

The decisions that shape the education of young people will be made in classrooms, schools and learning establishments, by people working with those young people, their parents and communities. And we recognise that if schools are to lead, they must be supported to do so. The new support structure will be made up of three key pillars:

- Enhanced career and development opportunities for teachers;
- Improvement services delivered through new Regional Improvement Collaboratives; and;
- Support services from local authorities.

On the Regional Improvement Collaboratives in particular, we are keen to ensure that these develop in partnership with others, and we recognise that many stakeholders have a role to play in this.

Sitting alongside this, we have established the new Education and Skills Strategic Board, which held its first meeting on 13 December. The new Board brings together the four skills and enterprise agencies: Skills Development Scotland, Scottish Funding Council, Scottish Enterprise and Highlands and Islands Enterprise, alongside a new South of Scotland Enterprise Agency. The Board will bring a renewed focus on system alignment to maximise the impact of our considerable investment in skills and enterprise and drive a

¹ Getting it Right for Every Child

changed approach to increase productivity and drive inclusive economic growth in Scotland.

Separately, we are building on our approach to DYW to take forward a review of the 15-24 learner journey. The review is examining the efficiency and effectiveness of progression for 15-24 year olds through the education system; and considers our tertiary education system from the perspective of what our society and our economy need, in terms of the balance of skills and qualifications. The aim is to support young people to make and sustain positive choices and to ensure that our investment matches these ambitions as efficiently as possible.

Finally, we have recently launched our STEM strategy, which sets out our vision of a Scotland where everyone is encouraged and supported to develop their STEM capability throughout their lives, in order to grow STEM literacy in society and to drive economic impact.

We look forward to continued engagement with young people to help further the promotion of our DYW ambition. We recognise the energy and commitment invested by all those pursuing DYW at the local, regional and national level. In the year ahead, the Scottish Government's Year of Young People, we look forward to showcasing the personalities, talents and achievements of Scotland's young people.

John Swinney
Deputy First Minister and Cabinet
Secretary for Education & Skills

Jamie Hepburn
Minister for Employability and Training

January 2018

Foreword from Councillor Stephen McCabe, COSLA Education, Children and Young People Spokesperson



As COSLA's new Spokesperson for Children and Young People, I am very supportive of the vital work being jointly led by Scottish Local Authorities and the Scottish Government to progress the DYW Programme.

We have accomplished some tremendous work at this half way stage. We have achieved the programme's headline target, to reduce youth unemployment by 40% by 2021. This work is then supported by the many local examples of good practice led by councils, who play a pivotal role in taking the DYW agenda forward.

In terms of just some of the local examples of practice for DYW, it has been terrific to hear of work at West Lothian Council where every secondary school has a Business Partnership Co-ordinator to develop employer partnerships.

It has also been heartening to hear that Edinburgh Council provides placements with employers that have been highly beneficial to disadvantaged young people, who have additional support needs or who come from care experience backgrounds.

While Angus Council have developed their 'Angus Works' programme that provides young people with work placements for 20 weeks a year, rather than the more traditional approach of one week a year.

Clearly, there is no doubt that the DYW Programme has built up a high degree of momentum through the commitment and work by officers and politicians in Local Authorities and the Scottish Government in driving the Wood Commission's recommendations forward. Having said that, there are still many challenges ahead before our shared goals are achieved.

For example, proposed changes to education governance and the move to regional improvement collaboratives must ensure that there are additional resources and efforts to progress DYW, rather than those services being disrupted or displaced in any way. It will also be important that any changes to education governance do not put at risk the whole system approach provided by councils, as multi-service providers for young people.

Further, despite some of the progress made in the DYW Programme, I am clear that we have simply not made enough progress in relation to addressing equalities issues relating to gender, disabled and care experienced young people.

We also need to ensure that efforts are maintained on DYW awareness activities targeted at parents and our young people, in order to promote the value of work based learning and apprenticeships.

Therefore, I look forward to DYW awareness raising activities during the 'Year of Young People' in 2018, that can serve as a platform to boost our shared endeavours for the second half of the DYW Programme.

**Councillor Stephen McCabe, COSLA Education, Children and Young People
Spokesperson**

January 2018

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Introduction

**REDUCING YOUTH
UNEMPLOYMENT BY
40% by 2021**

The Scottish Government committed to annual reporting on progress of the Developing the Young Workforce Programme. This third annual report covers academic year 2016/17 and highlights early progress made in the first part of academic year 2017/18.

Developing the Young Workforce (DYW) is Scotland's youth employment strategy and through DYW, we aim to reduce youth unemployment levels by 40% by 2021. The strategy aims to create an excellent, work relevant education offer to young people in Scotland, giving them the skills for the current and anticipated jobs market. This includes creating new work based learning options; enabling young people to learn in a range of settings in their senior phase of school; embedding employer engagement in education; offering careers advice at an earlier point in school; and introducing new standards for career education and work placements.

Local authorities continue to have a lead role in the implementation of DYW, enabling young people to have access to a wide range of work-related learning opportunities. This is achieved through partnership working across schools, colleges, training providers, employers and relevant partners.

Progress

In this year we are delighted to report the achievement of the DYW programme's headline target, to reduce youth unemployment in Scotland, excluding those in full-time education, by 40% by 2021 – four years ahead of schedule. For this target to be achieved, the youth unemployment level for those not in full-time education needs to be 31,000 or below. Whilst, the wider macro-economic and social factors can create flux in these figures, official statistics calculated in May 2017, shows that youth unemployment in Scotland, excluding those in full-time education has reduced from 52,000 in 2014 down to 27,000 in 2017.

Although the target has been achieved, and mindful of the significant role played by wider economic and social factors, it remains important that we continue our long term plans to strengthen education and skills partnerships. This is to ensure we can better guarantee the equality of experience across Scotland and minimise any downturn in youth employment should economic conditions become less favourable.

Other headlines this year include:

- Senior level resource for DYW is present in all secondary schools;
- Further expansion in Foundation Apprenticeships and new opportunities at SCQF level 5 now available in all local authorities;
- Expansion of college courses available in schools;
- A national DYW Leads network established for authorities and colleges, which acts as a hub to link other networks to support capacity building across the system;
- Expansion of Modern Apprenticeships, with 26,262 MA starts in 2016-17;
- Completion of the DYW employer network, there are now 21 employer-led groups covering the whole of the country; and
- 390 businesses taking up the new Investors in Young People Accolade.

In taking forward DYW we aim to make an important contribution towards Scotland's Economic Strategy in promoting inclusive growth.

Through the expansion of new work-based learning opportunities in Scotland, DYW helps improve the opportunities, life chances and wellbeing of all our young people.

In particular, DYW is helping to:

- Tackle cross-generational inequality
- Address long-standing barriers in the labour market so that everyone has the opportunity to fulfill their potential
- Promote fair work and build a labour market that provides sustainable and well-paid jobs.

Looking ahead, we expect to see the skills of our young people not only increase, but that these will better match the needs of employers to further the Scottish economy. As new policies become embedded across the education and skills system, we expect to see our young people better prepared for work with a clear expectation of fair employment. As work advances on equalities, which we cover in Chapter 5 of this report, we also expect to see developments in addressing gender imbalance in work and a decrease in the disability participation gap.

Clearly, significant challenges remain, and having reached the halfway point of our programme, we have highlighted three key improvement priorities:

- To better purpose and align DYW and the National Attainment Challenge and communicate this alignment to head teachers, LAs and other stakeholders to maximise their input;
- To support continuous improvement in curriculum design and development, that recognises the breadth of DYW qualifications and experiences;
- To work with the new Regional Improvement Collaboratives and their members in supporting a connected education and skills system.

In the upcoming year, our focus is on:

- Ensuring the Careers Education Standard 3-18 and Work Placements Standard are implemented;
- Expanding the college offer in schools and with it more Foundation Apprenticeships;
- Developing further graduate level opportunities within the expansion of higher level Modern Apprenticeships;
- Doing more for disabled young people.
- Ensuring/supporting greater employer involvement in education for all learners

In taking this work forward, we will seek to align our efforts with the changing policy context, alongside the Commission on Widening Access, the Student Support Review and the 15-24 Learner Journey Review. We will also seek to align with the Scottish Government's [STEM Strategy](#), published in October 2017. This strategy supports the delivery of a number of our DYW recommendations, and we recognise the importance of coordinating this activity across both programmes of activity.

Further Information

Further information on the following can be found at:

<http://www.gov.scot/Topics/Education/developingtheyoungworkforce>

- Programme Board Membership
- National Advisory Group Membership
- DYW National Employer Group

Chapter 1 – Schools

Progress in Schools

- In 16/17 the percentage of school leavers attaining vocational qualifications at SCQF level 5 rose by 1.7% to 10.7%. Overall this has increased by 3.4% since the programme began.
- This year almost 2000 young people were enrolled in Foundation Apprenticeships, an increase from 480 in 15/16 and 72 in 14/15.
- Dedicated senior resource engaged in DYW activity in almost every school.

(This activity delivers on Developing the Young Workforce Recommendations 1, 2, 3, 16, 26, 27, 28, 33, 37)

Overview

As we reach the mid-point of DYW implementation, we can reflect on the strengthening partnership between our education system and the world of work. This collaborative approach remains key in driving the ambitions of DYW and closing the attainment gap, ensuring every child in Scotland can achieve their best possible outcomes.

In this year, the Scottish Government has increased its commitment to DYW, through the [Education Delivery Plan - Delivering Equity and Excellence in Scottish Education](#), which sets out how the Scottish Government will work with partners to deliver excellence and equity for every child in education in Scotland.

To help us deliver these aims of excellence and equity, the [National Improvement Framework and Improvement Plan](#) has established 4 key priorities:

- Improvement in attainment, particularly in literacy and numeracy
- Closing the attainment gap between the most and least disadvantaged children
- Improvement in children and young people's health and wellbeing
- Improvement in employability skills and sustained, positive school-leaver destinations for all young people

The aspiration for everyone working in Scottish education is to be clear about how they can contribute to addressing these priorities.

This work is part of our vision for a school and teacher-led education system, as set out in the [Education Governance: Next Steps](#) report, which details the reforms we will take forward following the review of education governance, to drive improvement and to enable our education system to realise our ambition of excellence and equity for all. Under these reforms, new Regional Improvement Collaboratives (RICs) have been established to bring together and through collaboration enhance local authority, Education Scotland and other

expertise and support, to ensure that schools across Scotland receive responsive, high quality education support which has a positive impact on children's learning.

Throughout 2016/17, significant work has been conducted in awareness raising and establishing leadership and practitioner networks to support the implementation of DYW. A survey of each Local Authority, undertaken in November 2016, asked whether senior resource was in place in secondary schools in each authority dedicated to the development and coordination of senior phase vocational pathways. Almost all (354/356) secondary schools reported, via the Area Lead Officer network, that they had a 'senior staff resource' in place and that they were engaged in DYW activity.

