



The Scottish Parliament  
Pàrlamaid na h-Alba

**Finance Committee**

**8th Report, 2012 (Session 4)**

**Improving employability**

**Published by the Scottish Parliament on 3 December 2012**

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## **Finance Committee**

### **Remit and membership**

#### **Remit:**

1. The remit of the Finance Committee is to consider and report on-

(a) any report or other document laid before the Parliament by members of the Scottish Executive containing proposals for, or budgets of, public expenditure or proposals for the making of a tax-varying resolution, taking into account any report or recommendations concerning such documents made to them by any other committee with power to consider such documents or any part of them;

(b) any report made by a committee setting out proposals concerning public expenditure;

(c) Budget Bills; and

(d) any other matter relating to or affecting the expenditure of the Scottish Administration or other expenditure payable out of the Scottish Consolidated Fund.

2. The Committee may also consider and, where it sees fit, report to the Parliament on the timetable for the Stages of Budget Bills and on the handling of financial business.

3. In these Rules, "public expenditure" means expenditure of the Scottish Administration, other expenditure payable out of the Scottish Consolidated Fund and any other expenditure met out of taxes, charges and other public revenue.

*(Standing Orders of the Scottish Parliament, Rule 6.6)*

#### **Membership:**

Gavin Brown

Bruce Crawford (until 24 October 2012)

Kenneth Gibson (Convener)

Jamie Hepburn (from 25 October 2012)  
John Mason (Deputy Convener)  
Michael McMahon  
Mark McDonald (until 19 September 2012)  
Elaine Murray  
Jean Urquhart (from 18 September 2012)  
Paul Wheelhouse (until 6 September 2012)

**Committee Clerking Team:**

**Clerk to the Committee**

Jim Johnston

**Senior Assistant Clerk**

Fergus Cochrane

**Assistant Clerk**

Alan Hunter

**Committee Assistant**

Parminder Kaur



The Scottish Parliament  
Pàrlamaid na h-Alba

## Finance Committee

### 8th Report, 2012 (Session 4)

#### Improving employability

The Committee reports to the Parliament as follows—

#### Background

1. In January and February 2012 the Committee held a series of roundtable sessions on themes connected with fiscal sustainability. The second session in this series focused on inequalities and socio-economic deprivation.<sup>1</sup> As a result of evidence arising from that roundtable at its meeting on 28 March 2012 the Committee agreed to hold a series of oral evidence sessions to explore the need to improve the employability of individuals experiencing high levels of multiple deprivation as a prerequisite to increasing sustainable economic growth.

2. In particular the Committee agreed to explore the following—

- current initiatives to improve the employability of individuals experiencing high levels of multiple deprivation, including the use of modern apprenticeships, work and training places;
- how such initiatives are being evaluated;
- the relative success of such interventions;
- what barriers to success there have been; and
- what further action could be taken.

3. The Committee held two roundtable sessions at its meetings on 16 and 23 May 2012<sup>2</sup> and held further evidence sessions at its meetings on 23 and 30 May 2012.<sup>3</sup> It took evidence from the Minister for Youth Employment at its meeting on 13 June 2012.<sup>4</sup>

4. Given the importance of addressing this issue, both for the future of Scotland's public finances and its long-term economic growth, the Committee

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<sup>1</sup> Scottish Parliament Finance Committee. *Official Report*, 18 January 2012.

<sup>2</sup> Scottish Parliament Finance Committee. *Official Report*.

<sup>3</sup> Scottish Parliament Finance Committee. *Official Report*.

<sup>4</sup> Scottish Parliament Finance Committee. *Official Report*, 16 June 2012.

agreed that this issue warranted further and more detailed examination and agreed to take further action in autumn 2012.

5. As part of its additional evidence gathering, the Committee agreed to hold one-day workshops in three regions of Scotland with high levels of unemployment. The workshops sought to engage with representatives from the public, private and third sectors, as well as seeking the views of individuals on their own job seeking experiences. The workshops took place in Dundee, Dumfries & Galloway and North Ayrshire on 28 September 2012. The key themes arising from those discussions are reflected in the evidence discussed below.

6. At its meeting on 31 October 2012 the Committee took evidence from the Cabinet Secretary for Finance, Employment and Sustainable Growth.<sup>5</sup>

7. The Committee is grateful to all those who contributed to its evidence gathering, both through formal evidence sessions and the workshops. All written submissions, including a note of each workshop session, can be found on the Committee's website.<sup>6</sup>

### **Commission of the Future Delivery of Public Services**

8. In its [Report on the future delivery of public services](#), the Christie Commission emphasised that—

“The greatest challenge facing public services is to combat the negative outcomes for individuals and communities arising from deep-rooted inequalities.”<sup>7</sup>

9. The Commission referred to evidence from the Improvement Service, *Making Better Places, Making Places Better: The Distribution of Negative and Positive Outcomes in Scotland*, which states that “the gap between the top 20% and the bottom 20% in Scotland is the widest in developed Europe with the bottom 20% at age 15 performing as if they have 5 years less schooling than the top 20% (i.e. as if they were 10 years old).”<sup>8</sup>

10. The Commission concluded that specific action to tackle inequalities must be taken and noted that a recurring theme in the evidence presented to it had been the importance in addressing inequalities of public service interventions that enhance the employability of individuals, and so improve their and their families' life chances.<sup>9</sup>

11. In its [response to the Commission](#) (21 September 2011) the Scottish Government indicated that it was “vital to the future sustainability of our public

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<sup>5</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*.

<sup>6</sup> Scottish Parliament Finance Committee. *Improving employability*.

<sup>7</sup> *Report by the Commission on the Future Delivery of Public Services*. Paragraphs. 2.7. Available at: [www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf](http://www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf).

<sup>8</sup> *Distribution of Negative and Positive Outcomes in Scotland*. Mair C, Zdeb K and Markie.K.

<sup>9</sup> *Report by the Commission on the Future Delivery of Public Services*. Paragraph. 6.19. Available at: [www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf](http://www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf).

services” that it took swift action to “tackle inter-generational cycles of inequality and pockets of disadvantage that blight the life chances of some of our people.”<sup>10</sup>

### Focus of the Committee’s inquiry

12. There are two key aspects to the Committee’s examination of the issue of employability. Firstly, the Committee’s focus was on how public spending is being directed to improve the employability of and create sustainable employment for those furthest from the labour market. Secondly, it is recognised that failure to address this issue will impact detrimentally on sustainable economic growth both through a continuing loss in tax and revenues and by increasing pressures on public services and spending.

13. While the focus of the Committee’s examination was on individuals furthest from the labour market irrespective of age, given the high levels of unemployment among 16 to 24 years old discussion inevitably focused on this age group.

14. The Committee has not attempted to undertake a detailed scrutiny of all current skills and employment initiatives and strategies, recognising the wide range of initiatives at UK, Scotland and local government level and that specific programmes and funding are more appropriately scrutinised by the relevant subject committees. Rather the Committee has sought to identify the elements of successful interventions to assist disadvantaged individuals into the labour market, highlight concerns in respect of current initiatives where these have been raised by witnesses and participants in the oral evidence and workshops sessions and identify further action by the Scottish Government.

### The cost of inaction

15. Labour Force Survey figures for the period July to September 2012 indicate that an estimated 218,000 people in Scotland were unemployed (8.1% of the economically active population), compared with an estimated 128,000 (4.8%) for the same period in 2008.<sup>11</sup> The impact of the economic crisis on rates of youth unemployment has been particularly pronounced. Figures for July to September 2012 indicate that 101,000 16-24 year olds were unemployed (23.5% of the economically active in that age group) compared with 56,000 (12.5%) for the same period in 2008.<sup>12</sup>

16. The Committee recognises that a period of unemployment creates a direct loss of income for an individual and a direct impact on the Government in terms of increased benefit payments and loss of income tax revenues. There is also a direct cost to the economy in terms of lost productivity. Research undertaken on

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<sup>10</sup> Scottish Government (2011) *Renewing Scotland’s Public Services: Priorities for Reform in Response to the Christie Commission*. Available at: [www.scotland.gov.uk/Publications/2011/09/21104740/0](http://www.scotland.gov.uk/Publications/2011/09/21104740/0).

