

Scotland's Youth Employment Strategy

First Minister's Foreword

The Scottish Government is committed to doing everything in our power to reduce youth unemployment.

We have put in place a range of initiatives, including providing almost 300,000 training opportunities since 2007 – including a record 25,000 Modern Apprenticeships this year, which we now commit to for every year of this Parliament. This annual level is nearly 60 per cent higher than when we came to office.

We will, of course, ensure that access to higher education in Scotland continues to be based upon the ability to succeed rather than ability to pay, and we will maintain support to help young people remain engaged in college and training. In contrast to elsewhere, we will continue to fund the Educational Maintenance Allowance for young people in school and college.

Our key commitment is to those young people who yearn to be productive. No young person should go through school only to become an unemployment statistic at the age of 16. We will not allow that in Scotland and more must and will be done.

The cause of youth opportunities required a clear and unequivocal champion in Government, which is why in December last year I appointed Angela Constance to the position of Minister for Youth Employment. This was the first appointment of its kind in the UK.

Her appointment will ensure that all efforts to support our young people move into work are focused. This youth employment strategy lays out the approach the Scottish Government is taking in supporting young people through an all-Government all-Scotland approach, with everyone who can make a contribution across Scottish society encouraged to do so.

Increasing youth employment in the current economic climate is undoubtedly a complex challenge that has no single solution and will require a range of different approaches and input from many quarters to address. Of course, with greater financial responsibility we would be much better placed to implement policies designed to assist our young people, and Scotland's economy as a whole.

But until we gain those key economic levers, the Scottish Government will continue to work with the tools we currently have, alongside all those willing and able to support our young people and will actively seek out those who can make a positive difference.

By working together across government, across parliament and across Scotland we can help Scotland's young people into work and ensure they have the opportunities that we all believe they firmly deserve.

The Rt. Hon. Alex Salmond MSP

The First Minister of Scotland

Minister For Youth Employment's Foreword

The journey from education to employment is one of the key moments in a young person's life. It is a journey that for all too many is broken by the lack of employment opportunities. It is in the common weal that across our country and across all walks of life that we ensure that our young people have the choices and chances to enable them to reach their full potential. Giving our young people the opportunity to channel their talent, enthusiasm and energy into sustainable and rewarding employment is critical to our future economic success. There is no predetermined writ that says that long-term unemployment is the inevitable lot for our young people. It is crucial for building the sort of society that reflects the values and hopes of the people of Scotland.

Progress has been made under our Government and we have acted to provide young people with opportunities to develop their skills, while we also work to create the conditions for economic recovery and subsequent jobs growth. But this is no time for complacency and as we move forward we know that we must go further and that we will support more young people through the introduction of Opportunities for All programme. This will take a strong existing package of education and training support and ensure that every 16-19 year old not already in work, education or training will be have access to a suitable place in learning or training.

We recognise that our response to youth unemployment must go beyond education and training. Throughout my adult life I have maintained the view that our young people's life chances are best served by a Parliament with full job creating powers. However irrespective of the powers our Parliament holds we will continue to do all we can to create the conditions for economic growth. That's why through this strategy we will foster an all-Government and all-Scotland approach to supporting Scotland's young people and will make certain that elements of our entire spend are directed toward youth employment.

There is no monopoly of wisdom or concern on this issue. The Scottish Government will work hand in hand with any organisation, company or individual who shares our commitment to support Scotland's young people. By working together and taking a strategic all-Scotland approach I believe we can successfully tackle this issue and help our young people take the next steps on their own journeys.

Angela Constance MSP

Minister for Youth Employment

Introduction

In times of recession youth unemployment tends to rise quickly and takes time to return to previous rates. The downturn following the global credit crunch of 2008 has been no exception. Indeed the impacts on young people's employment prospects since 2008 have been acute across many developed economies.

Long term unemployment can scar young people and stunt their life chances. Research shows that the financial consequences of young people moving into long term unemployment are high. For example the lifetime cost of a single cohort of young people failing to make the transition into regular employment is estimated to be in the region of £2 billion.

Beyond the financial costs, the human and societal costs of youth unemployment developing into long term unemployment are considerable. There are often mental and physical health consequences, the risk of offending increases and there are clear links between inter-generational social problems and long term unemployment. This is a price we cannot afford to pay as a society. It is in everyone's interests to ensure that our young people have the best possible start to their working lives.