The National DYW Leads (Authorities and Colleges) Network was established early in 2016 and meets bi-monthly to support capacity building across the system, this includes linking with the employer- led DYW Regional groups. Over 2017/18, its focus will be on ensuring there are meaningful and productive school-employer partnerships operating in all secondary schools.

DYW is supporting improvements across early years settings, primary and secondary schools across all curriculum areas. DYW also supports a focus on, science, technology, engineering and mathematics (STEM) and the principles of DYW are embedded in the Scottish Government's [STEM Education and Training Strategy for Scotland](#). STEM work-based pathways and opportunities for children and young people (3-18) form an important part of the strategy, ensuring young people have the skills, knowledge and capability required to adapt and thrive in the fast-paced changing world and economy.

Progress

Key themes and milestones for schools

Achieving our ambitions for the young workforce requires a focus on:

- Expanding the offer - increasing the routes from school into employment or further and higher education which is closely linked to employment.
- Promoting and shaping the offer - engaging with young people, parents, teachers and practitioners, partners and employers.
- Supporting teachers and practitioners to develop children's and young people's learning about the world of work.
- Providing earlier relevant labour market focussed careers advice when young people need it, leading to better outcomes.
- Embedding meaningful employer involvement.
- Consolidating partnership working with colleges and other training providers.

Senior Phase Vocational Pathways

We have seen good progress in the expansion of the curriculum offer for our young people through an increased number of college courses delivered within schools. DYW is particularly interested in the availability in school to undertake college courses at SCQF level 5 and above. In schools we want more of these 'higher level' vocational courses to connect with other courses to provide pathways to higher level skills, enhancing young people's readiness for the world of work. We refer to such connected courses as evidence of senior phase vocational pathways.

We want all young people to have access to these pathways and since the start of DYW there is evidence of more of them becoming available in more schools.

Figures from the Scottish Funding Council show that:

- The number of SCQF level 5 courses continued to increase between 2014-15 and 2015-16;
- There has been an increasing uptake of these courses in the senior phase, rising from 2,169 to 3,014 enrolments in 2015-16;
- Overall, the percentage of school leavers attaining vocational qualifications at SCQF 5 or above also rose from 7.3% in 2013/14 to 9% in 2014/15, with increases in 28 of 32 local authorities. And, during this period, the percentage of school leavers attaining vocational qualifications increased at all SCQF levels from 2% to 6%;
- In the current academic year (17-18), the SFC forecasts further increases in recruitment with over 3,500 school pupils on SCQF level 5 and above college courses projected; and
- Looking at the forecast activity from colleges over the next three years, colleges project a continued expansion: for example for Academic Year 17-18 an increase of 110% on AY 16-17 and by the end of the three year cycle, an increase of over 130% enrolments. SFC College Outcome Agreements for AY 17-18 were published in summer 2017 and can be viewed at www.sfc.ac.uk/funding/outcome-agreements/outcome-agreements.aspx. These agreements include DYW priorities and set out an expansion target for senior phase pathway enrolments of 7,000 by 2019-20.

Whilst noting this progress, we remain mindful of the level of ambition both within and across the system. As it stands, if all forecast DYW activity (at SCQF level 5 and above) was delivered, in Academic Year 2020, it would still represent a relatively modest percentage of the senior phase cohort. It is important, therefore, that we continue to support strong local collaboration, building a clear understanding of where more can be done to widen choice and overcome the current variability in opportunity, to ensure DYW is available equally across all schools.

Foundation Apprenticeships

To ensure vocational courses can lead to higher level skills, both at university as well as work, Skills Development Scotland (SDS), in partnership with local authorities, and industry, developed a new qualification, the Foundation Apprenticeship – as part of the family of apprenticeships, which provides young people with higher level work-based learning and employment experience. This qualification is at SCQF level 6, the equivalent of a Scottish Higher and presents a vocational learning destination in school – something for our young people to aspire to and tackling at the outset both employer needs and parity of esteem.

To ensure all young people can access these new level 6 qualifications, SDS have undertaken work with schools and colleges to align school curriculum to create pathways into Foundation Apprenticeships. This year, for example, SDS have piloted new work based learning qualifications at SCQF level 4 and 5, involving work based learning. This includes a project at SCQF level 4, which started in August 2017, with S3 pupils in Brechin High school in partnership with Dundee & Angus College and involving a number of local employers.

The Scottish Government reaffirmed its commitment to Foundation Apprenticeships with the announcement in March 2017, for there to be 5,000 places available by 2019. To achieve this we need to make sure that all young people get the right support to take up these new qualifications.

This year, 1,900 pupils from across every local authority area in Scotland had the opportunity to start a Foundation Apprenticeship. This represents an almost five-fold increase in the number of pupils enrolled on a Foundation Apprenticeship.

Careers Education Standard

Education Scotland have published a set of [resources](#) to support practitioners, employers, young people and parents in understanding the different pathways available and how they can meet the different needs and aspirations of our young people. These resources can be used by those involved in the planning and delivery of the senior phase curriculum to understand the flexibility of learning pathways and the extent to which these can be tailored to meet the individual needs of young people, to aid their journey through the senior phase and into a sustained positive destination. Further resources to inspire and support change can be accessed on the [DYW Summary page](#).

Careers advice and guidance

To support and enable young people in considering their entry into the workplace, Skills Development Scotland (SDS) have developed a comprehensive range of career information advice and guidance (CIAG) [services](#). This includes:

- An early career education digital offer for primary schools P5-P7 via My World of Work (MyWoW).

- SDS's web service for individuals, MyWoW.
- Group engagements at P7/S1 through to Senior Phase.
- Parental engagement from P7/S1 to S6.
- Career guidance 1:1 support at subject choice phase including 1:1 offer for parents/carers.
- A sustained coaching relationship from S3 to S6 delivering 1:1 career guidance interventions.

These services were introduced to 36 schools in academic year 2015-16, and following positive reception, this suite of supportive measures was extended to all secondary schools in Scotland in academic year 2016-17.

Challenges

- A recent review found that the Career Education – a fundamental building block for DYW – is not yet being implemented across all schools and early years settings;
- Whilst we are seeing impact at a local level, there remains inconsistency across the system and we must work to address this to ensure the consistent delivery of outcomes for all of our young people;
- Further progress is needed to ensure that quality work placements are available in line with the Work Placement Standard;
- There remains uncertainty over the DYW Lead Coordinator posts in some local authorities;
- There is still work to be done to help schools make the connections between DYW and other educational priorities including the National Improvement Framework and Scottish Attainment Challenge;
- Although secondary schools are beginning to harness opportunities presented through industry partnerships, primary schools are yet to embrace and embed partnership working with employers and businesses.

Opportunities

- The emergence of Regional Improvement Collaboratives, which can further strengthen the collaboration already established under DYW, providing the platform for all parts of the education system to co-design and deliver a more coherent learning experience for young people.
- DYW's key role in addressing challenges presented by recent reports on skills gaps and current and future economic growth/potential.

Next Steps

During 2017-18, we will see:

- An increase in the uptake of vocational qualifications available to those in the senior phase;

- Further expansion of Foundation Apprenticeships across Scotland with new Foundation Apprenticeships in Laboratory Skills and Creative Digital Media available to study, increasing the number of frameworks to ten;
- A significant expansion in the number of pupils participating in Foundation Apprenticeships, covering every Scottish local authority area;
- Delivery of mentoring support for young people in care as part of the Investors in Young People accolade;
- From inception, the Insight online benchmarking tool reflects a wide range of awards, including a range of vocational qualifications, undertaken in schools or through school college partnerships where these awards meet the criteria for inclusion; and
- School/employer partnerships operating in most secondary schools.
- We will align with the STEM Strategy and seek to coordinate progress across both programmes of activity.

During 2018 - 2019, we will see:

- An increase in the uptake of vocational qualifications available to those in the senior phase;
- Pathfinder activity on Foundation Apprenticeships and equalities being rolled out across the country;
- All secondary schools will have active partnerships with regional colleges;
- Further expansion of Foundation Apprenticeship delivery across Scotland; and
- Meaningful and productive school/employer partnerships operating in all secondary schools.

During 2019 - 2020, we will see:

- An increase in the uptake of vocational qualifications available to those in the senior phase.

During 2020-2021, we will see:

- An increase in the uptake of vocational qualifications available to those in the senior phase.

Chapter 2 – Colleges

Progress in Colleges

- 83.9% of leavers go onto positive destinations, further study or work.
- 85% of Colleges have established employer/industry advisory boards to review and enhance curriculum quality, planning and outcomes.
- College and University Gender Action Plans (GAPs) published

(This activity delivers on Developing the Young Workforce Recommendations 4, 5, 6, 12, 17, 29, 34.)

Overview

Colleges and regional partnerships have built on progress made in AY 15-16 to increase their vocational offer to senior phase pupils across Scotland. The SFC in collaboration with partners is developing a school engagement framework which will combine the various strands of schools activity including advice, pathways and bridging programmes.

A key purpose of this work will be to tackle gender under-representation at subject level and overall male under-representation and having established its gender action plan, the SFC asked all universities and colleges to publish their institutional Gender Action Plans (GAPs) in July 2017.

These plans will support the aims of the STEM strategy – addressing the need for greater diversity of people taking STEM courses, training programmes and achieving employment in the STEM sectors.

Significant progress has been achieved in re-shaping the college quality assurance process to better respond to the scale of regional colleges and provide assurances to stakeholders around quality enhancement. The new approach was rolled out in partnership with Education Scotland across the sector in 2016-17 and all colleges submitted their Evaluative Reports and Enhancement Plans in October 2017.

Through the intensification of Outcome Agreements the SFC is also supporting greater college employer engagement, through:

- An employer engagement framework – to help assess effectiveness;
- Mechanisms for employer involvement in the curriculum, reviewing , developing the curriculum offer and maximising the quality for the learner experience;
- Developing employment search facilities at all colleges.

Progress

Key themes and milestones for colleges

Achieving our ambitions for the young workforce requires a focus on:

- Young people able to access more vocational options during the senior phase of secondary school, which deliver routes into good jobs and careers, developed through effective partnership between schools, colleges, local authorities and other partners.
- Improving opportunities and experiences for all learners, with a focus on reducing gender imbalance on course take-up.
- Provision aligned with economic needs and regional planning, with a focus on STEM where appropriate.
- Supporting college leaders and staff to develop the skills required to meet the Commission's ambitions for the sector.
- Further developing college outcome agreements to underpin improvements and measure progress.

Overall, we see that College success rates for FE have dropped slightly from 74% to 71.4% between 2013-14 to 2015-16 but that the successful completion rate of HE provision in Colleges overall has increased from 73.1% to 73.9%. At the same time we see a very slight improvement in the proportion of college leavers aged 16 to 24 years progressing to a positive destination of higher study, training or work, up by one percentage point to 83.9%.

Importantly, employer views of college leavers' preparedness for work, remains high, for example, the 2016 UK Employer Survey, highlighted that 80% of establishments who had recruited a Scottish FE college leaver found them prepared for work.