<sup>11</sup> Office for National Statistics. *Labour Force Survey*. Available at: [www.ons.gov.uk/ons/guide-method/surveys/list-of-surveys/search/index.html](http://www.ons.gov.uk/ons/guide-method/surveys/list-of-surveys/search/index.html).

<sup>12</sup> Scottish Government. *Labour Force Survey*. Available at: [www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/AnalyticalPapers/Briefing](http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/AnalyticalPapers/Briefing).

the costs of youth unemployment in the United Kingdom indicate that in 2012 youth unemployment will cost the exchequer £4.8 billion and cost the economy £10.7 billion in lost output.<sup>13</sup> On a population share basis, the equivalent figures for Scotland are £0.4 billion and £0.9 billion respectively.

17. However, a period of unemployment can have a longer-term impact. According to Bell and Blanchflower—

“Unemployment while young, especially of long duration, causes permanent scars rather than temporary blemishes. For the young a spell of unemployment does not end with that spell; it raises the probability of being unemployed in later years and has a wage penalty. These effects are much larger than for older people.”<sup>14</sup>

18. For example, the same research cited above in paragraph 16 notes that youth unemployment at its current levels will incur future costs of £2.9 billion per year for the exchequer and £6.3 billion per year for the economy in lost output.<sup>15</sup> The equivalent figures for Scotland on a population share basis are £0.2 billion and £0.5 billion respectively.

19. A particular focus of current UK and Scotland labour market initiatives has been on young people who are not in employment, education or training (NEET). The National Endowment for Science, Technology and the Arts has noted that, not only has Scotland one of the highest proportions of NEET between the ages of 16-19 years in the OECD, but that the proportion of 16 to 19 year old NEETs has remained static since 1996. Annual figures for NEETs in Scotland since 2004 are provided in the table below and indicate that NEET rates have remained at similar levels even during periods of growth—

**Table 1: Proportion and level of 16 to 19 year olds not in employment, education or training (NEET) by gender, Scotland 2004-2011**

Year	Male		Female		All	
	Percentage	Level	Percentage	Level	Percentage	Level
2004	11.9%	16,000	11.5%	15,000	11.7%	31,000
2005	14.4%	19,000	13.3%	17,000	13.9%	36,000
2006	13.0%	17,000	10.3%	13,000	11.7%	30,000
2007	11.3%	15,000	10.7%	14,000	11.0%	29,000
2008	11.6%	16,000	11.2%	14,000	11.4%	30,000
2009	14.2%	19,000	11.3%	14,000	12.8%	33,000
2010	15.0%	20,000	12.4%	16,000	13.7%	36,000
2011	14.6%	19,000	9.8%	12,000	12.2%	31,000

Source: Scottish Government: Local area labour markets in Scotland

Available at: [www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables](http://www.scotland.gov.uk/Topics/Statistics/Browse/Labour-Market/Local-Authority-Tables)

<sup>13</sup> The ACEVO Commission on Youth Unemployment (2012) *Youth unemployment: the crisis we cannot afford*. Available at: [www.cesi.org.uk/sites/default/files/event\\_downloads/ACEVO\\_report.pdf](http://www.cesi.org.uk/sites/default/files/event_downloads/ACEVO_report.pdf)

<sup>14</sup> Bell, D. and Blanchflower, D. (2009). *What should be Done about Rising Unemployment in the UK?*

<sup>15</sup> The ACEVO Commission on Youth Unemployment (2012) *Youth unemployment: the crisis we cannot afford*. Available at: [www.cesi.org.uk/sites/default/files/event\\_downloads/ACEVO\\_report.pdf](http://www.cesi.org.uk/sites/default/files/event_downloads/ACEVO_report.pdf)

20. Research which compared the experiences of young men who had been NEET in their late teens with those who had not found that once they reached their late 20s, those who had experienced being NEET were—

- 4 times more likely to be out of work – with resultant loss of earning, benefits costs and loss of National Insurance Contributions;
- 5 times more likely to have a criminal record – with resultant costs to the criminal justice system and to society;
- 6 times less likely to have qualifications – with resultant lower earnings potential for the individual and lower tax revenues for the state;
- 3 times more likely to suffer from depression – with resultant impacts on the individuals quality of life and that of their family and friends and costs to the National Health Service.<sup>16</sup>

21. Research by York and Hull universities sought to measure the current and knock-on costs of NEETs in England.<sup>17</sup> Analysis by Donald Hirsch for Scottish Government Social Research in 2008 used these figures to estimate the equivalent costs for Scotland. The following calculations use the figure of 35,000 as the estimated number of NEETs at that date, indicating that the calculations for Scotland “might be best viewed as an upper estimate.”<sup>18</sup> However, the SG figures at table 1 above shows that the number of NEETs in Scotland ranges between 29,000 and 36,000 over the period between 2004 and 2011.

**Table 2: Public finance costs of a single generation of NEETs**

	Current cost	Future cost over next 10 years	Total annual cost*
	Scotland pro rata (16 -19s)	Scotland pro rata (16-19s)	(Scotland)
Educational underachievement leads to lower earnings and thus taxes/contributions	£11m	£869m	£228m
Greater risk of unemployment and inactivity reduces tax take and increase benefits bill	£179m	£2,252m	£742m

\* This is the sum of:

a) The figure shown under “current cost” covering today’s 16-19s who are “NEET” –i.e. the direct cost among four year-groups.

b) The current knock-on cost for people who have been NEET in the past ten years. These are young adults aged 20-29, and at any one time there will be 2.5 four-year “generations” of former NEETs. Each generation’s cost in a single year will be a tenth the total cost for that generation. Therefore the annual knock-on cost will be 0.25 times the “future cost for a single generation”.

<sup>16</sup> Bynner, J and Parsons, S (2002). *Social Exclusion and the Transition from School to Work: The Case of Young People Not in Education, Employment or Training (NEET)*, in Journal of Vocational Behaviour, vol. 60, 2002, pp289-309.

<sup>17</sup> Christine Godfrey et al, Social Policy Research Unit, University of York, University of Hull (2002) *Estimating the cost of “Not being in Education, Employment or Training”* at page 16 -18.

<sup>18</sup> Donald Hirsch (2008) *Estimating the cost of child poverty in Scotland – approaches and evidence*. Scottish Government Social Research. Available at: [www.scotland.gov.uk/Publications/2008/01/28111819/0](http://www.scotland.gov.uk/Publications/2008/01/28111819/0).

22. These figures indicate that, on an annual basis, the public spending implications of NEETs in Scotland could potentially be of the order of £1 billion.<sup>19</sup>

23. The broader social and societal impacts of youth unemployment have been emphasised by the International Labour Organization (ILO) which states that—

“The costs of youth employment and underemployment are high - individually, socially and economically. The social and economic costs are not measured only in terms of income they include loss of output, erosion of skills, reduced levels of activity and increased social divisions. Lost productivity magnifies over the course of the individual’s working life, representing significant loss of human capital. Unemployment erodes the stability of communities and threatens social cohesion. For individuals, prolonged unemployment can result in subsistence living, loss of personal autonomy, frustration, anger and/or low self-esteem.”<sup>20</sup>

### **Current employability initiatives**

24. There are a wide range of strategies and policies linked to reducing unemployment and improving skills at a Scottish, UK and European level. At a Scottish level, these include the Scottish Government’s Economic Strategy, the refreshed *Skills for Scotland Skills Strategy*, the *More Choices, More Chances* strategy, the *Workforce Plus Employability Framework* (now refreshed) and partnerships, the *16+ Learning Choices* model and the *Opportunities for All* initiative.