The Scottish Government has worked quickly and effectively with a range of partners to support young people since the start of the economic downturn. We believe that measures such as expanding the number of modern apprenticeship places, protecting college and university places and retaining the Education Maintenance Allowance have made a real difference to thousands of young people. We are now taking this already strong package of support to the next level.

Through *Opportunities for All* the Scottish Government will ensure that every 16-19 year old not in employment, education or training has access to a suitable place in learning or training. In 2012/13 and in each year of the current Parliament we will offer 25,000 Modern Apprenticeship opportunities within an overall total of 46,000 training places. We will offer places in our universities without asking our young people to meet the costs of a high quality higher education. And we will work closely with other public sector organisations including the UK Government to ensure that our young people can access the training and support they offer.

However education and skills can only ever be part of the solution. Giving our young people more opportunities to demonstrate their worth to potential employers on a wider scale will be an important part of the solution to youth unemployment. Scotland's employers are critical as it is they who will provide the work and work experience opportunities our young people need.

We will collaborate with employers to help them work with young people and will ensure that post-16 learning and training is sufficiently flexible and focussed on employers' needs to support this.

Local authorities across Scotland make a unique contribution to supporting young people as they take the journey from the world of education into the world of work. Our local authorities and local employability partnerships work with young people to match training opportunities and other support with local labour market opportunities and we will continue to support them in this work.

Scotland's third sector is a national asset which comes to the fore in times such as these and it is already making a distinctive contribution to Scotland's response to rising youth unemployment. The third sector covers a lot of ground in this area. Third sector organisations provide support for those furthest from the labour market. They deliver opportunities for young people to develop attributes which enhance their employability. They provide strong, practical support to help young people sustain work. And of course in many instances they can provide job opportunities for our young people within their own organisation.

We recognise that Scotland's young people are not a homogenous group, there is not one size fits all solution. We must use every opportunity to promote our young people. That is why we will utilise fully Scottish Government investment across public services and in infrastructure development to support them. We will also take full advantage of events such as the forthcoming Commonwealth Games to deliver a legacy in terms of youth employment.

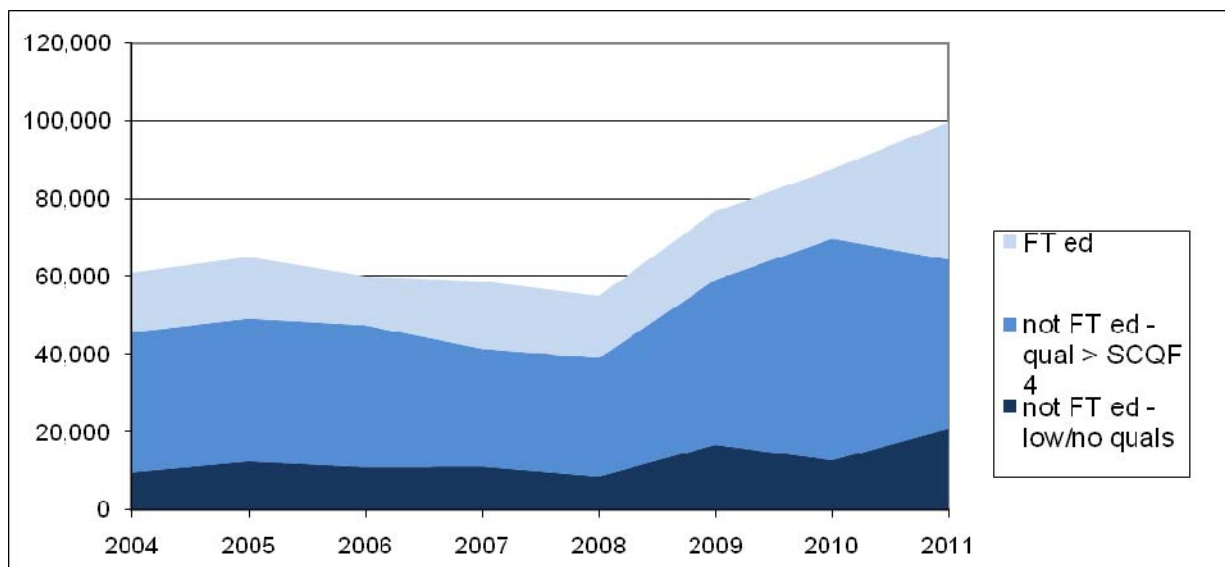
The appointment of a Minister for Youth Employment demonstrates our commitment to focus on this issue in a wide ranging and cross-cutting manner. This document provides an overview of the Government's approach to harnessing and supporting the national effort required to increase youth employment through a strategic approach which builds on the ideas of others. Overall our approach to this challenge will be designed to make a positive difference for our young people in the short, medium and long term.