Outcome Agreements for AY 17-18 were published in summer 2017 and can be viewed at www.sfc.ac.uk/funding/outcome-agreements/outcome-agreements.aspx. These agreements include the DYW priorities and expansion of senior phase pathway numbers to over 7,000 by 2019-20.

Significant progress has also been achieved in re-shaping the quality assurance process to better respond to the scale of regional colleges and provide assurances to stakeholders around quality enhancement.

Skills Alignment

Work is underway to strengthen and develop an aligned skills planning system, led jointly by the Scottish Funding Council and Skills Development Scotland.

To ensure we get the right college courses in the right regions, this work with both agencies has established an evidence base against which we can align and prioritise college provision as well as a governance mechanism and common monitoring and evaluation framework to judge effectiveness. Over the course of the next year we will establish a joint executive team led by a new single head of skills alignment to help better define, purpose and align skills to economic need and enable single decision making.

Employer Engagement

SFC uses the Outcome Agreement process to evidence the level and extent to which colleges engage with employers and industry groups. We note:

- 85% of Colleges have established employer/ industry advisory boards to review and enhance curriculum quality, planning and outcomes.
- Engagement with the advisory groups at curriculum level ensures that the curriculum addresses current needs as well as forecasted future skills demands and that provision is aligned with the employment priorities of local business.
- 92% of Colleges provided evidence of their engagement with local DYW Boards and the benefits of this engagement in providing structured vocational pathways that support young people into sustained and successful careers.

Colleges have prioritised establishing links with DYW Regional Groups to further develop and enhance employer engagement with colleges. In the past year, considerable progress has been made in understanding the extent of college engagement with employers, industry groups and DYW boards. However, we are doing further work to assess the impact this engagement has on both students' experience and their employability. In 2017/18 Outcome Agreement Managers will intensify their engagement with Colleges to test the effectiveness of employer engagement.

In addition, SFC launched the Flexible Workforce Training Fund – to drive further and more impactful employer engagement and support regional economic growth.

Challenges

Under the planned intensification of the Outcome Agreement process, we expect regional partnerships of colleges and local authorities to accelerate their collaboration around regional curriculum planning. The intensification will also look for greater evidence of steps taken to improve retention – including for the school-college cohort and its impact in terms of outcomes.

Key challenges include:

- Supporting regional partnerships to grow the volume of higher level vocational pathways.
- Monitoring the impact of institutional Gender Action Plans including colleges' plans to address regional subject level imbalances.
- Implementing an Employer Engagement Framework.
- Reviewing the implementation of the new college quality arrangements
- Seeking evidence of further external engagement and involvement of stakeholders in the development of Outcome Agreements.

Next Steps

During 2017- 2018, we will see:

- All colleges offering vocational options to the majority of secondary schools in their region;
- College outcome agreements for academic year 2018-19 signed off, showing evidence of well-developed partnerships with secondary schools, local authorities and employers;
- Publication of improved college quality and performance information.
- Supporting the work of the Enterprise and Skills Strategic Board, in particular the Skills Alignment work, led jointly by SFC and SDS.

During 2018 - 2019, we will see:

- College outcome agreements for academic year 2019-20 signed off, showing evidence of well-developed partnerships with secondary schools, local authorities and employers;
- Vocational course options available across all schools.

During 2019 - 2020, we will see:

- College outcome agreements for academic year 2020-21 reflect a regional curriculum, with vocational options widely available, informed by secondary schools, local authorities and employers.

During 2020 - 2021, we will see:

- College outcome agreements for academic year 2020-21 reflect a regional curriculum, with vocational options widely available, informed by secondary schools, local authorities and employers.

Chapter 3 - Apprenticeships

Progress in Apprenticeships

- In 16/17, there were 26,262 MA starts in 2016/17, an increase on 2015/16 levels (25,818) and exceeding the annual target of 26,000 starts.
- Employers, universities and colleges, SDS with partners, have collaborated and completed the development of 11 frameworks for delivery of graduate level opportunities throughout 2017.
- 25.4% of MA starts reside in the 20% most deprived areas of Scotland.

(This activity delivers on the Developing the Young Workforce Recommendations 7, 8, 9, 10, 13, 20, 30, 31, 32, 34, 35, 38.)

Overview

From the outset of the programme, we have been clear that apprenticeships need to work for employers and their leadership is vital to collectively shaping how the programme better meets their needs as well as providing invaluable employment opportunities for our young people. We continue to promote our dedicated website, hosted by SDS - www.apprenticeships.scot. The site presents live apprenticeship vacancies and allows employers to upload vacancies free of charge, as well as being a dedicated resource of information to those seeking to find out more information regarding apprenticeships.

Progress

Key themes and milestones for apprenticeships

Achieving our ambitions for the young workforce requires a focus on:

- Expansion of MA opportunities to 30,000 by 2020/21.
- Development of Foundation Apprenticeships in schools.
- Development of further MA opportunities to graduate level.
- Focus on STEM MAs and development of higher level apprenticeships.
- Establishment of a Scottish Apprenticeship Advisory Board (SAAB), supporting greater responsiveness to labour market need meaning MAs are better aligned with job opportunities.
- Clearer pathways into apprenticeships for those not in work or those from previously under-represented groups.

Modern Apprenticeships (MAs)

- There were 26,262 MA starts in 2016/17. This is an increase on 2015/16 levels (25,818) and also exceeds the annual target of 26,000 starts. In keeping with the Scottish Government's commitment to increase MA starts to 30,000 by 2020. The target for 2017-18 is 27,000 Modern Apprenticeships starts.
- In 2016/17, 76% of starts were aged 16-24, a decrease of 3.9 percentage point compared to last year.
- The majority (66%) of starts were in higher level apprenticeships Level 3 or above, an increase of 0.8 percentage points on last year.
- 25.4% of MA starts reside in the 20% most deprived areas of Scotland.
- 20,404 individuals achieved their Modern Apprenticeship – an achievement rate of 78% compared to 76% last year.

Uptake in STEM Frameworks

- 37% of all MA starts in 2016/17 were in STEM frameworks (+ 2.3 % equivalent to + 761 starts from 2015/16 or + 8.6%).
- 70% of STEM framework starts in 2016/17 were aged 16-24, -8.3 % lower than last year, with an equivalent increase in starts aged 25+ (+8.3 % to 30% in 2016/17).
- 82% of STEM framework starts were at level 3 or above (-2.8 % on last year), compared to 56% for non-STEM frameworks (+1.8 % on last year).

In this year, SDS has developed apprenticeship opportunities at graduate level as a way for individuals to develop the necessary knowledge, skills and competence required by Scottish industries. By building on the success of SDS's existing Foundation and Modern Apprenticeship programmes, these opportunities give individuals an opportunity to be in paid employment, while gaining qualifications from Dip HE up to Masters level (SCQF levels 8 – 11).

As they have been developed with employers, they also ensure that learners gain the necessary knowledge and skills required for their chosen area of work.

From September, there were 296 MAs at graduate level with registrations across nine delivery partners in the following four frameworks:

- IT: Software Development SCQF level 10
- IT: Management for Business SCQF level 10
- Engineering: Design & Manufacture SCQF level 10
- Civil Engineering SCQF level 8

Contracting for 2018 is currently underway and we expect to see the number of opportunities expand across both new and existing delivery partners. These places will be available across the four current frameworks and seven new ones listed below:

- Construction and the Built Environment SCQF level 10

- Civil Engineering SCQF level 10
- Engineering: Instrumentation, Measurement and Control SCQF level 10
- Business Management: Financial Services SCQF level 10
- IT: Cyber Security SCQF level 10
- IT: Cyber Security SCQF level 11
- Business Management SCQF level 10 (draft)

SDS will continue to develop their strategy for increasing the number of graduate level opportunities to help understand how the programme can be scaled to meet employer demand.

Challenges

A challenge which remains through the expansion of Modern Apprenticeships is ensuring we achieve the right type of employer involvement.

Part of DYW's response to this lies in the establishment of the Scottish Apprenticeship Advisory Board which oversees the development of Apprenticeships in Scotland. Over this year, we see further evidence over the year of employer support in the expansion of Modern Apprenticeships and we note that 25,818 MA opportunities were provided in 2015/16, which exceeded the Scottish Government's expansion target for that year.

Further progress has been made to develop pathways into Modern Apprenticeships for young people while they are still at school through our expansion of Foundation Apprenticeships. By increasing the range of Foundation Apprenticeships available - aligned to future industry demand and career prospects - we are providing more opportunities to a greater number of pupils; supporting parity of esteem between work based and academic learning and bringing industry and education closer together.

To engage all of our young people, the challenge, for schools, colleges and SDS remains, therefore, to ensure that there continues to be good guidance and good support in place along with the right levels of pastoral care to maximise the opportunity afforded by the new qualifications..

As we continue to develop our apprenticeship programme, we are mindful of the potential impact of the Apprenticeship Levy. In April 2017, the UK Government introduced a new way of funding apprenticeships through the Apprenticeship Levy. Scotland received a per capita share as part of the block grant arrangements, largely replacing funds previously received. Whilst implementing training levies is a reserved matter for the UK Government, skills policy, including apprenticeships is devolved.

The Scottish Government has clearly articulated how all of this funding will be invested in skills, training and employability in line with our public consultation on the introduction of the Levy in Scotland. Therefore, we continue our commitment to grow, widen and enhance the apprenticeship offer in Scotland as a key part of the Developing Scotland's Young Workforce ambitions. Early figures show no adverse impacts of the Levy on the uptake of new Modern Apprenticeships in Scotland, and we will continue to carefully monitor this over the coming year.

Next steps

The milestones set out below detail what this will involve over the lifetime of the programme.

During 2017- 2018, we will see:

- On-going implementation of Equalities Action Plan for Modern Apprenticeships to increase participation by under-represented groups.
- The target for 2017-18 is 27,000 Modern Apprenticeships starts whilst also growing the number of opportunities to graduate level.

During 2018 - 2019, we will see:

- We will continue to grow and develop Modern and Foundation Apprenticeships.

During 2019 - 2020, we will see:

- We will see ongoing growth of Modern Apprenticeships including opportunities at graduate level and 5,000 Foundation Apprenticeship opportunities.

During 2020 - 2021, we will see:

- At least 30,000 new MA starts each year;
- Activity fully embedded and expansion sustained.

Chapter 4 - Employers

Progress in Employers

- Established 21 employer-led regional groups.
- 2016 UK employer survey shows 21% of employers had offered a work placement to a school pupil in the last 12 months – a significant improvement from 2014 (10%) – (UK CES Employer Perspectives Survey, 2016).
- 13% of Scottish employers have conducted work inspiration activities (for example, mentoring support or employer visits to speak at schools, colleges and universities – (UK CES Employer Perspectives Survey, 2016).

(This activity delivers on the Developing the Young Workforce Recommendations 11, 14, 15, 18, 19, 21, 22, 23, 24, 24, 36, 39.)

Overview

Delivering inclusive economic growth relies on improving the relationship between industry and education. To assist this we have developed an industry led network comprising of 21 regional employer groups across Scotland.