25. The resulting national training and youth employment programmes and opportunities available, over and above mainstream school, college and university, include: Modern Apprenticeships, Get Ready for Work and flexible training opportunities, as well as opportunities through Community Jobs Scotland, the Inspiring Scotland 14:19 Fund, and local community and employability partnerships. In addition, as part of Get Britain Working, the UK Government Department for Work and Pensions (DWP) operates a number of UK-wide schemes aimed at alleviating youth unemployment, including the Work Experience scheme.

#### *Scottish Government initiatives*

26. In their evidence to the Committee, witnesses referred to a range of employability and employment initiatives and programmes. Given its focus on how public spending in Scotland is supporting individuals from the most deprived communities into sustainable employment the Committee was principally interested in Scottish Government initiatives. Those most frequently referred to in evidence were—

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<sup>19</sup> Donald Hirsch (2008) *Estimating the cost of child poverty in Scotland – approaches and evidence*. Scottish Government Social Research. Available at: [www.scotland.gov.uk/Publications/2008/01/28111819/0](http://www.scotland.gov.uk/Publications/2008/01/28111819/0).

<sup>20</sup> International Labour Office (2011) *Increasing the employability of disadvantaged youth*, pages 2-3. Available at: [www.ilo.org/employment/areas/youth-employment/WCMS\\_166496/lang--en/index.htm](http://www.ilo.org/employment/areas/youth-employment/WCMS_166496/lang-en/index.htm).

- Workforce Plus: the Scottish Government's employability framework (now refreshed);
- More Choices, More Chances: the Scottish Government's strategy for reducing the number of young people who are not in education, employment or training ;
- Modern Apprenticeships (MAs); offer people aged over 16 paid employment combined with workplace training and off-the-job learning, in order to gain new and enhanced skills and recognised qualifications;
- Opportunities for All: the Scottish Government's commitment to guarantee every 16 to 19 year old an education, training or place in employment; and
- Get Ready for Work: provides training for unemployed 16 to 19 year olds, to prepare them to enter the world of work.

27. In its evidence to the Committee, Skills Development Scotland (SDS) explained that the large majority of its budget was allocated to the National Training Programmes and therefore its annual delivery targets of 25,000 MA starts and 14,500 Get Ready for Work and Training for Work starts.<sup>21</sup> SDS reported that in the most recent return the proportion of pupils who left school during 2010/11 who were in positive initial destinations was 88.9%, up from 86% in September 2010.<sup>22</sup>

28. SDS announced that it was refreshing its Get Ready for Work programme and was exploring how it made such programmes "more flexible."<sup>23</sup> The refresh included the development of a new Certificate of Work Readiness.<sup>24</sup> SDS indicated that—

"We are working closely with employer groups, the Scottish Council for Development and Industry, chambers of commerce, the Federation of Small Businesses and others on the programme's design, content and ownership. We are looking to see how we can use the certificate of work readiness in the curriculum for excellence setting and, importantly, within our existing programmes, such as modern apprenticeships and get ready for work."<sup>25</sup>

29. SDS also plays a key role in attempting to raise employer awareness of MAs, to support achievement of the Scottish Government target of 125,000 MAs delivered by 2014-15. Previously, SDS delivered several financial employer incentives, such as "Adopt an Apprentice" Scheme, which gave employers an incentive of £2,000 to employ a redundant MA to allow them to complete their training. SDS also delivered the Employer Recruitment Initiative, which offered businesses up to £2,000 when recruiting an MA or employee. To qualify for this incentive, businesses had to employ specific categories of individuals, such as those who had been unemployed, 16 to 19 year olds who were care leavers, ex-young offenders or young carers who were moving into employment or

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<sup>21</sup> Skills Development Scotland. Written submission.

<sup>22</sup> Skills Development Scotland. Written submission.

<sup>23</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1266.

<sup>24</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1284.

<sup>25</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1284.

commencing an MA. This scheme was in place in this form until March 2012.<sup>26</sup> In its evidence to the Committee, SDS indicated that it was “working with the Government on identifying exactly what is required for changes to the employer recruitment incentive.”<sup>27</sup>

30. In March 2011 SDS launched *My World of Work* which is a web-based career information service. In its evidence to the Committee, the Scottish Council for Development and Industry (SCDI) indicated that—

“SDS has created my world of work, which is based entirely in social media. Its purpose is to offer practical careers advice that makes younger people and their peer groups more aware of the opportunities that exist in sectors that they will not have spoken about. We think that there is a job to be done to link the curriculum for excellence with the economic opportunities that exist in certain sectors and to ensure that we put in place role models and careers advice.”<sup>28</sup>

31. SDS reported that, as of March 2012, there had been over 70,000 registrations to the *My World of Work* site.<sup>29</sup>

32. In September 2012, during the course of the Committee’s inquiry, the Scottish Government published its refreshed employability framework, *Working for Growth: A refresh of the employability framework for Scotland*.<sup>30</sup> The framework indicates that the refresh has taken into account emerging evidence from the Committee’s inquiry.

#### *Funding for skills and employability*

33. Scottish National Training Programmes and youth employment initiatives are mainly funded by the Scottish Government, primarily through SDS, the Scottish Funding Council (SFC), as funding providers to Scotland’s colleges, a major public training provider; and through European Social Funds. Local authorities will also use funds from their budgets, including block grant to support employability activity in their areas.

34. The funding allocated in the draft budget 2013-14 to employability skills and lifelong learning is set out in the table below.

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<sup>26</sup> Scottish Parliament Information Centre Briefing (April 2012) *Youth Employment: Policy*. Available at: [www.scottish.parliament.uk/parliamentarybusiness/49310.aspx](http://www.scottish.parliament.uk/parliamentarybusiness/49310.aspx).

<sup>27</sup> Scottish Parliament Finance Committee. *Official Report*, 30 May 2012, Col. 1262.

<sup>28</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1234.

<sup>29</sup> Skills Development Scotland. Written submission.

<sup>30</sup> Scottish Government. *Working for Growth: A refresh of the employability framework for Scotland* Available at: [www.scotland.gov.uk/Resource/0040/00402275.pdf](http://www.scotland.gov.uk/Resource/0040/00402275.pdf).

**Employability Skills and Lifelong Learning: More detailed categories of spending (Level 3) (Source: Draft Budget 2013-14)**

Level 3	2012-13 Budget £m	2013-14 Draft Budget £m	2014-15 Plans £m
Colleges & Adult Learning	7.9	7.0	6.3
Employability	1.2	0.8	0.8
Higher Education	2.0	2.0	2.0
Office of the Chief Scientific Adviser	6.0	3.4	3.4
Youth Employability & Skills	46.9	66.6	50.0
Skills Development Scotland	176.4	187.4	185.0
<b>Total Level 2</b>	<b>240.4</b>	<b>267.2</b>	<b>247.5</b>
<i>of which:</i>			
DEL Resource	240.4	267.2	247.5
DEL Capital	-	-	-
AME			

*Additional funding for youth employment*

35. In December 2011 the Scottish Government announced £30 million over the three year spending review period to support the implementation of *Opportunities for All*. Of the £30 million, £18 million was the result of Barnett consequentials resulting from elements of the UK Government's £1 billion Youth Contract that do not apply in Scotland. The remaining £12 million came from Scottish Government sources and the 2012-13 Autumn Budget Revision showed a £12 million transfer from SFC to the Employability, Skills and Lifelong Learning budget for this purpose.

36. The breakdown of this across financial years is shown below:

	2012-13	2013-14	2014-15	Total
£30m youth employment funding				
Barnett consequentials	6	6	6	18
Scottish Government - transfer from SFC	12			12
<b>Total</b>	<b>18</b>	<b>6</b>	<b>6</b>	<b>30</b>

37. In terms of how the money has or will be spent, the following table gives a summary of commitments to date:

	2012-13	2013-14	2014-15
Community Jobs Scotland	6		
Third sector challenge fund	2.5		
Employer recruitment incentives – vulnerable young people	0.5	0.5	0.5
Local authorities	9		
<b>Total committed to date</b>	<b>18</b>	<b>0.5</b>	<b>0.5</b>
<b>Unallocated</b>		<b>5.5</b>	<b>5.5</b>

38. All of the additional £18 million for 2012-13 has been allocated. There is also a commitment to spend £0.5 million in 2013-14 and 2014-15 on the employer recruitment incentive scheme for vulnerable young people. However, the remaining £5.5 million from the £6 million Barnett consequential in each of those years remains unallocated.