The scale and nature of youth unemployment in Scotland

As our labour market has tightened following the global credit crunch in 2008 and the subsequent downturn, young people have found it harder to move into sustained employment. Since the start of the downturn, we have seen unemployment among 16-24 year olds in Scotland rise from 55,000 to over 100,000. This increase of 83 per cent reflects a pattern repeated across many developed economies. To understand the nature of the challenge we face it is important to understand the youth unemployment statistics.

As the chart below illustrates, there has been a significant increase in the number of young people looking for work while they are engaged in full-time education. This group represented 35 per cent of all unemployed 16-24 year olds in 2011 and comprised over 35,000 young people. While this group is included in the overall youth unemployment figure, young people in full-time education are taking purposeful steps to increase their long term employment prospects.

Unemployment Among 16-24 Year Olds – 2004-2011



Among the remaining 65,000 young people seeking work, there are two distinct groups, with specific types of support required in both cases. In 2011 just over 20 per cent of young people within the 16-24 year old youth unemployment cohort had either low levels of qualification or no qualifications at all. Many of them will have faced multiple disadvantages during childhood and, by extension disrupted education. Groups particularly affected include young people in the care system, young people in the justice system and young carers. The range of support services which cater for these

groups of young people can provide support and direction to enhance their job prospects. This will be most effective if enhanced by tailored support to help them re-engage with education and training.

The remainder of the youth unemployed cohort comprises around 44,000 young people with a reasonable level of educational qualifications. In a stronger labour market, they would have better employment prospects and would be less likely to experience prolonged periods of unemployment. The size of this group has increased by 43 per cent since 2007, but the number has fallen from a peak of almost 57,000 in 2010, suggesting some success in efforts to support those individuals into work - and demonstrating their readiness for work.

The most effective support for this group is likely to comprise a mixture of supported transition into employment, work experience, internships and opportunities to re-engage in full-time learning.

Opportunities for All

The Scottish Government has made its commitment to young people clear through *Opportunities for All*. We will offer all 16-19 year olds not in work, education or training a place in learning or training. This is an unprecedented commitment to young people which is rich in its variety. Through *Opportunities for All* we will ensure that all young people have the opportunity to improve their chances of sustainable employment through learning and training.

Opportunities for All will build upon the already well established 16+ Learning Choices approach to supporting young people to progress successfully from school to further learning, training or employment. Since the introduction of 16+ Learning Choices in 2008 we have seen steady improvements in school leaver destinations: 89.9 per cent of leavers in 2011 (the most recent year for which data are available) moved into an initial positive destination.

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

To support the implementation of *Opportunities for All* the Scottish Government will:

- Offer 46,000 training places including 25,000 Modern Apprenticeship opportunities in each of the next 5 years;
- Prioritise provision in our colleges for 16-19 year olds;

- Invest record funds in our universities to protect the level and quality of higher education available in Scotland without passing the cost onto young people through a prohibitive fees regime;
- Provide £4 million to support local authorities in the ongoing national rollout of Activity Agreements. Activity Agreements provide a package of tailored activity and learning to re-engage those young people furthest from the labour market;
- Maintain the Education Maintenance Allowance to provide financial support to those young people who need it most;
- Provide a more in depth range of support to young people around career options through *My World of Work* and other channels; and
- Introduce a more intensive support service for those young people most likely to disengage from learning and employment through *My Work Coach* to be delivered through Skills Development Scotland.

An all-Government and all-Scotland response to youth unemployment

It is essential that we direct all available resources toward the issue of youth employment. While the Government is investing a significant amount in education and training for young people, we will also take advantage of Government spending across all Ministerial portfolios to derive benefits for young people seeking work. We will take an imaginative approach to doing this.

The Government's infrastructure investment is designed to support Scotland's long term economic development, while supporting economic recovery in the short and medium term. In particular our capital investment provides employment opportunities for people of all ages at a time when we face significant labour market challenges. Within this it is important that we ensure young people in particular have opportunities to move into work and training as a result of our capital investment.