More information regarding the groups can be found here:

www.employabilityinscotland.com/developing-young-workforce/.

The groups aspire to engage industry leaders as part of a network of private, public and third sector employers to:

- Support more young people into employment;
- Produce a broader range of employment opportunities for young people in school;
- Enable permanent behavioural change among the employer and education communities; and
- Create a sustainable industry-led infrastructure.

We think this network, although still evolving, is a key underpinning of sustainable industry-education partnerships. In recognising the importance of these partnerships, we have invested in and will continue to support the network until 2021.

Progress

Key themes and milestones for employer engagement

Achieving our ambitions for the young workforce requires a focus on:

- Enhanced industry leadership and engagement.
- Stronger, effective partnerships between employers and education.

- Recruitment of young people at the heart of workforce planning across the private, public and third sectors.

The 2016 UK CES Employer Perspectives Survey shows marked improvements in employer - school engagement. For example, 21% of employers had offered a work placement to a school pupil in the last 12 months, which is considerably higher than in 2014 (10%). It is also slightly higher than the UK average of 20%.

Within this survey, around 13% of Scottish employers have conducted work inspiration activities (for example, mentoring support or employer visits to speak at schools, colleges and universities) in the 12 months preceding the survey. This was higher than the average of 10% for the UK as a whole.

Progress has been made with the development of SIPs and RSAs, the significant expansion of the Investors in Young People (IYYP) framework and the development of focused financial incentives to offset the additional cost and better support the sustainable employment of targeted groups of young people.

Whilst we can see that there are good examples through [case studies](#), there is a challenge in assessing the value added the DYW regional employer groups make especially in delivering the long-term cultural change needed in the relationship between industry and employers. Whilst we can cite good examples of industry leadership and an expansion of work placements, we are keen to assess and attribute the wider difference that the groups are making overall. Work to do this is underway and will be developed over the next year.

Marketplace for employers

We are continuing to facilitate the improvement and strengthening of employer and education engagement through the roll out of the online digital platform Marketplace. Over 300 employers have registered with Marketplace since its launch to offer opportunities to schools across Scotland.

Marketplace is a digital meeting place for businesses and education to engage in planned activity and allow businesses to be more involved the school curriculum and school experience. Marketplace is being used by 7 of the employer groups – Edinburgh, East and Mid Lothian, Glasgow, North East, Ayrshire, Forth Valley, West Lothian and Dundee and Angus. Plans are in place to extend this to more groups over the next year.

As part of the expansion of Marketplace, a partnership has been established with the **Founders4Schools** initiative. This will allow schools to extend the range of opportunities available to pupils by drawing from the widest range of employers possible.

Flexible Workforce Development Fund

In September, we launched the Flexible Workforce Development Fund (FWDF). This new £10m fund available to organisations from across the private, public and third sectors who are subject to the UK Government's Apprenticeship Levy.

The one-year pilot fund focuses on the up-skilling and re-skilling of existing employees of any age, with individual Levy-paying employers in Scotland able to access up to £10,000 of college provision.

The FWDF was developed in line with the Scottish Government's 2016 consultation on the UK Government's Apprenticeship Levy, and is part of a range of skills, training and employability support available, including the expansion of our Modern Apprenticeship programme.

Challenges

Having completed the establishment of 21 DYW regional groups we now have the foundation of a network of industry led groups capable of organising deliberate and purposeful engagement in schools. This is a significant addition to our enterprise and skills landscape.

The challenge now is to ensure the network can become sustainable and over time capable of providing schools with planned, systematic engagement that extends beyond one-off work fairs to more involvement in curriculum design and delivery and ultimately to a greater role in school leadership.

Next Steps

During 2017 - 2018, we will see:

- School/employer partnerships operating in most secondary schools;
- Introduction of supported work placement programme for young disabled people;
- Skills Investment Plans refreshed taking account of senior phase vocational pathways;
- Delivery of mentoring support for young people in care as part of the Investors in Young People accolade.
- Digital matching platform Marketplace rolled out to the remaining DYW Regional groups.

During 2018 - 2019, we will see:

- Meaningful and productive school/employer partnerships operating in all secondary schools.

During 2019 - 2020, we will see:

- Employer satisfaction driving parts of the system nationally and informing regional curriculum planning fully.

During 2020 - 2021, we will see:

- Sustainable structures to support employers' active contribution in place and contributing effectively to the development of the young workforce.

Chapter 5 – Equalities

Progress in Equalities

- The Stepping Up Programme, run by Enable Scotland, has supported 1571 young people with disabilities in 70 schools across 11 local authorities to access careers guidance and work placements. 98% of those engaged achieved a positive destination.
- 1.7% of MA starts reported being from a minority ethnic group, slightly higher than in 2015/16 (1.6%).
- SERI has supported 1,600 employers to recruit disadvantaged young people, including those with disabilities or experience of care

(This activity delivers on the Developing the Young Workforce Recommendations 26, 27,28,29,30,31,32,33,34,35,36,37,38,39.)

Overview

In response to the Commission's report we have committed to fourteen recommendations (26 – 39) related to action on equality and diversity.

In taking forward these recommendations, we have drawn on the expertise of a number of partners to promote training, education and jobs where young people experience difficulty in engaging with the labour market.

One of the major challenges laid out in the Commission's report was the need to maximise the contribution of all our young people in the world of work. From as early as primary and nursery education, young people should have a clear picture of all the career choices available to them, to equip them with the skills and knowledge to make more informed choices throughout their school studies and beyond.

To advance equality throughout the education system, schools are embedding equality within Curriculum for Excellence. This is being progressed through a clear communication of career options, with significant involvement from employers and colleges. This work is actively targeting equality groups to promote diverse participation across gender, ethnicity, young people with disabilities and care leavers..

Our delivery partners, SDS, have set out in their Modern Apprenticeship [Equality Action Plan](#) a range of actions to promote more diversity in the successful uptake of Modern Apprenticeship frameworks, including:

- Support young people with disabilities through transition periods in their education and into employment.
- Reduce gender stereotyping and gender segregation in career choices and occupational routes chosen by young people in education.

- Broaden the range of career pathways taken by young people from Scotland's Minority Ethnic (ME) communities.
- Support young people in care and leaving care through transition periods in their education and into employment.

These actions have been developed in partnership with a stakeholders and a comprehensive review of existing literature, highlighting the many factors which can affect young people's participation in Modern Apprenticeships. The plan further highlights the outcomes and timescales set against each action along with a commitment to update the plan on an annual basis.

Similarly, the Scottish Funding Council has developed a [Gender Action Plan](#) to address imbalance on college super courses and university courses. Working in partnership with Skills Development Scotland and Education Scotland, SFC will encourage greater collaboration between our institutions and schools, with a focus on tackling gender imbalances at all stages of the learner journey.

We will further promote and support this activity within the implementation of our STEM strategy to achieve a better gender balance and address the negative impact of social disadvantage in STEM courses, training and work.

Our targets on equalities are ambitious – deliberately so. The challenge going forward will be to ensure that we prioritise those young people who continue to face barriers in an improving labour market, to enable them to achieve within an evolving employability and apprenticeship landscape.

An Equality Impact Assessment (EQIA) reporting the progress of the DYW programme in the first three years was published in December 2017. This can be found within the following link:

<http://www.gov.scot/Publications/2017/12/7566>

Schools

	Target	Most recent update of figures
KPI 11: Increase positive destinations for looked after children by 4 percentage point per annum resulting in parity by 2021	4% increase per annum (current 81.3%)	71.2% (2015/16)

Over 2016/17, we have seen good progress in a number of local authorities through the provision of tailored learning plans to young people under 16 years of age who have disengaged from education, or are at risk of doing so. A range of good practice exemplars have been published on Education Scotland's National Improvement Hub and Education Scotland is continuing to engage with Youthlink and Local Authorities to identify and share effective practice to ensure a more consistent approach.

A range of school clusters have benefitted from tailored support and professional learning through the Improving Gender Balance Project to support whole setting approaches to promoting gender equality. These learning approaches have been developed with early learning, primary and secondary schools and are now being extended to a larger number of authorities through the Raising Aspiration in

Science Education (RAiSE) programme and the STEM Education and Training Strategy. Staff in the nine local authorities participating in the RAiSE Programme have now received Improving Gender Balance (IGB) training. This training has also been rolled out to career information and guidance staff across Scotland in partnership with Skills Development Scotland.

A range of [resources and action guides](#) have been produced through the programme and are being promoted to early learning and childcare settings and schools through Education Scotland's National Improvement Hub. Through the Improving Gender Balance programme, a wide range of museums, Third Sector Organisation and STEM providers have also been supported to review their models, approaches and educational resources from a gender-balance perspective.

Also within schools, Education Scotland continues to strengthen its focus on equalities to support the embedding of equality within Curriculum for Excellence. In addition to developing a new Equality Policy and Strategy, it has also reviewed the equality content and resources available to schools through its National Improvement Hub. Briefings and training have been provided to staff to ensure equality is embedded across DYW and all its major programmes.

As a result, we now have a clearer understanding and exemplification of what works with young people at risk of disengaging/already disengaged. This will be promoted and evaluated for impact throughout 2017/18.

Looking ahead, the big challenge is overcoming regional variability. This will take co-ordination across the Programme and greater involvement from the wide range of partners with expertise for particular groups of young people. Importantly, this will also require a greater commitment to consideration of the needs of targeted groups as part of the expanding employer engagement in schools.

Colleges

	Target	Most recent update of figures
KPI 8: Increase by 5 percentage points the minority gender share in each of the 10 largest and most imbalanced superclasses* among 16-24 year olds by 2021	5% increase in each of 10 priority superclasses (and/or 10% average share)	3-12% range, 7% average, 2015/16

In 2016-17 a range of activity has been carried out in Colleges to advance equalities. Institutional Gender Action Plans (GAPs) have been submitted by all of Scotland's College Regions as well as from across the university sector. To facilitate this, the SFC published a [briefing](#) earlier this year to support institutions in thinking about how they develop their gender action plans. Institutions were asked to consider:

- Which subjects have an imbalance of men or women of more than 75% one gender amongst students.
- Actions across the five themes of Infrastructure; Influencing the Influencers; Raising awareness and aspiration; Encouraging applications; and Supporting Success.
- Address how they are working with partners, both regional (e.g. schools and other FE/HE institutions) and national (e.g. equality specialists).
- Who is responsible for implementing the actions within the GAP.
- How the institution will seek to build capacity across the institution to implement the GAP.
- How progress will be monitored.

On 4 December, the Scottish Funding Council Board considered these as part of its Annual progress report. The outcomes from which are published and available at: www.sfc.ac.uk/publications-statistics/corporate-publications/corporate-publications-2017/SFCCP042017.aspx

Looking ahead, and considering the early stage of this work, the challenge will be identifying how these actions will have a sustained impact.

