

## The Highland Council

### Education, Children and Adult Services Committee 14 January 2015

Agenda Item	14.
Report No	ECAS 12/15

## Developing Scotland's Young Workforce

### Report by Director of Care and Learning

#### Summary

This report sets out for members the key messages of the 'Developing Scotland's Young Workforce' report, and sets out the direction of travel for the authority to ensure its successful implementation in Highland.

#### 1. Background

1.1 The cost of youth unemployment is significant. Being unemployed while young can affect future earnings as average wages remain lower throughout a person's working life, even if that person is not unemployed again. It can also increase the chances of becoming unemployed again. Other consequences of being unemployed when young can emerge later in life, and include lower life satisfaction and happiness, poorer health, a higher risk of depression and lower job satisfaction. The longer the initial spell of unemployment, the greater the negative effect.

1.2 Although most young people do move into a positive initial destination after leaving school, there is a complex picture underneath this headline position, and one in which it is apparent that some groups of young people are particularly disadvantaged.

- Of the 77,000 who were unemployed during July 2013 to June 2014, 50,000 were not in full-time education.
- 4 out of 10 young people who attain qualifications at SCQF level 3 or below become unemployed upon leaving school.
- 32 per cent of employers recruit young people directly from education, 37 per cent offer work experience placements and 12 per cent offer formal apprenticeships.
- While 7 out of every 10 female school leavers remain in education after leaving school, they tend to cluster into specific subject areas, reflecting the wider occupational segregation seen in the labour market.
- Young people from Scotland's black and minority ethnic communities embark on a narrower range of pathways than young people from the population as a whole and are more likely to experience unemployment. Allied to this, young people from minority ethnic groups represent less than 2 per cent of all Modern Apprenticeship entrants even though they represent 6 per cent of all young people.
- Half of all young people with a declared or assessed disability are in further

education 9 months after leaving school. However, by the time they are 26 they are four times as likely to be unemployed as their non-disabled peers.

- Looked after children are least likely to go into a positive destination after leaving school – 1 in 3 is unemployed 9 months after leaving school.

1.3 To address this situation, a Commission for Developing Scotland's Young Workforce was established by the Scottish Government in January 2013. Chaired by Sir Ian Wood, the Commission was independent of Government and was tasked with bringing forward a range of recommendations designed to improve young people's transition into employment.

1.4 The Commission was made up of people from the worlds of employment and education and was set a wide ranging challenge. The overarching ambition was to enable Scotland's young people to move into sustainable employment. To do this, young people need to make the best transition from a broad general education into a comprehensive range of opportunities which improve their employment prospects. The education side of this is critically important. Just as important, is the employment side, and the Commission will be focussing on measures to strengthen the engagement of employers in the youth employment and education agendas.

1.5 The commission published its interim report in September 2013.

1.6 The final report was published in June 2014, and it is available at:  
<http://www.scotland.gov.uk/Topics/Education/edandtrainingforyoungple>

## **2. Summary of the Report**

2.1 The report covers: education and training; involvement of employers; and advancing equalities.

2.2 It contains 39 recommendations. These focus on: vocational education pathways starting in schools; career education and work experience; modern apprenticeships; college education; involvement of employers in education; youth recruitment; gender segregation in vocational education; support for young disabled people; promotion of apprenticeships to young people from BME communities; and support for care leavers.

2.3 The following extract from the Commission's report summarises the recommendations.

### ***Better preparing school leavers for the world of work***

- *Beginning well before the start of the senior phase and right through to S6, young people should be exposed to a wide range of career options. This can only be achieved by schools and employers systematically working together in meaningful partnership to expose young people to the opportunities available across the modern economy. To support this, a comprehensive standard should be developed for careers guidance which would include involvement of employers and their role and input.*
- *As they move into the senior phase, young people of all abilities should have the opportunity to follow industry relevant vocational pathways alongside academic studies. Thus we proposed new school-college vocational*

partnerships with the potential for young people to do qualifications such as National Certificates and Higher National Certificates as well as options to do the first year of a 3-4 year apprenticeship while still at school. It is also vital that we introduce a 21st century approach to high quality work experience that provides pupils with a meaningful and productive exposure to the world of work.

### **College education focused on employment and progression in learning**

- *Moving beyond school, we must ensure that young people at college pursue studies with an expectation of that they will lead successfully to employment in the prevailing labour market. The newly formed regional colleges, through more focused and ambitious outcome agreements, and working closely with industry, should ensure that a college education provides skills and qualifications relevant to the market requirements and in particular the new challenges of the modern technology orientated economy.*

### **Modern Apprenticeships focused on higher level skills and industry needs**

- *Modern Apprenticeships should be developed in those industry sectors of the economy where young people have the best chance of building a long term career. Alongside this, the number of high level Modern Apprenticeships, level 3 and above, should be expanded significantly to support Scotland's medium term economic growth. Industry must be to the fore of the future development of Modern Apprenticeships in Scotland.*