39. In its draft budget 2013-14 the Scottish Government announced an additional £16.25 million for an Energy Skills Academy (£1.25 million) and new employer recruitment incentive (£15 million).

#### *Employability Fund*

40. The Scottish Government has recently announced the development of an Employability Fund which “will see existing Scottish Government investment in pre-employment training through Skills Development Scotland and the Scottish Funding Council brought together in 2013/14 through a simplified skills commissioning process led by SDS.”<sup>31</sup>

#### **The success of such initiatives and barriers**

41. In its oral evidence and workshop sessions the Committee sought views on the success of current initiatives specifically in assisting those furthest from the labour market into employment. Evidence from witnesses and participants suggested that certain programmes might not be appropriate for vulnerable individuals, such as care leavers or looked-after young people and others furthest from the labour market. For example, in its response to the Scottish Government’s draft youth employment strategy, a copy which it supplied to the Committee, the Scottish Local Authorities Economic Development Group (SLAED) stated that—

“The commitment to offer 25,000 Modern Apprenticeships opportunities in each of the next 5 years is welcome, however, young people most in need of More Choices and More Chances are least likely to be able to access these opportunities.”<sup>32</sup>

42. Who Cares? Scotland, an organisation supporting looked after young people stated that in relation to these individuals—

“Only 36% are entering a positive destination, whether that is training, education or employment and this is not necessarily sustaining within it.”<sup>33</sup>

43. It went on to state—

“More generic employability programmes that last 6-12 weeks might succeed in getting a looked after young person into a positive destination, but the majority will not sustain that without their broader context being considered.

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<sup>31</sup> Scottish Government (2012) *Working for Growth: A refresh of the employability framework for Scotland*. Available at: [www.scotland.gov.uk/Publications/2012/09/5609](http://www.scotland.gov.uk/Publications/2012/09/5609).

<sup>32</sup> Scottish Local Authorities Economic Development Group. Written submission.

<sup>33</sup> Who Cares? Scotland. Written submission.

Due to personal circumstances young people who are known to Who Cares? Scotland who take up Modern Apprenticeships and/or attend other employability schemes have witnessed only 50% of them sustaining their personal development. And these are young people who have passed interviews and selection processes.”<sup>34</sup>

44. The short timescale of some employment initiatives, including those offered by the UK Government, was a common theme. For example, Barnardo’s Scotland stated that—

“The difficulty with work programmes is that 13 to 26-week programmes just will not work for those young people—they need something better.”<sup>35</sup>

45. While SLAED emphasised that—

“Quality, sustainable employment should be the outcome of all skills and employment measures, so we need to work back from wherever a young person starts on the journey and be more realistic about funding it. If a young person spends three weeks on this, four weeks on that and 13 weeks on something else, they will not build towards sustainable, quality employment.”<sup>36</sup>

46. Barnardo’s Scotland indicated in its written submission that some individuals would require additional support before they would be ready to access programmes such as Get Ready for Work. It stated that—

“Typical intervention periods of 13 or 26 weeks often are not long enough to make a difference. We would assert that more support “up stream” is required for these young people before they can be ready to access mainstream funding such as Get Ready for Work, which is rightly there to help young people who are closer to obtaining employment.”<sup>37</sup>

47. The difficulties posed by short-term programmes for those furthest from the labour market were echoed in the workshop sessions during which participants suggested that there was a real risk that vulnerable people would simply move from one training programme to another.

#### *Complexity of the landscape*

48. A common theme arising from the workshop sessions was the complexity of the employment, skills and employability landscape, a view expressed by service users, third sector organisations and businesses. It was recognised that part of the problem stemmed from the various layers of government involved in supporting employment initiatives, such as UK, Scottish and local government, all with an interest and specific targets to achieve. Participants pointed out that access to the intensive support provided by third sector organisations might only become available in connection with specific programmes. While one third sector representative commented that the objective of encouraging job seekers to be

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<sup>34</sup> Who Cares? Scotland. Written submission.

<sup>35</sup> Scottish Parliament Finance Committee. *Official Report, 16 May 2012*, Col. 1162.

<sup>36</sup> Scottish Parliament Finance Committee. *Official Report, 16 May 2012*, Col. 1183.

<sup>37</sup> Barnardo’s Scotland. Written submission.

independent and self-manage as part of their skills development was often thwarted by the amount of support they required to navigate the complex mix of different work initiatives and training programmes.

*Age limit of certain initiatives*

49. The accessibility of certain programmes was also raised specifically in the context of age and was common to all three workshops. Service users suggested that current employment initiatives were too focused on the 16 to 19 year age group, which often resulted in older individuals, even those aged over 20, being excluded.

50. The Committee notes that, with the exception of the Challenge Fund, a number of the Scottish Government programmes which are likely to be of most relevance to those furthest from the labour market are focused on the 16 to 19 year old age group rather than all 16 to 24 year olds. For example, *Opportunities for All, More Choices, More Chances* and *Get Ready for Work* all focus on the 16 to 19 year old age group. During its pilot Community Jobs Scotland was aimed primarily at 18 to 24 year olds. However, in 2012-13 and 2013-14 it is available only to 16 to 19 year olds.

51. In his evidence to the Committee, the Cabinet Secretary for Finance, Employment and Sustainable Growth responded to this point, stating that—

“It is the nature of such programmes that a choice will always have to be made between breadth and focus. There is no hard-and-fast rule about how a programme can be best designed given some of those conditions. However, to ensure that programmes can be effectively marketed—that they can be marketed to the individuals who are affected—it is essential that parameters are established to give focus to the offering that has been made in the marketplace.”<sup>38</sup>

*Loss of individual support*

52. The Committee also sought to explore whether the emphasis on internet-based support, such as *My World of Work*, could lead to less focus on the type of individual support that those furthest from the labour market were more likely to require. In its evidence to the Committee, SDS stated that—

“Ultimately, if an individual wants to speak to an adviser about what they have researched, they can do that. We encourage individuals to access online services to prepare for their career and to consider what they would like to do. The feedback we have had is that that is what people want. However, that is supported by face-to-face opportunities”.<sup>39</sup>

53. While the Cabinet Secretary stated that—

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<sup>38</sup> Scottish Parliament Finance Committee. *Official Report*, 31 October 2012, Col. 1734.

<sup>39</sup> Scottish Parliament Finance Committee. *Official Report*, 30 May 2012, Col. 1264.

“It strikes me that my world of work is well positioned in relation to how the cohort of young people in Scotland increasingly acquires information and takes forward plans and aspirations.”<sup>40</sup>

54. In its evidence to the Committee SDS described the development of work coaching the aim of which is to provide intensive one to one career coaching for young people transitioning from school and at risk of “progressing to a negative destination.”<sup>41</sup> In its oral evidence SDS explained that—

“Work coaches will work with and case manage young people, particularly young people who need a high level of support. They will also work closely with the training provider or employer to ensure that the training or job opportunity is sustained and produces successful outcomes.”<sup>42</sup>

55. SDS indicated that work coaching was currently being piloted and was launched in September. It indicated that it was working on the assumption that 3,000 to 3,500 young people would require this kind of additional support.<sup>43</sup>

*Issues for rural communities*

56. Witnesses pointed to the particular difficulties facing rural communities from both an employer and employee perspective. For example, Minerva People Ltd pointed out in its written submission that—

“In rural areas with mainly Micro/SME businesses, it is difficult finding employers willing to take young people on as some of the work is seasonal, transport difficulties arise if working unusual hours e.g. – hospitality and releasing staff for training.”<sup>44</sup>

57. While in its evidence to the Committee, Highlands and Islands Enterprise (HIE) acknowledged that “retaining young talent in rural areas is definitely a challenge”<sup>45</sup> and stated that—

“The issue of small and microbusinesses is even more acute in rural areas, and some of those areas are challenged by underemployment. People might be employed, but the employment might not be using their skills fully. People in rural areas often have two or three part-time jobs to make up a full-time job.”<sup>46</sup>

58. HIE indicated that—

“Social enterprise is providing employment directly and supporting the issue of employability in remote and rural communities. That is a key part of what we do under our strengthening communities remit.”<sup>47</sup>

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<sup>40</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*, Col. 1739.