Apprenticeships

	Target	Most recent update of figures
KPI 7: To reduce to 60% the percentage of MA frameworks where the gender balance is 75:25 or worse by 2021	60% by 2020/21	70% (2016/17)
KPI 9: Increase the number of minority ethnic MA starts to equal the population share by 2021	The target will change year on year as the population share figure is updated 4.1% in 2016/17	1.7% (2016/17)

Progress 16-17

- Within 2016/17 MA figures, 40% of overall MA starts were female, 0.9 percentage points lower than in 15/16.
- There continues to be an increase in the proportion of female starts to level 3 + each year since 2014/15. This has contributed to a narrowing of the gap in the proportion of male and female starts in higher level frameworks.
- 8.6% of MA starts reported having impairment, health condition or learning difficulty in 2016/17. This is considerably higher than those who reported as disabled in 2015/16 (3.9%). The increase is most likely due to improvements in the way that SDS collects data. The 2016/17 figure should be interpreted as a more accurate indicator of the current position but care should be taken when making comparisons over time.

- 1.7% of MA starts reported being from a minority ethnic group, slightly higher than in 2015/16 (1.6%).

In 2016-17 SDS published its Equality Action Plan (EAP) Year 1 update on Tuesday 18 July 2017. The update can be viewed at www.skillsdevelopmentscotland.co.uk/media/43416/sds-equalities-action-plan-update-2017.pdf.

The report highlights work done in schools to help young people build the career management skills needed to succeed in today's world of work and to make informed choices based on Career Management Intelligence. This has been done through providing a new service in schools that offers Careers Information Advice and Guidance (CIAG) support from an earlier stage (from S1 onwards). The offer helps to challenge stereotypes and preconceptions at an early age. SDS are also supporting school-based partners through specialist, equality input in the Improving Gender Balance Scotland (IGBS) project.

Employers

	Target	Most recent update of figures
KPI 10: Increase the employment rate for disabled young people to the population average by 2021	The target will change year on year as the youth employment rate changes. 56.1% (Jan-Dec 2016)	35.6% (Jan-Dec 2016)

Through the establishment of the employer led DYW Groups work is underway to ensure that all employers across Scotland are aware of the support available to help them in recruiting disabled young people. In addition, Scotland's Employer Recruitment Incentive (SERI) continues to provide employers with up to £4000 to recruit disadvantaged young people, including those with disabilities or experience of care and has seen 1,600 employers supported by the incentive.

The on-going challenge will be achieving the right balance of support for those in school alongside the meeting the needs of those actively seeking employment.

Next Steps

During 2017 – 2018, we will see:

- Delivery of mentoring support for young people in care as part of the Investors in Young People accolade;
- Introduction of supported work experience programme for young disabled people.

During 2018 – 2019, we will see:

- On-going implementation and impact assessment of MA Equality Action Plan;
- On-going implementation and impact assessment of SFC Gender Action Plan.

During 2019 – 2020, we will see:

- Achievement of Modern Apprenticeship volume target and diversity targets.

During 2020 – 2021, we will see:

- Expanded provision fully embedded within Curriculum for Excellence, tested by Education Scotland, and valued by young people, their parents and teachers and practitioners as evidenced by uptake and outcomes;
- College outcome agreements academic year 2021-22 reflect a regional curriculum, with vocational options widely available, informed by secondary schools, local authorities and employers;
- Activity fully embedded and expansion sustained.

Chapter 6 – Performance Assessment & Evaluation

Key Performance Indicators

When we published Developing the Young Workforce (DYW) - Scotland's Youth Unemployment Strategy in December 2014, we made a commitment to report annually on the progress of its implementation over its seven year life span.

The DYW programme has eleven Key Performance Indicators (KPIs) which underpin the programme in terms of areas where we are focusing on improvement. These continue to be stretching and ambitious targets given the scale of change proposed, its complexity and the range of factors which will influence the programme's success. Alongside these, a number of milestones were identified for each theme which demonstrates what we expect the programme to achieve each year.

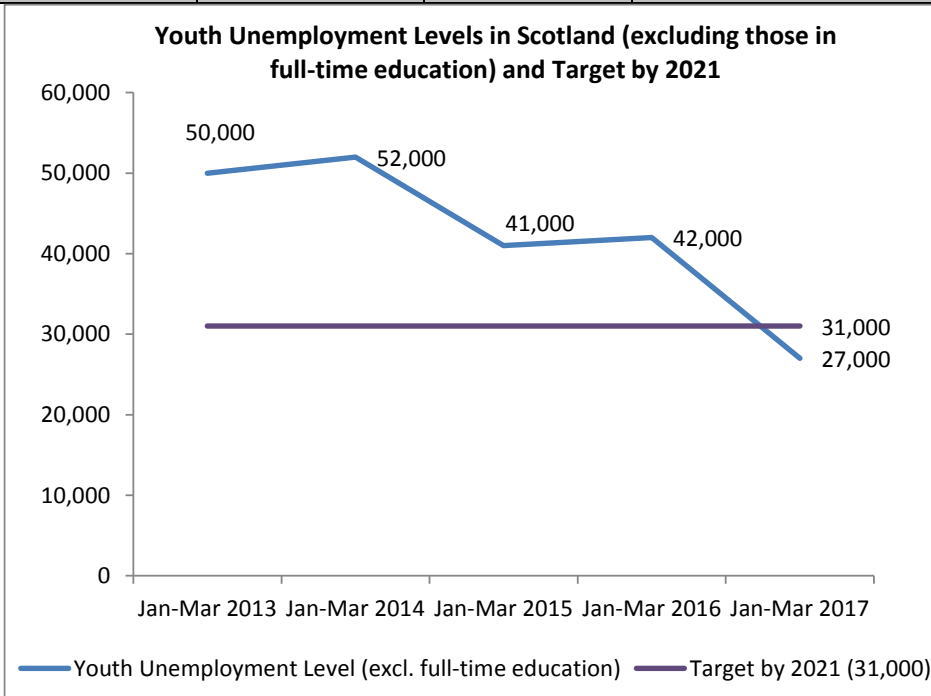
The table below outlines our progress to date in these eleven areas and briefing on each indicator.

To date, we are pleased to report good progress in good progress in:

- exceeding our overarching target of reducing the level of youth unemployment by 40 per cent by 2021
- becoming one of the top five performing countries in the EU for youth unemployment
- increasing in the percentage of school leavers attaining vocational qualifications at SCQF level 5 and above;
- increasing the number of MA starts at level 3 and above year on year

And that we still have further progress to make in:

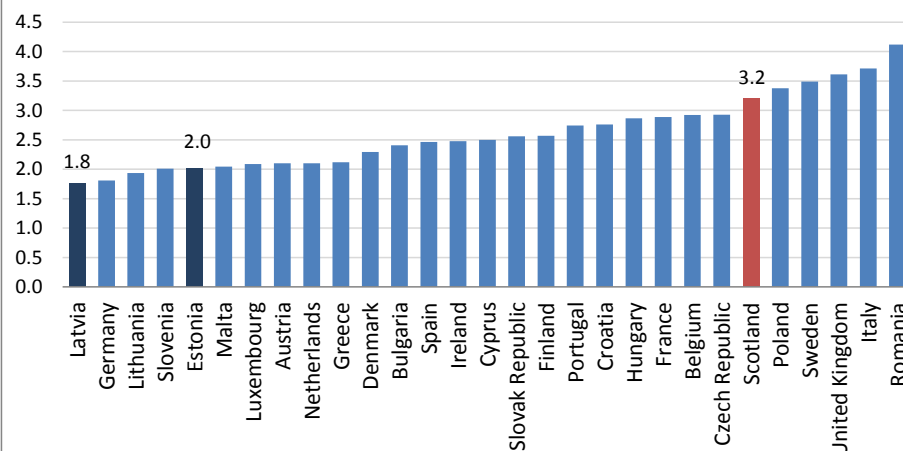
- increasing the percentage of employers recruiting young people directly from education
- reducing to 60 per cent the percentage of Modern Apprenticeship frameworks where the gender balance is 75:25 or worse by 2021.
- increasing the number of looked after children in positive destinations
- increasing the number of MA starts from minority ethnic communities

KPI																							
Overarching target To reduce the level of youth unemployment (excluding those in full-time education) by 40 per cent by 2021	<div><p>Youth Unemployment Levels in Scotland (excluding those in full-time education) and Target by 2021</p><table><thead><tr><th>Period</th><th>Youth Unemployment Level (excl. full-time education)</th><th>Target by 2021 (31,000)</th></tr></thead><tbody><tr><td>Jan-Mar 2013</td><td>50,000</td><td>31,000</td></tr><tr><td>Jan-Mar 2014</td><td>52,000</td><td>31,000</td></tr><tr><td>Jan-Mar 2015</td><td>41,000</td><td>31,000</td></tr><tr><td>Jan-Mar 2016</td><td>42,000</td><td>31,000</td></tr><tr><td>Jan-Mar 2017</td><td>27,000</td><td>31,000</td></tr></tbody></table></div>				Period	Youth Unemployment Level (excl. full-time education)	Target by 2021 (31,000)	Jan-Mar 2013	50,000	31,000	Jan-Mar 2014	52,000	31,000	Jan-Mar 2015	41,000	31,000	Jan-Mar 2016	42,000	31,000	Jan-Mar 2017	27,000	31,000	<ul style="list-style-type: none">When we first reported on the overarching target, the level of youth unemployment (excluding those in full-time education) in Scotland fell over the year from 52,000 in January-March 2014 to 41,000 in the same period in 2015.This figure has fallen to 27,000 in the same period in 2017. This means Scotland has exceeded its target of reducing youth unemployment to 31,000 four years early. This represents a 48% reduction in youth unemployment since the baseline figures were recorded in 2014.We must continue to focus on strengthening our education and skills partnerships to help us sustain this level.
Period	Youth Unemployment Level (excl. full-time education)	Target by 2021 (31,000)																					
Jan-Mar 2013	50,000	31,000																					
Jan-Mar 2014	52,000	31,000																					
Jan-Mar 2015	41,000	31,000																					
Jan-Mar 2016	42,000	31,000																					
Jan-Mar 2017	27,000	31,000																					
	Data Source and Frequency: Labour Force Survey (ONS). Annual, using Jan-Mar data.																						

