

REPORT TO: Cabinet

MEETING DATE: 12 May 2015

BY: Depute Chief Executive (Partnerships & Community Services)

SUBJECT: Developing the Young Workforce – Implementing the Recommendations of the Commission for Developing Scotland’s Young Workforce

1 PURPOSE

- 1.1 To raise awareness of Developing the Young Workforce - Scotland’s Youth Employment Strategy – Implementing the Recommendations of the Commission for Developing Scotland’s Young Workforce. The full Strategy has been placed in the Members’ Library (Ref: 64/15, May 2015 Bulletin).

2 RECOMMENDATIONS

That Cabinet:

- 2.1 Notes the Scottish Government publication of Developing the Young Workforce - Scotland’s Youth Employment Strategy -- Implementing the Recommendations of the Commission for Developing Scotland’s Young Workforce.
- 2.2 Acknowledges that implementation of the seven-year programme will require significant cultural change to develop the young workforce in constructive partnership with all partners involved in East Lothian’s education and employer communities.
- 2.3 Notes that a further report will be brought to Cabinet in due course, detailing East Lothian’s approach to implementing the Strategy.

3 BACKGROUND

- 3.1 Even as the economy continues to recover, youth unemployment nationally continues to be a challenge and is a major social and

economic issue. Today in Scotland we have 53,000 young people not in work and not in education, and the unemployment rate for young people is almost three times the all-age unemployment rate and double that of the best performing European countries.

- 3.2 In January 2013 the Scottish Government established the Commission for Developing Scotland's Young Workforce to meet these challenges. 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.
- 3.3 The Commission comprised a breadth of expertise covering business, further education, schools, trade unions and HR management, and its work builds on the introduction of Curriculum for Excellence and the extensive reforms of Post-16 Education. Following extensive consultations with leading figures in education, business and equalities groups, the Commission's final report was published in June 2014 and highlights the importance of business and industry working with schools and colleges to ensure that young people are more prepared for employment and better informed in career choice.
- 3.4 The East Lothian Hospitality & Tourism Academy was indeed highlighted in the Commission's report as an area of good practice and it is recognised as essential to build on such good practice, whilst ensuring future sustainability. Other Academies have also recently been developed in Health and Social Care, Food Technologies and Creative Industries with a further in Construction currently being explored.
- 3.5 In December 2014 the Scottish Government published Developing the Young Workforce – Scotland's Youth Employment Strategy - Implementing the Recommendations of the Commission for Developing Scotland's Young Workforce, making clear Government's commitment to improving youth employment. In summary the Youth Employment Strategy sets out:
 - how a high quality intermediate vocational, education and training system, which complements our world class higher education system, can be developed to enhance sustainable economic growth with a skilled workforce;
 - how to achieve better connectivity and co-operation between education and the world of work to ensure young people at all levels of education understand the expectations of employers, and that employers are properly engaged;
 - how to achieve a culture of real partnership between employers and education, where employers view themselves as co-investors and co-designers rather than simply customers.
- 3.6 Strategic recommendations span the education and training system and call for more effective joint working between schools, colleges, training

providers and employers. The aim must be to provide the best possible blend of learning for young people to equip them for work. Importantly, the Commission highlighted the need for markedly different attitudes to options and qualifications which are of a more vocational nature. The Commission's report contains stretching targets that will lead us to a sustained reduction in youth unemployment levels.

- 3.7 Nationally much has been done to shift cultural attitude. Reforms to college education; growth in the number of Modern Apprenticeship opportunities; a strong system of vocational qualifications underpinned by the well-established Scottish Credit and Qualifications Framework (SCQF); career services, much better informed by labour market information; Opportunities for All measures - ensuring that all 16-19 year-olds are guaranteed an offer of a place in learning or training and providing – all providing a strong platform to take the strategy forward.
- 3.8 Much has also been done locally. East Lothian Works, East Lothian's employability hub, brings together all employability-related services under the East Lothian *One Council Approach*. East Lothian Works is the central point of contact for employment advice and training and works closely in partnership with a number of external partners including Queen Margaret University, Edinburgh College, Skills Development Scotland, DWP Job Centre Plus and a range of Third Sector Agencies, local business and industry.
- 3.9 East Lothian Works adopts a Strategic Skills Pipeline approach to managing throughput of client referrals. This approach is a route map identifying national and local service provision which is available to support people into employment through a staged process, at the core of which, is the identification of individual need. The various stages of the pipeline include initial engagement, assessment and referral; needs assessment and barrier removal; vocational activity; employer engagement and job matching; and finally in work support and aftercare. Individuals can progress at different rates through the pipeline, and it is not always essential to move through every stage.
- 3.10 Numbers of unemployed people participating in Council-funded or operated employability programmes, and numbers of unemployed people assisted into work from Council-funded or operated employability programmes both continue to reveal positive upturns in trends. East Lothian continues to achieve year-on-year incremental improvement in school leaver positive destination results, the most recent increasing from 89.9% to 92.2% of young people leaving school and moving into employment, training or further education.
- 3.11 The headline target for Scotland's Youth Employment Strategy is to reduce 2014 levels of youth unemployment by 40% by 2021 with an undertaking to report annually on progress. The strategy is a seven-year national programme to develop the young workforce in constructive partnership with the Convention of Scottish Local Authorities (COSLA) and Scotland's education and employer communities. Achieving our