<sup>41</sup> Skills Development Scotland. Written submission.

<sup>42</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1267.

<sup>43</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1284.

<sup>44</sup> Minerva People Ltd. Written submission.

<sup>45</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1238.

<sup>46</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1231.

<sup>47</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1231.

59. As a result of concerns raised during the oral evidence sessions, the Committee agreed that one of the workshops should take place in a rural area and Dumfries and Galloway was identified as a suitable location. During that workshop, participants raised a range of concerns connected with the cost and availability of public transport. One participant highlighted his own experience when offered a job 45 miles away from his home. The participant could get there by train in 50 minutes. However, the train fare would cost £12.30 per day, which meant that, given the loss of benefits, he would have been working for £8 a week.

60. The Minister for Youth Employment stated in her evidence that—

“we have to pay attention to the vibrancy and sustainability of rural economies and I am interested in that issue.

One of the reasons for embarking upon action forums was to try to address some of the issue that are specific to a particular community—as well as understanding of challenges for young people at a local level.”<sup>48</sup>

#### *Annual funding*

61. Throughout its evidence taking the Committee was extremely impressed by the vital work being undertaken by third sector organisations which provide training and employability support to disadvantaged individuals. A key issue raised by third sector organisations in both the oral evidence and workshop sessions was the issue of annual funding and the resulting lack of security as to whether these organisations would be able to continue to provide their services.

62. This issue was raised directly with the Cabinet Secretary, who responded that—

“[B]y setting out a three-year budget, I am seeking to encourage other organisations to set out their own three-year budgets for deployment to third sector organisations, for which I accept that interruptions in funding can be a real issue.”<sup>49</sup>

#### *Suitability of certain programmes*

**63. The Committee notes the views of witnesses that certain programmes such as the Modern Apprenticeship scheme and even Get Ready for Work, may be beyond the reach of some disadvantaged individuals, such as care leavers and young carers. It asks the Scottish Government to detail the “upstream” support that it provides through its agencies to enable disadvantaged individuals to access and benefit from its “mainstream” employability and training programmes.**

#### *Complexity of the current landscape*

**64. The Committee recognises that the complexity of the skills and employment initiative landscape is, in part, due to the split of responsibilities between the UK and the Scottish Government. Nevertheless, the Committee notes that, even at a Scottish level, there are a significant**

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<sup>48</sup> Scottish Parliament Finance Committee. *Official Report*, 13 June 2012, Col. 1329.

<sup>49</sup> Scottish Parliament Finance Committee. *Official Report*, 31 October 2012, Col. 1736.

number of different initiatives, programmes and strategies. The Committee welcomes the action that the Scottish Government is taking to address this issue through BASES,<sup>50</sup> the introduction of skills force and the development of an employability fund. Nevertheless, the Committee invites the Scottish Government to consider whether a fewer number of programmes encompassing greater flexibility and efficiency might be the way forward.

*Individual support*

65. The Committee welcomes the introduction of work coaching by SDS noting the views of witnesses that one to one support is a crucial element in assisting those furthest from the labour market into employment. It seeks assurances from the Scottish Government that work coaching will be properly funded, available to all those requiring this service and monitored and evaluated to ensure that it is meeting the needs of those to whom it is targeted.

*Age limitations*

66. The Committee notes the comments of the Cabinet Secretary on the need to have parameters for employment initiatives. The Committee also notes, however, that the age limits for a number of Scottish Government programmes likely to be of most relevance to those furthest from the labour market exclude those aged 20 and over, a group which is likely to include many lone parents returning to work. The Committee would welcome clarification from the Scottish Government on how decisions were reached on the age limits for Get Ready for Work and Opportunities for All and for what reason Community Jobs Scotland is now only open to 16 to 19 year olds.

67. The Committee would also welcome information from the Scottish Government on the programmes it offers which are targeted at individuals furthest from the labour market and accessible to those aged 20 years and older.

68. The Committee notes that the level 4 figures for the draft budget 2013-14 imply that the new employer recruitment incentive will fall under the auspices of Opportunities for All suggesting that job seekers benefitting from this scheme will be limited to 16 to 19 year olds. The Committee therefore seeks clarification from the Scottish Government on the age range of job seekers who will be eligible to benefit from this scheme.

*Issues for rural communities*

69. The Committee considers that accessibility, including availability of public transport, must become an essential element when considering support, financial or otherwise, for job seekers and employers in rural communities. This point is addressed further below.

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<sup>50</sup> Better Alignment of Scotland's Employability Services.

70. **The Committee would welcome information on the conclusions reached and action that the Scottish Government plans to take to address this issue as a result of the action forums it undertook in rural communities.**

*Annual funding*

71. **The Committee welcomes the steps that the Scottish Government is taking to encourage local public sector bodies to provide funding to third sector organisations over a three-year period and notes the Joint Statement on the Relationship at Local Level between Government and the Third Sector which states that: “As a general rule funders will aim to take a 3-year approach to both grant and contract funding.”<sup>51</sup> However, the Committee invites the Scottish Government to examine the extent to which three-year funding is actually implemented on the ground and to report back to the Committee.**

**Elements of successful interventions**

72. During its evidence taking, the Committee sought to identify the kind of elements that successful interventions should contain to support disadvantaged people into sustainable employment.

*The need to invest time and resources*

73. Not surprisingly, a key message from witnesses was the need to invest time and resources to assist vulnerable individuals and those from the most deprived communities into the work place. For example, Scotland’s Colleges described the experience of John Wheatley College and indicated that “we had to put our hands up and say that we did not really understand the challenge for the cohort who are leaving care.”<sup>52</sup> It stated that—

“We have found that we generally need about two years to enable the young person to gather the skills to fit in with the teamwork and the social norms, and to gain the skills that prepare them for employment.”<sup>53</sup>

74. The need to invest time was confirmed by third sector organisations during the workshop sessions who suggested that the optimum length of time to work with individuals furthest from the labour market was 6 to 12 months, emphasising that continuity of contact during that period was essential.

75. In their evidence to the Committee, businesses described the kind of additional, employment support that had been provided to individuals furthest from the labour market.

76. While in its evidence to the Committee, Cruden Building & Renewals Ltd. reported that over the last 15 years it had supported and trained in excess of 200 trades MAs of whom 50-60% had been retained in sustainable employment. It indicated in its written submission that it worked with “secondary schools and colleges local to our major sites to provide coaching on written CITB test, prepare

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<sup>51</sup> Scottish Government: *Joint Third Sector Statement by Scottish Government and partner organisations*. Available at: [www.scotland.gov.uk/Topics/People/15300/JointThirdSectorStatement](http://www.scotland.gov.uk/Topics/People/15300/JointThirdSectorStatement).

<sup>52</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1158.