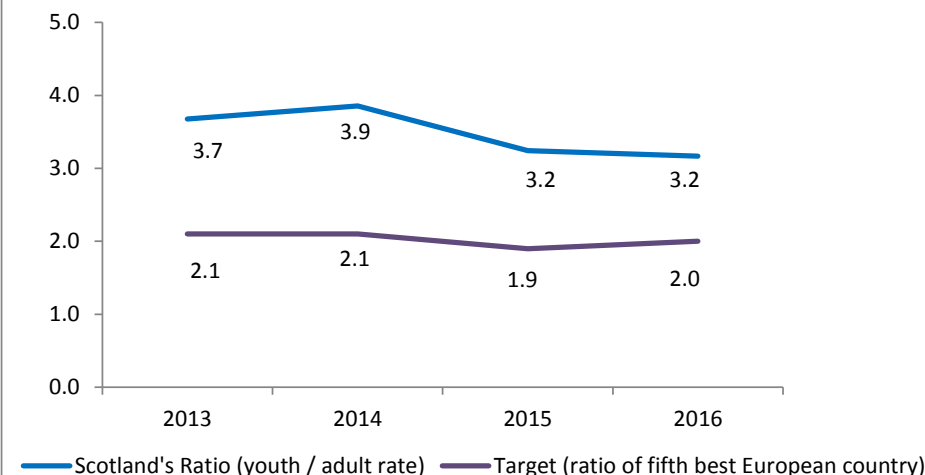
KPI 1

Be one of the top five performing countries in the EU for youth unemployment by reducing the relative ratio of youth unemployment to 25-64 unemployment to the level of the fifth best country in the EU by 2021

Ratio of Youth to Adult Employment Rates: International Comparisons (2016)



Ratio of Youth Unemployment to 25-64 Unemployment in Scotland Compared to Fifth Best Country in the EU

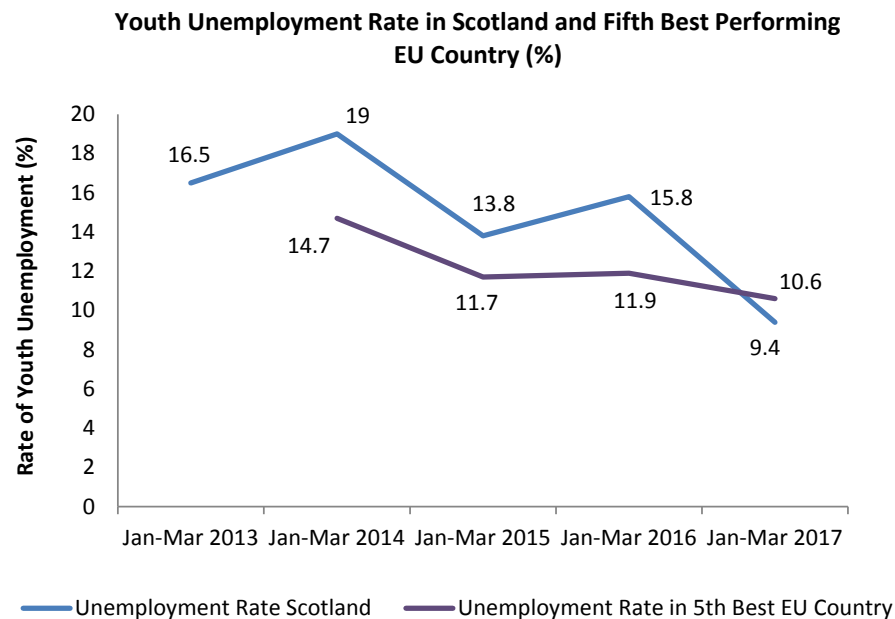


- The ratio has decreased since the baseline rates were measured. This is due to the reduction in the youth unemployment rate relative to the adult unemployment rate, e.g. for every 1 percentage point drop in the adult unemployment rate, the youth unemployment rate needs to fall about 3.2 percentage points for the ratio to be maintained.
- This ratio has remained stable since 2015.

Data Source and Frequency: Scotland data: Annual Population Survey (ONS); EU data: OECD Stat.
Scotland data: Annual, by calendar year; EU data: Annual

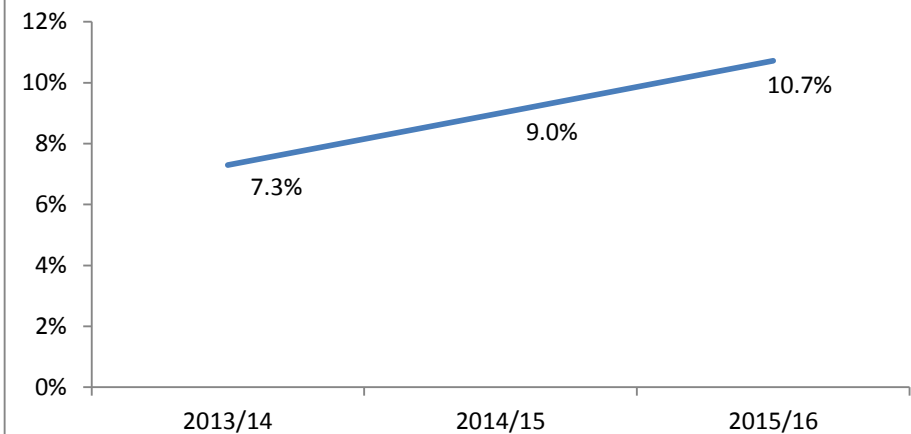
KPI 2

Be one of the top five performing countries in the EU for youth unemployment by reducing the youth unemployment rate to match the fifth best country in the EU by 2021



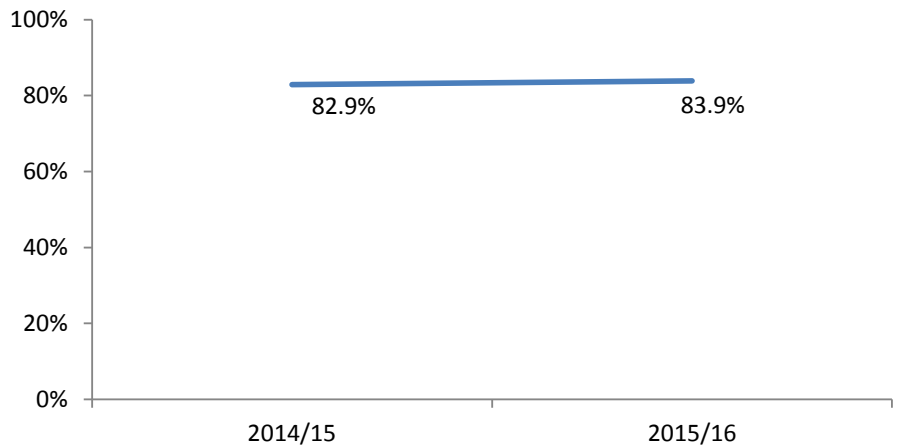
- The youth unemployment rate in Scotland fell from 19.0% in January-March 2014 to 13.8% in the same period in 2015 and then increased to 15.8% in the same period in 2016.
- The rate in Scotland is now 9.4%, making it the third best performing EU country.

Data Source and Frequency: Scotland data: Labour Force Survey (ONS); EU data: Eurostat (European Commission). Scotland data: Annual, using Jan-Mar data; EU data: Annual, using February data

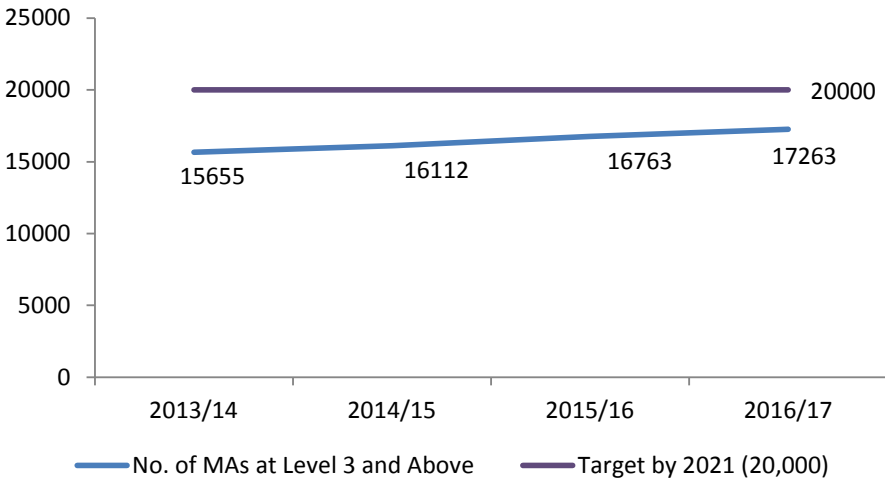
<div><div>KPI 3</div><div>Increase the percentage of school leavers attaining vocational qualifications² at SCQF level 5 and above by 2021</div></div>	<div><div>Percentage of School Leavers Attaining 1 or More Vocational Qualifications at SCQF 5 or Better</div><table><thead><tr><th>Year</th><th>Percentage</th></tr></thead><tbody><tr><td>2013/14</td><td>7.3%</td></tr><tr><td>2014/15</td><td>9.0%</td></tr><tr><td>2015/16</td><td>10.7%</td></tr></tbody></table></div>	Year	Percentage	2013/14	7.3%	2014/15	9.0%	2015/16	10.7%	<div><ul style="list-style-type: none">There has been a positive increase in the number of school leavers achieving vocational qualifications since this indicator was first measured. 7.3% of 2013/14 school leavers achieved a vocational qualification. This increased to 9% of school leavers in 2014/15 and increased again to 10.7% of 2015/16 school leavers.We will publish annual updates to this figure in June each year going forward.</div>
Year	Percentage									
2013/14	7.3%									
2014/15	9.0%									
2015/16	10.7%									
	<div>Data Source and Frequency: 2015/16 School Leaver Statistics: data from Awarding Bodies (SQA for baseline data) and SG Pupil Census³. Annual Data.</div>									

² For the purposes of baselining, we are interpreting this as National Certificates, Higher National Qualifications, Scottish Vocational Qualifications, National Progression Awards, and Skills for Work at SCQF Level 5 and above but recognise that this should evolve to fully reflect vocational qualifications valued by employers. We will consult further with stakeholders on this.

³ Secondary and special school leavers from publicly funded schools in Scotland are used for this measure. Data for this indicator was published for the first time in December 2015. Comparisons with previous years are therefore not possible.