### **More employers engaging with education and recruiting more young people**

- *Employers have a huge amount to gain from improving young people's workplace experience and knowledge of career options. The Review clearly identifies the many advantages for employers from much closer partnership working with schools and colleges in the development of the key assets for their future success. The Review makes a number of proposals in how employers can become much more involved to the benefit of themselves and the education system, principally through the proposed Invest In Youth Regional Groups.*
- *The majority of employers are not recruiting young people. Urgent and sustained action is required to counter this. It's proposed this is tackled again through the Invest In Youth Regional Groups with a range of initiatives to encourage employers to overcome the real and perceived barriers to employing young people.*

### **Advancing Equalities**

- *As part of our review, we have looked at the challenges in advancing equalities within Scottish education and youth employment. We have particularly looked at gender, ethnicity, disability and care leavers. There are clearly no quick fixes in these areas, but we have made some recommendations focused on practical steps which we believe will make a difference in the medium to long term. This requires action and clear targets to address existing under representation and segregation within vocational education and looking at this in the development of senior phase vocational pathways could help improve equality outcomes in the workplace in the medium term.*

### 3. Successful Implementation – Success Targets

3.1 The Commission believes with the appropriate level of support from government, education and employers, and with sustained mainstream investment in the changes proposed, Scotland should achieve:

- All 363 secondary schools in a long term partnership with employers within 3 years.
- The quality of work experience and career guidance to be significantly enhanced – all school pupils to receive work experience and career guidance in line with Recommendations 2 and 3 by 2020.
- An additional 5,000 Modern Apprenticeship places at level 3 and above by 2020 with potential for further growth beyond that.
- 60% of school leavers not attaining Highers to leave school with meaningful industry relevant vocational qualifications by 2020.
- Our unemployment rate to reduce to the average youth unemployment rate of the 5 best performing European countries by 2020. At current rates and population size, this should take youth unemployment down by around 30,000.

### 4. Government Response to the Report

4.1 The Government's response to the report has now been published in the form of a **Youth Employment Strategy** (<http://www.scotland.gov.uk/Publications/2014/12/7750>) which includes Scottish Government and Local Government Implementation Plans. These plans cover a seven year period and Education Scotland will play a key role in their delivery, with a focus on improving work experience, career advice and careers education in schools.

4.2 Education Scotland will also play an important role in reviewing the ways that colleges respond to Developing the Young Workforce, developing reviews of Modern Apprenticeships and working more closely with employers to ensure our work is taking account of their views and needs.

4.3 The Government has put implementation funding in place to support implementation and early action: £6.4 million in 2014/15, and a further £16.6 million for 2015/16. This will help begin the work required to develop and test new approaches.

### 5. Forming a Highland Implementation Strategy

5.1 There has been good discussion across the Development and Infrastructure and Care and Learning Services about the priorities for a Highland implementation plan.

5.2 We need to take account of the Change Themes that the Scottish Government have established:

- Industry engagement in developing general education CfE
- Specific vocational pathways in senior stage leading to industry recognised

qualifications

- College systems focussed on employability
- Apprenticeship opportunities and advanced qualifications through work based learning
- A systematic approach to business and sectoral engagement at strategic and local level

5.3 The implementation plan will be developed with all of the key stakeholders. It will identify key the responsibilities of each agency, and set out the outcomes for success, with achievable timelines and the resources that are available.

5.4 This is likely to include:

- A lead officer for taking forward the Council's contribution to the delivery of the plan.
- An authority planning group. Membership should include staff from Development and Infrastructure as well as Care & Learning.
- A strategic planning group which will include all the key stakeholders, with Area Groups, which will be developed across the authority to ensure a local context will be put on Highland implementation plan. At the moment it is proposed that these groups are aligned with the three colleges that exist across the Highlands.
- An engagement strategy which will ensure effective communication with pupils, parents, teaching staff, colleges and employers.

5.5 An early meeting with partners (HIE, Skills Development Scotland and Colleges) is planned for January, and it is intended to hold a major partnership event in early 2015 initiate this activity. We aim to link the Developing Scotland's Young Workforce Report with the Highlands and Islands Skills Investment Plan, and therefore to the present and future needs of business.

5.6 We will also identify and build on the examples of good practice that exist across the authority.

## 6. Implications

6.1 **Resources:** Successful implication will require that Highland maximises the use of funding allocated by the government.

6.2 **Equalities:** It will important the equalities recommendations in the report are addressed.

6.3 **Gaelic:** It will be important that the options for Gaelic Medium pupils are explored thoroughly.

6.4 **Rural:** It is important that the implementation plan ensures the coverage across the whole of the Highland.

6.5 **Other Implications:** There are no legal, risk or climate change/carbon clever implications.

## **7. Recommendations**

- 7.1 Members are asked to note the key aspects of this report and to agree the proposed direction of travel the authority will take for implementing the Developing Scottish Young Workforce report.

Designation: Director of Care and Learning

Date: 5 January 2015

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Background Papers: Developing Scotland's Young Workforce  
Scotland's Youth Employment Strategy

## Developing Scotland's Young Workforce 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.