<sup>53</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1158.

and provide mock interviews to help improve presentation, communication skills and probably most importantly candidate confidence in their own abilities.”<sup>54</sup>

77. It indicated that this route had been “particularly successful in engaging children who feel dislocated from academic progression but still want to acquire skills.”<sup>55</sup>

78. In discussing its work placement scheme, Asda indicated that—

“One of the reasons why the scheme is working is the hugely important work that training partners do in advance of hard-to-place people getting to us. They are screened for numeracy and literacy issues, which are then addressed. There are very high levels of failure, but they are addressed. The training partners work on training in skills, attitude and time management, so that by the time people are presented to us as candidates for work placements, we are happy to take on most of them.”<sup>56</sup>

*A focus on confidence building and soft skills*

79. The need for such interventions to focus on building up confidence was a common theme. Asda stated that—

“Our overwhelming view is that the young people who come to us are extremely ambitious, driven and positive. However, there is an issue with confidence, which is one of the soft skills that are very difficult to teach.”<sup>57</sup>

80. While Cruden Building & Renewals Ltd. indicated that “Our human resources manager tells us that the thing he sees most in the kids who start with us is the growth in their confidence.”<sup>58</sup>

81. Social Enterprise Scotland (SES) agreed with this sentiment, indicating that it was important to focus on what individuals could contribute. It stated that—

“We must also look at what people can contribute, and work on that and on programmes that build on peoples’ self-belief and self-confidence.”<sup>59</sup>

82. In this context, witnesses referred to the importance of non-formal training and how such skills could be transferred to the work place. For example, in its evidence to the Committee the ILO suggested that—

“In employer surveys, we see more and more that employers like to hire women who have taken time out from the labour force and have raised a family, kept a household together and managed household budgets, because when they come into the workplace they have those skills behind them.”<sup>60</sup>

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<sup>54</sup> Cruden Building & Renewals Ltd. Written submission.

<sup>55</sup> Cruden Building & Renewals Ltd. Written submission.

<sup>56</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1222.

<sup>57</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1209.

<sup>58</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1218.

<sup>59</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1162.

<sup>60</sup> Scottish Parliament Finance Committee. *Official Report*, 26 September 2012, Col. 1612-3.

*Individual support*

83. Witnesses emphasised the importance of one to one schemes and the benefits of individual support, particularly in building confidence. For example, in its evidence to the Committee, Minerva People Ltd stated that—

“When, during the targeted pathway pilot, we got seven young people who did not know one another into a group, that group did not work well. On the other hand, when we have worked one to one with hard-to-place people to find their skills and talents and nurture just one small bit of what they can do, the results have been amazing.”<sup>61</sup>

84. Minerva People Ltd suggested that a link/key worker be attached to such young people “throughout their development whom they trust and they have built up a relationship with.”<sup>62</sup>

85. A number of witnesses also made reference to the value of mentoring schemes and the use of role models. For example, in its written evidence to the Committee, SCDI referred to a study by the Organisation for Economic Co-operation and Development that found “low levels of self-confidence among disadvantaged pupils when asked about their approach to a science topic. Self-confidence and motivation were found to be key factors in whether such pupils can succeed, and mentoring schemes can be particularly beneficial.”<sup>63</sup>

86. While SES stated in oral evidence that—

“The organisation that I work with—the Wise Group—has a project called routes out of prison, which has ex-prisoners as life coaches or mentors who work with short-term prisoners on release. The difference is that people who have been through a situation understand it and can talk to a young person who is leaving Polmont prison, for example.”<sup>64</sup>

87. The Committee notes, however, the evidence of representatives of the ILO who questioned the value of one to one “if we want to identify a young person’s talents.”<sup>65</sup> The Committee further notes that a number of participants in the workshop sessions suggested that small group working was preferable, as peer support was extremely important, although it was recognised that there was always a case for individual support in some cases.

*Targeted interventions*

88. In evidence to the Committee, a common theme from both providers and service users was that training programmes were often viewed as mass produced and not suited to individual’s needs. Witnesses emphasised the importance of targeted support. For example, Who Cares? Scotland stated—

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<sup>61</sup> Scottish Parliament Finance Committee. *Official Report*, 22 May 2012, Col. 1211.

<sup>62</sup> Minerva People Ltd. Written submission.

<sup>63</sup> Scottish Council for Development Industry. Written submission.

<sup>64</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1161.

<sup>65</sup> Scottish Parliament Finance Committee. *Official Report*, 26 September 2012, Col. 1606.

“For us, the solution is not to fit the young person to the programme but to fit the programme to the young person.”<sup>66</sup>

89. While research from the ILO states that—

“To have greatest success, ALMPs [active labour market programmes] must directly target the disadvantaged. Profiling is a valuable tool in developing effective targeting mechanisms. The most common variables used by the profiling models to compute risk are: age and sex; educational attainment; geographical location; family status and income; disability/medical condition; unemployment history; and access to transport.”<sup>67</sup>

90. In their oral evidence to the Committee representatives of the ILO expanded on the importance of profiling stating that—

“Basically, it involves individual counselling and discussion with job seekers to determine what types of barrier they face in order to assist them in developing a transition from school to work or from job to job.

It is a matter of looking at the whole picture, and helping people to determine, from what they can realistically aspire and identify where there may be gaps and interventions that can help to close those gaps and help them to move into higher levels of the same occupation.”<sup>68</sup>

91. While SCDI stated that—

“There is often a need to take a “whole family” approach to overcome the barriers, perceptions and social conventions which help to perpetuate unemployment in areas of multiple deprivation. Young people may be under pressure from their family not to take up opportunities because these are not valued or others within the household fear that there would be an impact on wider welfare benefits. The current benefit system does not encourage take-up of entry level jobs.”<sup>69</sup>

92. Who Cares? Scotland emphasised that—

“We would like employability programmes or courses to have the mindset that considers what support needs to be in place to enable the young people to stick at the course. We consider those young people to be on a tightrope that they keep falling off. We must broaden the tightrope into being a plank or a road that supports them.”<sup>70</sup>

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<sup>66</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1157.

<sup>67</sup> International Labour Organization (2011) *Increasing the employability of disadvantaged youth*. Available at: [www.ilo.org/employment/areas/youth-employment/WCMS\\_166496/lang--en/index.htm](http://www.ilo.org/employment/areas/youth-employment/WCMS_166496/lang--en/index.htm)

<sup>68</sup> Scottish Parliament Finance Committee. *Official Report*, 26 September 2012, Col. 1603-4.

<sup>69</sup> Scottish Council for Development and Industry. Written submission.

<sup>70</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1158.

93. The Committee notes that *Working for Growth*, the Scottish Government's refreshed employability framework emphasises the importance of a person-centred approach. It states that—

“The emphasis of improving outcomes and achieving greater value for money does not diminish the need to improve the value of provision for the customer. On the contrary, all the evidence suggests that person-centred delivery is fundamental to ensuring that our investments of time, money and energy do not go to waste.”<sup>71</sup>

94. And in his evidence to the Committee, the Cabinet Secretary expanded on what was meant by a person-centred approach, indicating—

“each individual must be properly supported and encouraged to nurture their journey into employment. For some individuals, that might involve a minor intervention that encourages them to look at particular information about vacancies or to do particular skills training. For others, it might involve a more fundamental assessment of their fitness and ability to commence employment, which requires much more intensive and highly focused support.”<sup>72</sup>

#### *Package of support*

95. A further key message from witnesses was the need for a “package of support” for such individuals. While Who Cares? Scotland stated that—

“The main point that we want to highlight is that employability cannot be viewed in isolation for those young people, the most vulnerable of whom are looked-after young people and care leavers, because they require a package of support. There must be consideration of transitions and whatever else is going on in their lives to ensure that they can engage with whatever course or opportunities we put out there.”<sup>73</sup>

96. The ILO states that—

“Active labour market programmes (ALMPs) are increasingly being used to target disadvantaged young people by offering a package of support services including literacy and remedial education, vocational and job-readiness training, job-search assistance, and career guidance and counselling.”<sup>74</sup>

97. Furthermore, that—

“It is necessary to keep in mind that people's needs and learning styles are very different, depending on their disadvantage.

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<sup>71</sup> Scottish Government (2012) *Working for Growth: A refresh of the employability framework for Scotland*. Available at: [www.scotland.gov.uk/Publications/2012/09/5609](http://www.scotland.gov.uk/Publications/2012/09/5609).

<sup>72</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*, Col. 1740.