<p>KPI 4⁴</p> <p>Increase the percentage of 16-24 year old college students who have successfully completed a full time course moving into employment or higher level study</p>	<p>Percentage of 16-24 Year Old College Qualifiers Moving into Higher Level Study or Employment</p>  <table><tr><th>Year</th><th>Percentage</th></tr><tr><td>2014/15</td><td>82.9%</td></tr><tr><td>2015/16</td><td>83.9%</td></tr></table>	Year	Percentage	2014/15	82.9%	2015/16	83.9%	<ul style="list-style-type: none">• The data for 14/15 has been used to baseline as this represents % of confirmed destinations of 16-24 year olds in a positive progression. (The data for 13/14 has not been used as this was experimental data.)• The number of 16-24 year old college students moving into employment or higher level study after successfully completing a full-time course has increased by 1pp from 2014/15 to 2015/16.
Year	Percentage							
2014/15	82.9%							
2015/16	83.9%							
Data Source and Frequency: College Leaver Destination Survey (SFC) Annual, by college year								

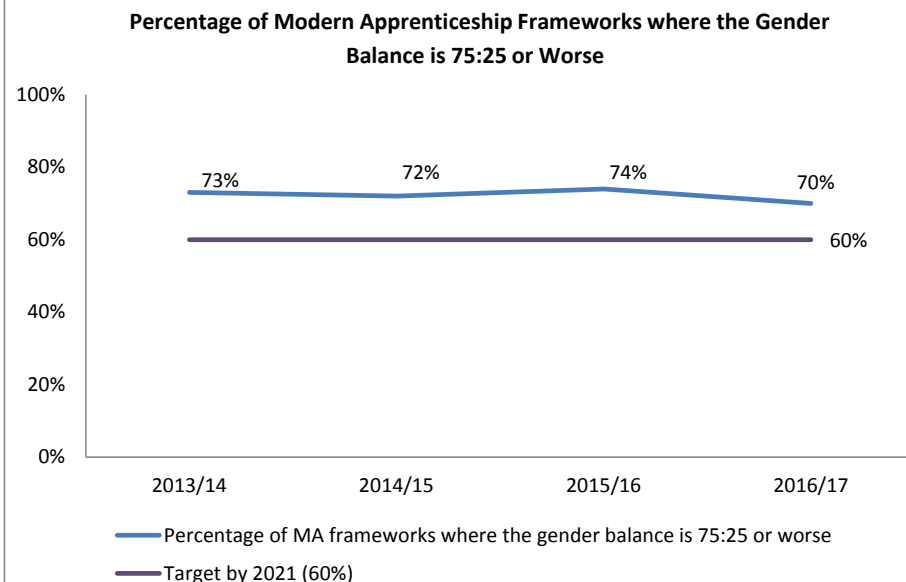
⁴ The wording of KPI 4 has been amended to improve accuracy and better reflect the coverage of the data source. To improve accuracy, “young” college students has been revised to “16-24 year old’ college students”. To better reflect the coverage of the data source, which is a survey of full-time college students who have successfully completed their course, the phrase “who have successfully completed a full-time course” has been added.

<p>KPI 5</p> <p>Increase the number of Modern Apprentices at level 3 and above. The target is for 20,000 out of a total of 30,000 MA starts to be at this level by 2021, i.e. two-thirds</p>	<p style="text-align: center;">Number of Modern Apprentices at Level 3 and Above</p>  <table border="1"> <thead> <tr> <th>Financial Year</th> <th>No. of MAs at Level 3 and Above</th> <th>Target by 2021 (20,000)</th> </tr> </thead> <tbody> <tr> <td>2013/14</td> <td>15,655</td> <td>20,000</td> </tr> <tr> <td>2014/15</td> <td>16,112</td> <td>20,000</td> </tr> <tr> <td>2015/16</td> <td>16,763</td> <td>20,000</td> </tr> <tr> <td>2016/17</td> <td>17,263</td> <td>20,000</td> </tr> </tbody> </table>	Financial Year	No. of MAs at Level 3 and Above	Target by 2021 (20,000)	2013/14	15,655	20,000	2014/15	16,112	20,000	2015/16	16,763	20,000	2016/17	17,263	20,000	<ul style="list-style-type: none"> • The number of MA starts increased from 15,655 in 2013/14 to 16,112 in 2014/15. This has increased further to 16,763 in 2015/16 and to 17,263 in 2016/17. • This consistent year on year increase suggests we are on target with this KPI.
Financial Year	No. of MAs at Level 3 and Above	Target by 2021 (20,000)															
2013/14	15,655	20,000															
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2015/16	16,763	20,000															
2016/17	17,263	20,000															
	<p>Data Source and Frequency: Modern Apprenticeship Statistics: Full Year Report (SDS). Annual, by financial year (April-March)</p>																
<p>KPI 6</p> <p>Increase the percentage of employers recruiting young people directly from education to 35 per cent by 2018</p>	<ul style="list-style-type: none"> • Baseline figure (2014): 32% • Current figure (2016): 32% 	<ul style="list-style-type: none"> • This figure has remained stable at 32% since the baseline was measured in 2014. 															
	<p>Data Source and Frequency: Employer Perspectives Survey (UKCES)⁵. Biennial, based on 'last 2-3 years' when respondents are surveyed</p>																

⁵ The relevant question moved from the UKCES Employer Skills Survey (2013) to the UKCES Employer Perspectives Survey (2014). Data from years prior to 2014 is therefore not comparable with data published from 2014 onwards.

KPI 7

To reduce to 60 per cent the percentage of Modern Apprenticeship frameworks⁶ where the gender balance is 75:25 or worse by 2021



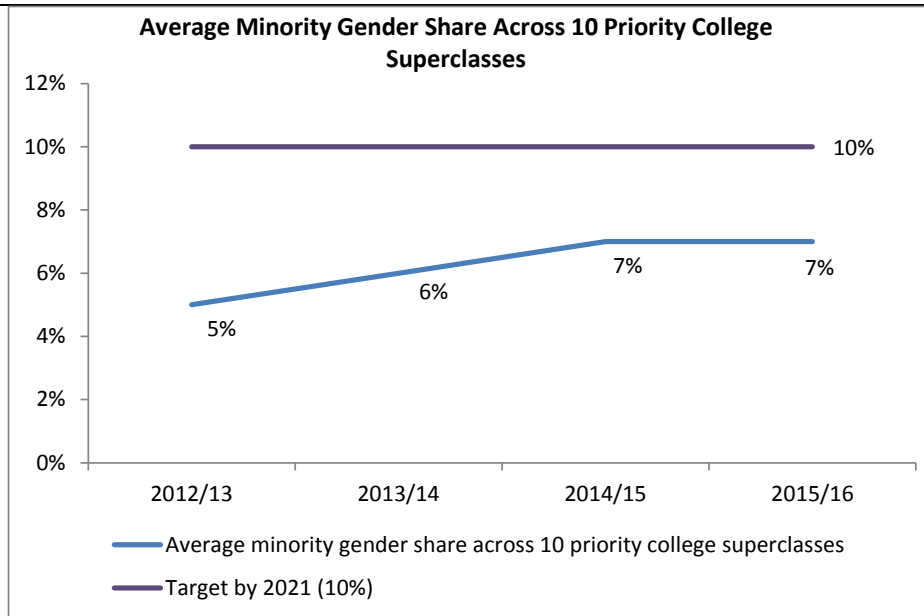
- The percentage decreased from 73% in 2013/14 to 72% in 2014/15, and fell to 70% in 2016/17.
- The MA Equalities Action Plan published on 2 Dec 2015 reports specific improvement targets on gender balance. SDS will report on this annually. The Year 1 update was published in July 2017.

Data Source and Frequency: Modern Apprenticeship Statistics: Full Year Report (SDS). Annual, by financial year (April- March)

⁶ 'Modern Apprenticeship frameworks' refers to those MA frameworks where there was at least one start during the measurement period.

KPI 8

Increase by 5 percentage points the minority gender share in each of the 10 largest and most imbalanced college superclasses⁷ by 2021



- The minority gender share increased by at least 1 percentage point in 3 out of the 10 largest and most imbalanced college superclasses between 2014/15 and 2015/16.
- The minority gender share increased by at least 1 percentage point in 6 out of the 10 largest and most imbalanced college superclasses from the baseline measurement in 2012/13.
- This ranges from 3% in building/construction operations (3% in 2012/13) to 12% in engineering/technology (general) (9% in 2012/13). The largest difference from the baseline was in building services (2% in 2012/13 to 7% in 2015/16).

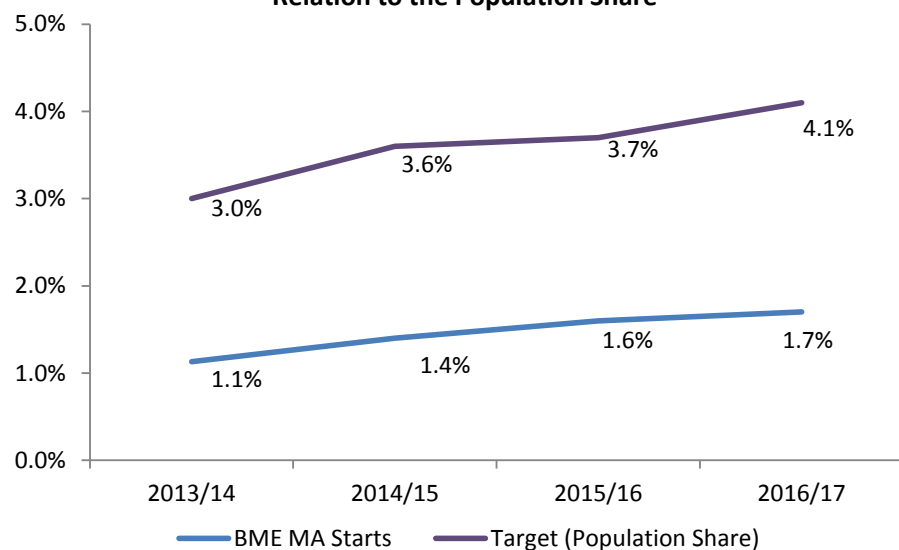
Data Source and Frequency: Further Education Statistics collection (SFC). Annual, by college year

⁷ Superclasses are subject groups in colleges.

KPI 9

Increase the number of MA starts from minority ethnic communities to equal the population share by 2021

Proportion of MA Starts from Minority Ethnic Communities in Relation to the Population Share

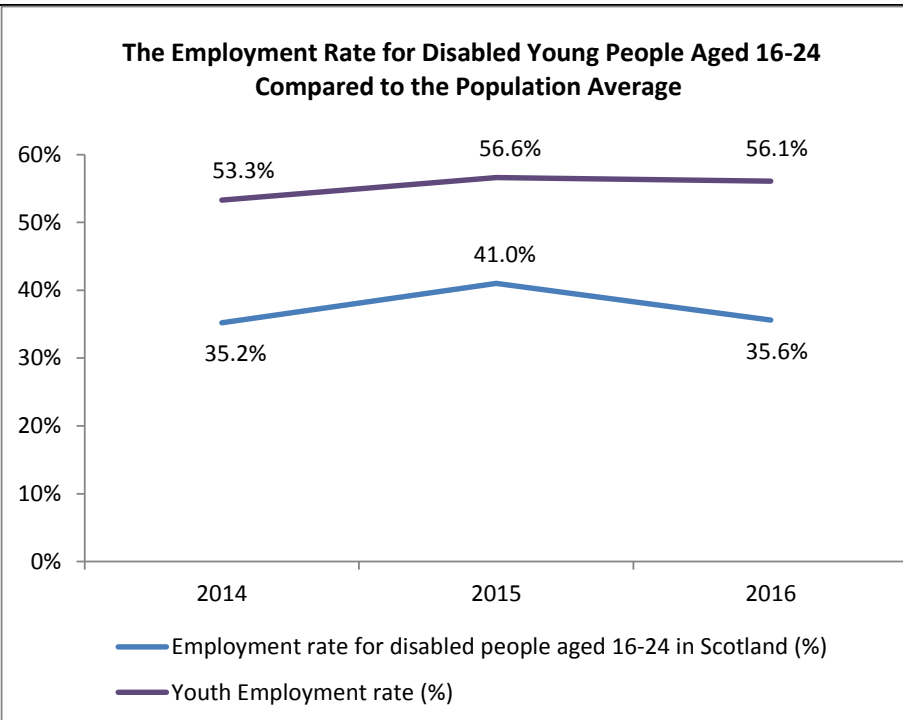


- The target will change year on year as the population share figure is updated
- The percentage of MA starts from minority ethnic communities increased from 1.1% in 2013/14 to 1.4% in 2014/15 and to 1.6% in 2015/16. This has further increased to 1.7% in 2016/17.