The Government's recently published Infrastructure Investment Plan makes it clear that we will use our £9 billion public procurement spending to maximum effect to promote economic growth and jobs, including:

- Asking every company in receipt of a significant Government contract to produce a training and apprenticeship plan. This particularly targets our young people;
- Continuing to use community benefit clauses to support employability and targeted recruitment and training through public sector contracts. Moving forward we will increasingly focus this on supporting young people.

- We will introduce a Sustainable Procurement Bill which legislates for a systematic use of community benefit clauses within public procurement. Youth employment will feature centrally within this part of the Bill.

Cities are vital to the success of the Scottish economy. A key to the success of our cities and city regions will be the harnessing of our young people's energy, skills and commitment within our cities' workforces.

- As part of our work with Scotland's city local authorities and other key partners we will identify how our policy and programmes to support Scotland's cities to flourish will contribute to responding to the challenge of increasing youth employment.

Not all of our potential for future economic prosperity and jobs growth is concentrated in our cities. For example, some of the best opportunities to develop Scotland's low carbon economy and renewables industry exist away from our major urban centres in small towns and rural areas. More established industries also offer career opportunities to support young in rural areas.

- We will continue to focus resource for skills development and employer support on those sectors which offer prospects for employment for young people in our small towns and rural areas.
- Through the delivery of the energy skills investment plan we will work through Skills Development Scotland and the Scottish funding Council to support training opportunities to help young people move into Scotland's energy, renewables and low carbon sectors.
- The Scottish Government is working with the food and drink sector to develop a skills investment plan for the sector. A key aspect of the plan will be to inspire young people in education to consider the diverse range of career opportunities available to them within this growing and dynamic sector across Scotland.
- We will continue to work to attract young people to the farming industry through the ongoing development of the new entrant scheme for the industry. In particular we propose to set up a New Entrants Forum later this year to allow new entrants to feed in their views on the shape of the Common Agricultural Policy and the design of the next Scotland Rural Development Programme.

In response to the downturn, the Scottish Government has made significant use of the European Social Fund (ESF) to help address rising unemployment, with a specific focus on youth unemployment. In particular £64 million has been allocated through ESF

Priority 5 to support the development of the strategic employability pipeline outlined in the annex to this document. This has supported SDS training places for young people, additional college provision and a wide range of local authority support.

- As we move forward to the next programme of European funding due to begin in 2014 we will ensure that youth employment is prioritised in its development.

Government agencies and NDPBs are well placed to take innovative steps to support the youth employment agenda. In most cases there will be opportunities to provide employment, apprenticeships and work experience opportunities for young people. Moving beyond direct employment and work experience, many Government bodies are in a position to take an imaginative approach to deriving youth employment benefits as they discharge their core activities.

- Ministers will make clear their expectation that all Government bodies will develop approaches to support the youth employment agenda and to report directly to the Youth Employment Minister on progress.

Among Government bodies, our Enterprise Agencies are particularly well placed to provide encouragement and support to businesses to provide opportunities for young people. This can be achieved as part of the advice and financial support they provide to businesses.

- We will explore with the Enterprise Agencies a range of options to work with the businesses they engage with to support the youth employment agenda.

A strong range of digital skills is becoming an essential requirement for success in the world of work. It is essential that we work with the widest range of partners to help our young people develop these critical skills.

- We will work with a range of bodies such as the Digital Participation Action Group to support the development of work-focussed digital skills among our young people.

The CashBack for Communities Programme takes the ill-gotten gains of crime, recovered through the Proceeds of Crime Act 2002 and invests them into community programmes, facilities and activities largely focussed on young people to the ultimate benefit of Scottish communities affected by crime and anti-social behaviour.

Money is provided to local communities to support a wide range of sporting, cultural, educational and mentoring activities for children and young people aged 10 -19 years.

The Programme includes a number of partnerships with Scottish sporting, arts, business, community and youth associations.

CashBack for Communities' aims cut across Government policy areas and support the achievement of a range of outcomes identified in the National Performance Framework. Projects range from diversionary work to more long-term potentially life-changing intervention projects, which aim to turn an individual's life around and provide them the opportunity of a positive destination such as employment, education, or volunteering.

Over £44 million has been invested in this way, allowing more than 600,000 young Scots to participate in a wide range of activities.