<sup>73</sup> Scottish Parliament Finance Committee. *Official Report, 16 May 2012*, Col. 1157.

<sup>74</sup> International Labour Organization (2011) *Increasing the employability of disadvantaged youth*. Available at: [www.ilo.org/employment/areas/youth-employment/WCMS\\_166496/lang--en/index.htm](http://www.ilo.org/employment/areas/youth-employment/WCMS_166496/lang--en/index.htm)

The package of support changes slightly, but the important thing is the training part of it and how to focus it on the needs of disadvantaged people without seeing them as a homogenous group.”<sup>75</sup>

98. While the Christie Commission emphasised that—

“People experiencing high levels of multiple deprivation experience a number of negative outcomes that are inextricably interlinked. They frequently live in families and communities where poor outcomes are mutually reinforcing, reflecting the significant spatial dimension to inequalities.

Evidence indicates that tackling multiple problems in isolation addresses neither the experience of negative outcomes through people’s lives, nor their route causes.”<sup>76</sup>

99. In its written evidence to the Committee, Barnardo’s Scotland described the delivery model, Barnardo’s Works, that it had developed which provided a “proven mechanism for finding young people sustained employment while working closely with local employers.”<sup>77</sup> This model includes a series of different stages—

- Referral phase, which involves an assessment of need and individual action plan;
- Preparation for work, which includes the Barnardo’s Works induction, industry relevant qualifications/vocational training, work placements, job search support and possible referral specialist support;
- Employment period, which includes individual support and skills development plan;
- In-work support, which includes conflict resolution/addressing individual barriers, mentoring support and career development;
- Aftercare, which includes keeping in touch and future job search.<sup>78</sup>

**100. The Committee recognises that those furthest from the labour market are not a homogenous group. From the evidence it has received, it is clear that many of these individuals will require a package of support that is targeted to their particular needs and which takes into account their health and housing needs, family and community environment. It notes that national and local strategies need to reflect this and, in keeping with the principles of the Christie Commission, provide a co-ordinated and joined-up approach. The key message is that the package should fit the person.**

**101. The Committee welcomes the various initiatives and strategies that have been introduced by the Scottish Government to improve skills and employability and the public funding that has been committed to support such initiatives. It welcomes, further, the continuing emphasis on improving**

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<sup>75</sup> Scottish Parliament Finance Committee. *Official Report*, 26 September 2012, Col. 1602

<sup>76</sup> Report of the Commission on the Future Delivery of Public Services. Available at: [www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf](http://www.scotland.gov.uk/Resource/Doc/352649/0118638.pdf).

<sup>77</sup> Barnardo’s Scotland. Written submission.

<sup>78</sup> Barnardo’s Scotland. Written submission.

local co-ordination through local employability partnerships, including the co-location of services.

102. The Committee further welcomes the Scottish Government's commitment to a person-centred approach.

103. The Committee is less clear, however, the extent to which in practice individuals from disadvantaged backgrounds have access to the kind of targeted, multi-faceted, seamless and continuous support advocated and provided by third sector organisations. The Committee would therefore welcome evidence from the Scottish Government which demonstrates how the various initiatives and programmes at both a local and national level can be packaged and tailored to meet the specific needs of individuals to ensure that vulnerable individuals are not simply moved from one programme to another and that they do not "fall through the net".

104. The Committee would also welcome information on the kind of profiling that is advocated by the Scottish Government and undertaken at a local level to ensure that individuals receive the type and level of support that they require.

105. The Committee considers that future Scottish Government action should focus on long term support for disadvantaged individuals and how a package of support can be provided to individuals, which addresses not only their employability but also their broader needs such as their health and housing needs. It considers that future funding should be directed to support this action.

### **Long-term financial investment and value for money**

106. Witnesses pointed out, however, that targeted programmes providing a package support will inevitably cost money and that such support would prove more expensive than support for standard learners. For example, Scotland's Colleges indicated that—

"The challenge is that the funding methodologies exist to support the average learner. We reckon that the cost of the support that we are discussing is roughly double the cost for a normal learner. That includes staffing and the additional support that is needed."<sup>79</sup>

107. Who Cares? Scotland agreed that "a bigger investment is required."<sup>80</sup> While SES noted that "Regrettably, such programmes are expensive."<sup>81</sup> but emphasised that—

"We have to get the right resources: I emphasise that the programme should fit the individual rather than the individual being made to fit the programme."<sup>82</sup>

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<sup>79</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1159.

<sup>80</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1165.

<sup>81</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1162.

*The need for long-term investment*

108. Nonetheless, the STUC emphasised that the UK “spends much less on this area than the best-functioning labour markets in the world do. We need to bear that in mind. Also, the issue is not just that we spend much less but that what we spend is subject to peaks and troughs. Successful economies invest heavily over a period of time in the type of active labour market interventions that we are talking about.”<sup>83</sup>

109. While SLAED emphasised that—

“If we are to get people into higher-paid, quality, sustainable jobs, we need investment for five, six or seven years. It might not cost anymore; we just need to be realistic at the outset that the cost will be £17,000, £18,000 or £20,000 and not five times £3,000. If we took a more longitudinal approach, we would get more value for money.”<sup>84</sup>

110. Both the STUC and the ILO emphasised the costs of inaction. In its written evidence the STUC stated that—

“In the context of an economy suffering a massive deficit of demand, the STUC believes it is important to be realistic about what active labour market programmes can achieve. Even in good times, successful programmes require careful design and implementation and tend to be expensive. The most effective programmes can carry significant deadweight costs. Robust evaluation is complex and difficult.

However, the costs of inaction are higher.”<sup>85</sup>

111. While in its evidence to the Committee representatives from the ILO stated that—

“Reviews of ALMPs always state that they are expensive and ask whether the outcomes are really worth it. Most of the studies focus on short and medium-term results and not on long-term ones. We do not look at the second generation, at intergenerational poverty or intergenerational lack of education. Those factors have to be taken into the equation, as do other things such as the costs of a minimum security prison for a young person, the cost of care and the cost of supporting people and their offspring later on.”<sup>86</sup>

*How such initiatives are being evaluated*

112. Given the current economic climate it is even more crucial that employability and training programmes can be demonstrated to deliver value for money. The Committee therefore sought to establish in its evidence taking how current programmes were being evaluated.

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<sup>82</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1162.

<sup>83</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1170.

<sup>84</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1183.

<sup>85</sup> STUC. Written submission.

<sup>86</sup> Scottish Parliament Finance Committee. *Official Report*, 26 September 2012, Col. 1601.

113. In their evidence to the Committee, witnesses emphasised the importance of robust, independent evaluation which examined whether initiatives were effective in supporting individuals into sustainable employment. For example, in its evidence to the Committee the STUC stated that very often the type of jobs that disadvantaged people accessed after support through labour market initiatives “are low wage and insecure with very little prospect of training or career progression”.<sup>87</sup> It therefore emphasised that—

“Any assessment of the success of active labour market programmes must include evaluation of the quality of work attained at the end of the process.”<sup>88</sup>

114. While the ILO stated that—

“Evaluations of ALMPs tend to focus on short-term outcomes such as entry into the labour market and earnings, ignoring the medium- and long-term impacts of employment such as social benefits and the associated economic returns. This is a serious shortcoming. Intergenerational poverty, the social and economic costs of unemployment, and social stigma attached to worklessness, make these investments in young people’s employability essential.”<sup>89</sup>

115. A review undertaken by the Joseph Rowntree Foundation (JRF) of employability initiatives in the devolved nations carried out in 2010 examined the evaluation of skills initiatives and “found a high proportion treating progression into further learning a positive destination outcome on the same level as a job outcome, rather than as an intermediate outcome whose efficacy could be tested by later progress into work and in work.”<sup>90</sup>

116. The JRF indicates that, having reviewed the evaluations, “we are unable to conclude that there is unambiguous evidence that overall strategies, composed of a variety of initiatives have worked.”<sup>91</sup> It states that—

“At present, in relation to employment and employability, we can document much action, but little strong evidence of resulting improved access to jobs, earnings and progression in work, when compared with a control group.”<sup>92</sup>

117. It recommended that Scotland (and the other devolved nations) should—

“develop a stronger evaluation culture. Experience in welfare-to-work evaluations in the UK and internationally has found that the gross effects of

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<sup>87</sup> STUC. Written submission.