Data Source and Frequency: Modern Apprenticeship Statistics: Full Year Report (SDS). Annual, by financial (April-March). Annual Population Survey (ONS) (April-March).

KPI 10

Increase the employment rate for young disabled people to the population average by 2021

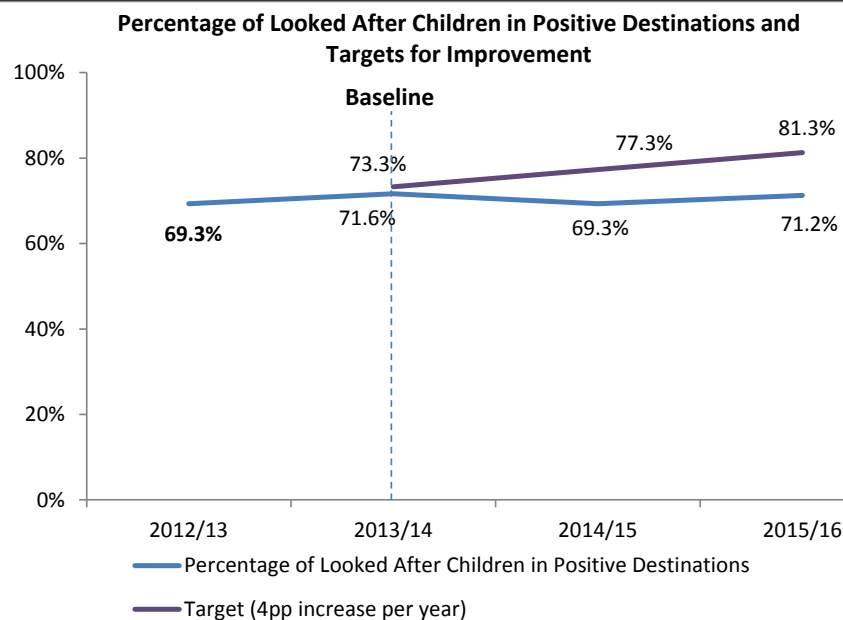


- The definition of disability in the Annual Population Survey changed during 2013. As a result, estimates for 2014 are not directly comparable with previous years.
- The employment rate for young disabled people increased from 35.2% in January–December 2014 to 40.8% for the same period in 2015. It decreased to 35.6% during the same period in 2016.

Data Source and Frequency: Annual Population Survey (ONS) Annual, by calendar year

KPI 11

Increase positive destinations for looked after children by 4 percentage points per annum resulting in parity by 2021⁸



- The “looked after children” cohort reflects children who have been looked after for the full year only.
- The number of looked after children in positive destinations is 71.2% in 2015/16. This is an increase of 1.9pp since the baseline figures were recorded in 2012/13.

Educational Outcomes for Looked After Children (SG). Annual, by school year

⁸ Following a review of the data source, for the purposes of this KPI, the ‘looked after children’ cohort has been revised from ‘children who have been looked after for part of the year or the full year’ to ‘children who have been looked after for the full year’ only.

Education Working for All! – Recommendations

SCHOOLS

Senior Phase Vocational Pathways

Recommendation 1: Pathways should start in the senior phase which leads to the delivery of industry recognised vocational qualifications alongside academic qualifications. These pathways should be developed and delivered in partnership with colleges and, where necessary, other training providers. Their delivery should be explicitly measured and published alongside other school performance indicators.

Preparing Young People For The World Of Work

Recommendation 2: A focus on preparing all young people for employment should form a core element of the implementation of Curriculum for Excellence with appropriate resource dedicated to achieve this. In particular local authorities, Skills Development Scotland and employer representative organisations should work together to develop a more comprehensive standard for careers guidance which would reflect the involvement of employers and their role and input.

Recommendation 3: A modern standard should be established for the acceptable content and quality of work experience, and guidelines should be made available to employers. This should be developed by Education Scotland in partnership with employer bodies and Skills Development Scotland. This should involve input from young people. Work experience should feature in the senior phase Benchmarking Tool and in Education Scotland school inspections.

COLLEGES

Regional Outcome Agreements

Recommendation 4: Colleges' key role in the development of Scotland's young workforce should be recognised and managed through Regional Outcome Agreements.

Focus On Employment

Recommendation 5: The new regional colleges should have a primary focus on employment outcomes and supporting local economic development. This should be underpinned by meaningful and wide ranging partnerships with industry and should be at the forefront of Regional Outcome Agreements and their measurement.

SCHOOLS AND COLLEGES WORKING IN PARTNERSHIP

Recommendation 6: A commitment to supporting the development of Scotland's young workforce through the enhancement of vocational education pathways should feature prominently in the National Performance Framework, Community Plans and College Regional Outcome Agreements.

MODERN APPRENTICESHIPS

Alignment with Economic Growth

Recommendation 7: Modern Apprenticeships should be aligned with the skills required to support economic growth.

Access and Higher Level Opportunities

Recommendation 8: Development of Modern Apprenticeship access processes and progression pathways should be prioritised.

Quality Improvement

Recommendation 9: An industry-led quality improvement regime should be introduced to oversee the development and promotion of Modern Apprenticeships.

Growth

Recommendation 10: If employers can be encouraged to offer significantly more good quality apprenticeships, the Scottish Government should consider a carefully managed expansion of the annual number of Modern Apprenticeship starts.

QUALITY ASSURANCE

Recommendation 11: Employability must be a key focus within Education Scotland's work to support and quality assure the delivery of education. To support this, Education Scotland must work more closely with business organisations and their members to ensure that their work is underpinned by an understanding of industry's needs and expectations.

SCIENCE, TECHNOLOGY, ENGINEERING AND MATHS

Recommendation 12: A focus on STEM should sit at the heart of the development of Scotland's Young Workforce.

MORE CHOICES MORE CHANCES

Recommendation 13: Support for young people at risk of disengaging from education and for those who have already done so should focus on early intervention and wide ranging, sustained support. This should relate to labour market demand and should be focused on helping young people engage on the labour market relevant pathways that we have highlighted.

INVOLVEMENT OF EMPLOYERS

Regional Invest in Youth Groups

Recommendation 14: The Scottish Government should support the creation of regional industry-led Invest in Youth groups across Scotland to provide leadership and a single point of contact and support to facilitate engagement between employers and education.

Business and Industry Partnerships with Schools

Recommendation 15: Businesses across Scotland should be encouraged and supported to enter into 3-5 year partnerships with secondary schools. Every secondary school in

Scotland and its feeder primaries should be supported by at least one business in a long-term partnership.

Recommendation 16: Scotland's leading industry sector groups and companies should be encouraged to work with the Scottish College for Educational Leadership to develop a programme to provide emerging school staff leaders with a wide ranging understanding of industry and careers.

Business and Industry Partnerships with Colleges

Recommendation 17: Employers and national industry sector groups should form partnerships with regional colleges to ensure course content is industry relevant and full advantage is taken of work based learning and employment opportunities.

Industry Led Skills Planning

Recommendation 18: In the development of future industry Skills Investment Plans and Regional Skills Assessments, and in the updating of existing plans, there should be a specific focus on youth employment and the development of vocational pathways starting in the senior phase.

Recognising Good Practice – Invest in Youth Accolade

Recommendation 19: A nationally defined Invest in Youth Accolade should be developed to recognise industry's engagement in the development and employment of Scotland's young workforce.

Additional Support for Businesses Recruiting and Training Modern Apprentices

Recommendation 20: A small business Modern Apprenticeship recruitment incentive package should be developed to equip and support smaller and micro businesses to recruit and train more young people.

Recommendation 21: Voluntary levy schemes to recruit and train young people in skills shortage areas should be encouraged. Groups of employers should be supported to work in collaboration, with the Scottish Government providing co-funding.

Incentivising and Supporting More Employers to Recruit More Young People

Recommendation 22: Procurement and supply chain policies in both the public and private sectors should be applied to encourage more employers to support the development of Scotland's young workforce.

Recommendation 23: Public sector employers should be encouraged by the Scottish Government and local authorities to be exemplars in a national Invest In Youth Policy and this should be explicitly reflected in their published corporate plans.

Recommendation 24: Growth businesses and Inward Investment companies in receipt of public funding should be encouraged and supported to employ young people.

Recommendation 25: Financial recruitment incentives should be re-examined and carefully targeted to achieve the most benefit in providing sustainable employment for young people.

ADVANCING EQUALITIES

Cross Cutting Equality Issues

Recommendation 26: Scotland should embed equality education across Curriculum for Excellence.

Recommendation 27: Promotion and communication of career options should actively target equalities groups to promote diverse participation across gender, Black & Minority Ethnic groups, young people with disabilities and care leavers. The promotion of Modern Apprenticeship opportunities should be to the fore of this activity.

Gender

Recommendation 28: Senior phase vocational pathways should be designed to encourage more gender balance across occupations.

Recommendation 29: The Scottish Funding Council and colleges should develop an action plan to address gender disparities within college education. This should be underpinned by realistic but stretching improvement targets. The Scottish Funding Council should report on this annually.

Recommendation 30: Skills Development Scotland should develop an action plan to address gender disparities within Modern Apprenticeships. This should be underpinned by realistic but stretching improvement targets. SDS should report on this annually.

Young People From Black and Minority Ethnic Groups

Recommendation 31: A targeted campaign to promote the full range of Modern Apprenticeships to young people and parents from the BME community should be developed and launched to present the benefits of work based learning as a respected career option and alternative to university.

Recommendation 32: SDS should set a realistic but stretching improvement target to increase the number of young people from BME groups starting Modern Apprenticeships. Progress against this should be reported on annually.

Young Disabled People

Recommendation 33: Career advice and work experience for young disabled people who are still at school should be prioritised and tailored to help them realise their potential and focus positively on what they can do to achieve their career aspirations.

Recommendation 34: Funding levels to colleges and MA training providers should be reviewed and adjusted to reflect the cost of providing additional support to young disabled people, and age restrictions should be relaxed for those whose transition may take longer.

Recommendation 35: Within Modern Apprenticeships, SDS should set a realistic but stretching improvement target to increase the number of young disabled people. Progress against this should be reported on annually.

Recommendation 36: Employers who want to employ a young disabled person should be encouraged and supported to do so.

Care Leavers

Recommendation 37: Educational and employment transition planning for young people in care should start early with sustained support from public and third sector bodies and employers available throughout their journey toward and into employment as is deemed necessary.

Recommendation 38: Across vocational education and training, age restrictions should be relaxed for those care leavers whose transition takes longer.

Recommendation 39: In partnership with the third sector, the Scottish Government should consider developing a programme which offers supported employment opportunities lasting up to a year for care leavers.



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