- Through CashBack we will continue to invest in young people and the communities they live in to help them prosper, flourish and contribute positively to society.

The National Health Service is a major employer in Scotland and offers a wide range of job and work experience opportunities at many levels. As NHS boards pursue the delivery of their core objectives are also well placed to offer our young people support in their efforts to move into work.

- The Government will continue to encourage NHS Boards to offer apprenticeship opportunities to young people. We will also work with NHS Boards to help them identify work experience opportunities for young people within the health service.

Culture and heritage organisations have extensive reach to young people through creative educational programmes, and as attractive potential places to work. For example the national collections and national performing companies have extensive programmes for education and young people. They provide vocational training in the performing arts, internships and roadshows on employment opportunities and career planning.

There are already apprenticeship projects in place in heritage and culture organisations: Historic Scotland will be employing an additional 30 apprentices in traditional skills over the next 3 years, 10 to be employed this financial years, and there are further apprenticeship opportunities in National Records of Scotland and Creative Scotland.

The following opportunities exist across the culture and heritage sector to support youth employment:

- We will make strategic partnerships across culture and heritage to maximise the use of resources and energy to address youth employment. For example we are working with the Heritage Lottery Fund which has prioritised skills in its current funding plans and future strategy.
- Each of the Government-funded culture and heritage organisations will be encouraged to develop explicit major plans for training, volunteering and work experience activities, building on existing work and in partnership wherever possible with the main skills organisations.
- The Conservation Centre, which will be on-stream in 2014, will enable Historic Scotland to provide increased flexibility for the training of young people, particularly in traditional industry sectors
- The new Arts Centre is being developed with funding from the Young Scots National Youth Fund. Creative Scotland is bringing together partners, including the Royal Conservatoire of Scotland and the national youth performing companies, to develop detailed plans for the Centre and it will be important for the plans to be clear about youth training and employment opportunities

Large scale events such as the Commonwealth Games and the Ryder Cup provide opportunities to young people seeking work. Support to help young people into jobs, apprenticeships and volunteering opportunities in and around large scale events will help create a youth lasting employment legacy from such events.

- We will invest Commonwealth Games Legacy Funding to support youth employment initiatives.
- We will explore how existing models such as Personal Best, a programme of volunteering particularly designed to help people into work, can be adapted to focus on youth employment.
- We will work with the organisers of large scale events and local authorities across Scotland to develop innovative approaches to help young people access the opportunities directly and indirectly related to large scale events in sectors such as sport, tourism, hospitality, food & drink and transport & logistics.

Post-16 education reform

Our ambitious programme of post-16 education reform is predicated on putting learners – especially young learners – and employers at the heart of the system. Through it we will deliver a sustainable post-16 education system that improves people’s life chances and meets the needs of employers and Scotland’s economy. The programme will help make the delivery of *Opportunities for All* possible by delivering better provision and better guidance to young people.

Among the changes we have proposed to our partners are:

- refocusing college places toward those who need them most;
- ensuring every 16-19 year old who wants one has a place in learning and training;
- prioritising college places for 20-24 year olds as well as making provision for those with no or low skills;
- meeting employers’ needs more effectively by engaging them in the design of provision;
- reducing college drop-out rates;
- maintaining local access to further education across the country within a regional delivery model; and
- developing a regional delivery model of college provision to improve coherence, prevent duplication and better meet learners’ needs but protecting local access within that model. We have also provided the resource to help make this happen through our £15m College Transformation Fund.

Already within the post-16 education reform programme the Scottish Government has carried out a review of training provision, *Making Training Work Better*. The guiding principles of the review were to:

- focus on moving people further towards employment;
- improve outcomes for individuals and better meet the skills needs of employers of all sizes; and
- reduce any duplication of funding and provide better alignment between the Scottish Government’s skills programmes.

As a result of the review the Government will:

- develop higher level Technical and Professional Apprenticeships to offer a wider range of entry and progression opportunities through the apprenticeship programme;

- provide flexible support including incentives to employers to support 16-24 year olds from disadvantaged groups such as care leavers and young carers into jobs including Modern Apprenticeships;
- introduce a contribution rate for 20-24 year old Modern Apprentices that is higher than general rate;
- establish a more transparent process for developing apprenticeship frameworks in order to maintain their relevance to changing employer needs;
- enhance the work experience element of the Get Ready for Work programme; and
- explore the potential for an outcome-focussed national employability fund that brings together funding from a range of sources to provide more coherent and flexible pre-employment support for young people and adults

These measures are designed to enhance the relevance and flexibility of training provision with a particular focus on responding to the needs of young people and employers.