ambitions for the young workforce therefore requires local authorities, schools and their delivery partners to focus on certain key themes identified for schools, colleges, apprenticeships and employers and outlined as follows:

Key themes for schools

Achieving our ambitions for the young workforce requires a focus on the following themes by local authorities, schools and their delivery partners:

- Expanding the offer – increasing the routes from school into employment, or further 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

Key themes for colleges

Achieving our ambitions for the young workforce requires a focus on the following themes in relation to colleges:

- 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 Science, Technology, Engineering and Maths (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

Key themes for apprenticeships

Achieving our ambitions for the young workforce requires a focus on the following themes in relation to apprenticeships:

- Development of foundation apprenticeships in schools
- Development of advanced apprenticeships
- Modern Apprenticeship expansion including STEM and higher level apprenticeships
- Supervisory Board established, 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

Key themes for employer engagement

Achieving our ambitions for the young workforce requires a focus on the following themes in relation to employer engagement:

- Enhanced industry leadership and engagement
- Stronger partnerships between employers and education
- Recruitment of young people at the heart of workforce planning across the private, public and third sectors

Developing the Talents of All Our Young People

- Diversity in the workplace, reflecting the diversity in our communities, will make a tangible contribution to addressing wider inequality issues in society
- To achieve sustainable economic growth, we will need to develop the talents of all our young people
- Whilst the Commission's report sets out the challenge, our response is to see our action not as separate activity but as an approach to advancing equality, embedded throughout these recommendations

3.12 The broad principals and approaches of Scotland's Youth Employment Strategy will be adopted and an East Lothian approach; *Developing East Lothian's Young Workforce* developed. A set of local targets to be achieved over the period 2014–2021 for unemployed young people, aged 18–24, mirroring and reflecting the intentions of the Council Plan and Single Outcome Agreement, is set out in Table 1.

Table 1. Proposed targets for unemployed young people aged 18-24 years.

Timeline	% of East Lothian unemployed young people aged 18-24 years (source nomis official labour market statistics)	Scottish Average % of unemployed young people aged 18-24 years (source nomis official labour market statistics)
April 2012	7.6 (actual)	8.1 (actual)
April 2013	7.1 (actual)	7.2 (actual)
April 2014	4.9 (actual)	5.1 (actual)
March 2015	3.7 (actual)	3.8 (actual)
April 2015	Below Scottish Average	
April 2016	Below Scottish Average	
April 2017	Below Scottish Average	
April 2018	Below Scottish Average	
April 2019	Below Scottish Average	
April 2020	Below Scottish Average	
April 2021	Below Scottish Average	

4 POLICY IMPLICATIONS

- 4.1 As per the Council Plan (2012–2017), the East Lothian Plan Single Outcome Agreement (2013) and the East Lothian Community Planning Economic Development Strategy (2012–2022), Strategic Project - Develop More Sustainable Employment Pathways in East Lothian.

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the well being of equalities groups and an Equalities Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial - None
- 6.2 Personnel - None
- 6.3 Other - None

7 BACKGROUND PAPERS

- 7.1 Final Wood Commission Report – Education Working For All – Commission for Developing Scotland’s Young Workforce
<http://www.scotland.gov.uk/Topics/Education/edandtrainingforyoungple/commissiondevelopingscotlandsyoungworkforce/finalreport>
- 7.2 The Scottish Government Economic Development Strategy
<http://www.gov.scot/Topics/Economy/EconomicStrategy>
- 7.3 East Lothian Community Planning Economic Development Strategy (2012 -2022)
http://www.eastlothian.gov.uk/downloads/download/1831/east_lothian_economic_development_strategy_2012_-2022
- 7.4 Developing the Young Workforce – Scotland’s Youth Employment Strategy - Implementing the recommendations of the Commission for Developing Scotland’s young workforce
<http://www.gov.scot/Publications/2014/12/7750/downloads>

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