Engagement with employers

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

We will take a range of approaches to engaging directly with employers to encourage them to consider taking on young people when they are recruiting and to consider providing work experience and other support even when they aren't in a position to recruit. We will also consider larger employers to work with companies in their supply chains to offer work and work experience to young people.

Employer representative bodies provide a valuable mechanism to communicate with businesses of all sizes in all parts of Scotland. A number of Scotland's business organisations are already engaging with the Government on this agenda and are keen to do more.

- We will engage directly with business organisations in order to use their networks to promote youth employment and to better understand the needs of employers with regard to this agenda.
- The Government is already engaging with a group of large Scottish employers in partnership with the SCDI. Each company is already heavily involved in offering work and work experience to young people. However the businesses in the

group are committed to doing more and will continue to work with the Scottish Government in the months ahead.

Understanding how the resources available can be deployed to support young people into different parts of the economy is critically important. Employers in different sectors of the economy may require specific support to employ young people.

- We will work with bodies such as the Industry Advisory Groups and other sector representative bodies to create new channels of engagement with employers on youth employment.

The public sector offers a wide range of opportunities to support young people. As significant employers in all parts of the country, public sector bodies will continue to provide new employment and apprenticeship opportunities for young people. Beyond direct employment opportunities the public sector as a whole is in a strong position to offer a wide range of work experience opportunities which can significantly improve young people's employment prospects.

- We will work with the Scottish Leaders Forum to secure senior level commitment across the public sector to supporting young people toward and into work.

Employers have told us that they often find the range of employment and training support available from different public agencies difficult to understand. We are committed to making it easier for all employers, including small and medium sized enterprises, to make better use of public resources to help young people find work.

- As part of a wider programme of work to better align employability services in Scotland, we will develop a clear and simple national offer of support to employers which combines services from SDS, Jobcentre Plus, Scottish Enterprise and other relevant national bodies.

Local authority support for young people

Local Authorities and Community Planning Partnerships are key partners in supporting young people toward and into work. Local employability partnerships are best placed to understand and respond to challenges specific to their areas. Partnerships work hard to ensure that their provision is aligned to the needs of local labour markets and to reduce duplication between the support they offer young people and that offered by national agencies such as Jobcentre Plus.

The Scottish Government has made Community Planning Partnerships key strategic partners in the allocation of European Social Funds to support employability and skills

delivery. This has helped locally developed and locally led approaches to be implemented in different parts of Scotland.

The Scottish Government will continue to support a diverse approach across Scotland in response to local needs.

In particular we will:

- continue to provide financial and other support to local employability partnerships which support young people;
- consult with local authorities on the best use of the additional £30 million *Opportunities for All* funding;
- provide financial and practical support to local authorities as they implement and develop Activity Agreements;
- ensure Skills Development Scotland continues to build on the joint commissioning approach it has developed with local authorities and local partnerships for pre-employment programmes such as Get Ready for Work; and
- work closely with local authorities, Community Planning Partnerships, COSLA and SLAED as we explore options for a cohesive and flexible employability fund built on local skills outcome agreements.

The Third Sector's contribution

The Third Sector is and will remain a key partner in the Scottish Government's response to rising youth unemployment. The sector is superbly placed to work with young people at all stages of their journey toward and into jobs. From working with those young people at greatest risk of disengagement through to offering opportunities to those closest to the labour market, the sector provides a broad range of support.

The Government has recognised this key contribution through a range of means. These include the third sector's access to the European Social Fund through the SCVO, third sector involvement in the implementation of Activity Agreements, the delivery of pre-employment training programmes and funding for Community Jobs Scotland.

As we move forward the Government will continue to work with all parts of the sector on the youth employment agenda. In particular we will:

- Consult with the third sector on the best use of the additional £30 million *Opportunities for All* funding;
- Explore options to develop the Community Jobs Scotland model within available resources in partnership with the SCVO;

- Explore opportunities to support young people through innovative initiatives led by third sector employability specialists and other third sector organisations including social enterprises; and
- Provide £4 million of funding in 2012/13 to support the innovative and entrepreneurial Inspiring Scotland model.

DWP support for young people

The Department for Work & Pensions is currently responsible for the delivery of employment services in Scotland for those in receipt of benefits. These services are both managed directly by DWP and delivered by Jobcentre Plus Scotland.

The Scottish Government is clear that these services could deliver more effective outcomes if responsibility were devolved to Scotland. This would allow these services to be more effectively integrated with those parts of the employability and skills system that are devolved.

However we are absolutely clear that as long as the current constitutional arrangements see these services reserved to the UK Government, we will work as closely as possible with DWP and Jobcentre Plus Scotland to ensure that the programmes they provide in Scotland deliver positive outcomes for young people.

We are committed to working with the UK Government in the interest of young people on initiatives such as the UK Government's Youth Contract. We will not introduce any new initiatives that compete with or duplicate this in any way that would not represent best value from the use of public finances.

Officials in the Scottish Government and in Skills Development Scotland have a strong working relationship with their counterparts in Jobcentre Plus Scotland. We will ensure that this relationship continues to be used as a platform to support young people seeking employment.

Going Further

In December 2011, the First Minister announced an additional £30 million of *Opportunities for All* funding over the three years of the forthcoming Spending Review period. This is on top of our proposed investment of over £1.5 billion a year over the Spending Review period in post-16 education and training. Beyond this the government will be directing elements of its entire spend toward youth employment as part of a systematic cross government approach to youth employment.

The Minister for Youth Employment is currently consulting with employers, local authorities, colleges and the third sector on how this additional funding can be best

deployed to support 16-19 year olds. We will consider support at all stages of the skills and employability pipeline.

Early discussions around the use of this funding have highlighted a number of options which have taken our thinking forward and we expect the remaining consultation to unearth additional ideas. Among the options which have already emerged we will consider:

- working in partnership with businesses large and small to support young people into employment;
- additional work experience opportunities;
- support for young people considering starting their own business including mentoring support from existing entrepreneurs;
- internship opportunities for young graduates;
- support for young people through third sector organisations and social enterprises; and
- additional support for young people through local authorities and local employability partnerships.

Conclusion

This strategy outlines an all-Scotland ranging approach to supporting young people toward and into work. The Government will continue to encourage everyone who can support our young people to do so. All of the actions outlined in this document will be taken forward as a matter of urgency.

In terms of immediate and longer term steps we will:

- Work with a range of stakeholders to finalise and publish our youth employment strategy.
- Finalise the use of the additional *Opportunities for All* funding and make specific announcements on 2012/13 funding in February and March.
- Update Parliament and stakeholders regularly on the implementation of the actions contained within this plan as we move through 2012/13.
- Continue to work with stakeholders to identify additional actions to support young people in the year ahead and beyond.

As has been made clear throughout this document this is a significant national challenge to which we must all respond. The costs of failing to address the issue of youth unemployment are too high for us to accept. By working together with and on behalf of our young people we can and will make the difference we need to make.

Annex

Support for young people - the skills and employability pipeline

A range of agencies involved in supporting young people toward work adopt a pipeline approach to skills and employability support characterised by 5 stages:

Stage 1 – Initial engagement with those furthest from the labour market

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

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

Stage 2 – Engagement in structured education and training

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

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

Stage 3 – Mainstream Post-16 Education and Training

For many young people leaving school, entry into the mainstream post-16 education and training system is straightforward with the bulk of them moving into college,

university or training programmes. For those who have successfully moved through the stages outlined above, this is often the next step. At this stage young people are supported to develop the skills and knowledge they will need to compete in the labour market.

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

Stage 4 – Workplace Based Pre-Employment Training

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

Skills Development Scotland's Get Ready for Work programme has a significant element of work experience built into its design. Similarly SDS's Targeted Pathways programme is based on work experience in specific sectors of interest to young people. DWP also offers 8 week work experience opportunities to young people aged 18 and over who have been unemployed for less than 9 months as part of the Youth Contract. For those on the DWP Work Programme periods of work experience also constitute part of the range of support offered.

Stage 5 – In Work Support

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

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

While this is a useful model when considering the range of support required for different groups of young people on the journey toward and into sustained employment, we need to bear in mind that people progress at different rates so it is not always essential for all young people to move through each stage in the sequence outlined above. What is important is that each learner starts at the stage of the pipeline that is right for them and that they are supported to progress through a route toward work which works for them as individuals. This is a critical contribution that many professionals working with young people are in a position to make.