<sup>88</sup> STUC. Written submission.

<sup>89</sup> International Labour Organization (2011) *Increasing the employability of disadvantaged youth*.

Available at: [www.ilo.org/employment/areas/youth-employment/WCMS\\_166496/lang-en/index.htm](http://www.ilo.org/employment/areas/youth-employment/WCMS_166496/lang-en/index.htm)

<sup>90</sup> Joseph Rowntree Foundation (2010) *The impact of devolution: employment and employability*

Available at: [www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf](http://www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf).

<sup>91</sup> Joseph Rowntree Foundation (2010) *The impact of devolution: employment and employability*.

Available at: [www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf](http://www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf).

<sup>92</sup> Joseph Rowntree Foundation (2010) *The impact of devolution: employment and employability*.

job entries that are visible from management and monitoring information need to be assessed against the best obtainable groups in evaluation.”<sup>93</sup>

118. Despite this, the STUC stated in its written evidence that it was “unaware of recent robust, independent evaluation of Scottish Government schemes”<sup>94</sup>.

119. It was also suggested during the workshop sessions that there were a number of bodies involved in employability and skills initiatives which were often “competing” with each other as their funding depended on reaching specific targets. This point related to a general comment common to all three workshops that there was too great a focus of employability and employment initiatives achieving specific targets, with an emphasis on “getting people through the system”, rather than whether interventions resulted in sustainable employment for individuals in the long term.

120. In its evidence session with SDS the Committee sought information on its methods of evaluation. SDS explained how the success of each programme was assessed, but also noted the absence of certain necessary data—

“The programmes have different outcomes. The success of get ready for work, for example, is measured in terms of whether the individual got a job, progressed to full-time education or got a job with training through the modern apprenticeship scheme. On the other hand, the success of modern apprenticeships is measured on the basis of whether the individual achieved the full qualification and apprenticeship.”<sup>95</sup>

121. SDS explained the differing methodology, indicating that—

“You need to bear in mind that get ready for work, for example, is considered in isolation and that we use the straight hard measure of what happened to an individual. At the moment, we are finalising a piece of work that looks at how that compares with other programmes. The problem is that we do not have a lot of published data on programmes and, in fact, what data does exist is only for very small initiatives. We might know, for example, that 30 people took the get into cooking course and that it had a very high achievement rate; however, we would have no data on how much funding went into what is a very small-scale programme.

We are moving on to the next stage of that work to examine why there is such disparity in the achievement rates among the providers that deliver the programme, which will involve looking at individual case studies to see whether any differences emerge. Of course, that disparity could be the result of a variety of factors, including the people whom the provider takes on. It is clear from individuals’ qualification levels that some providers are taking on people with lower level qualifications and there is a correlation

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<sup>93</sup> Joseph Rowntree Foundation (2010) *The impact of devolution: employment and employability*. Available at: [www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf](http://www.jrf.org.uk/sites/files/jrf/impact-of-devolution-employment.pdf).

<sup>94</sup> STUC. Written submission.

<sup>95</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1259.

between the qualification levels that are achieved at school and the outcomes. As a result, providers cannot be judged on that basis.”<sup>96</sup>

122. SDS indicated that it was currently developing an evaluation strategy which would provide a framework for measuring the success of the initiatives that it supported. The Committee subsequently wrote to the Minister for Youth Employment seeking further information on the Scottish Government’s plans for evaluation, in particular, it sought information on—

- the timescale of such evaluations;
- who will be undertaking such evaluation;
- on what outcomes the evaluation will be based;
- how this information will be used to develop future initiatives.

123. In response the Committee was supplied with a copy of the recently published SDS evaluation strategy.<sup>97</sup> The Committee notes that the strategy “provides a framework to guide future evaluation activity within SDS”. It includes as an annex, a Strategic Logic Model which identifies anticipated outcomes across each of SDS’s main service areas and where they contribute to the organisational outcomes identified within the SDS Corporate Strategy. The strategy indicates that the next steps will be to develop an Action Plan detailing how the Evaluation Strategy will be implemented as well as supplementary Technical Guidance on best practice methods for evaluation.

124. In its evidence session with the Cabinet Secretary the Committee sought further clarification on the Scottish Government’s plans for evaluation and specifically to respond to the suggestion from workshop participants that there is too great a focus on “getting people through the system”. The Cabinet Secretary responded that—

“I reassure the committee that the Government does not consider a successful outcome to be getting a number of people on to the programme.

56 per cent of individuals who came through the programmes went on to sustained employment, which is getting on for a better position. The job is done only when we can see successful and positive outcomes, such as skill enhancement, sustained employment and sustained learning opportunities pursued by individuals. Those are the measures that we look for in all the programmes that we take forward.”<sup>98</sup>

125. The Cabinet Secretary subsequently clarified that “sustained employment” meant continuous employment for six months after leaving the programme.<sup>99</sup>

126. However, he indicated that—

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<sup>96</sup> Scottish Parliament Finance Committee. *Official Report*, 30 May 2012, Col. 1260-1.

<sup>97</sup> Skills Development Scotland: *SDS Evaluation Strategy 2012-15*. Available at: [www.skillsdevelopmentscotland.co.uk/media/1149464/final%20evaluation%20strategy%20oct-12.pdf](http://www.skillsdevelopmentscotland.co.uk/media/1149464/final%20evaluation%20strategy%20oct-12.pdf).

<sup>98</sup> Scottish Parliament Finance Committee. *Official Report*, 31 October 2012, Col. 1738.

<sup>99</sup> Scottish Parliament Finance Committee. *Official Report*, 31 October 2012, Col. 1748.

“The Government has not undertaken a self-standing independent evaluation of all of those programmes to then decide whether to continue funding. I have seen the committee’s lines of inquiry in that regard and I will look with great care at what the committee recommends. If there is a sense that we need to consider more external evaluation of those programmes, there is clearly a case for that.”<sup>100</sup>

127. The Cabinet Secretary further stated that—

“In the whole education and training outwith the schools sector, we are spending more than £2 billion as a country. For me, the £2 billion question is why, when we are doing all that, I am still having conversations with people who tell me that they cannot get the skills that they require or that they do not know how to find the information required.”<sup>101</sup>

*Need for long term investment*

**128. The Committee notes the current rates of unemployment in Scotland and that there are currently an estimated 31,000 16 to 19 year olds in Scotland who are not in education, employment or training. It further notes that this figure has remained largely static over the last 10 years.**

**129. The Committee notes that the costs associated with supporting individuals from disadvantaged backgrounds into employment are likely to be higher than and potentially double the costs for an average learner. However, the Committee notes the costs of inaction by research demonstrating the long term impacts and costs to the economy associated with even a short period of unemployment.**

**130. The Committee considers it crucial that investment in assisting individuals from disadvantaged backgrounds into employment is made with a long term view and that this is reflected in future spending plans at both a national and local level.**

**131. The Committee considers that specific, targeted funding, distinct from funding for mainstream employment and employability initiatives, should be in place to support individuals from disadvantaged backgrounds into employment and that this funding should reflect the fact that such individuals may have a wide range of needs, including those related to housing and health. It recognises that, as a result, such funding is likely to require a pooling of resources from other portfolio areas and calls on the Scottish Government to facilitate this.**

**132. The Committee recognises that resources are finite, particularly in the current economic climate. However, this makes it even more crucial that labour market initiatives, including employability and skills programmes, can be demonstrated to deliver value for money.**

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<sup>100</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*, Col. 1735.

<sup>101</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*, Col. 1750-1.

133. The Committee notes that many labour market initiatives are currently measured by their success in assisting individuals to reach a “positive destination”, which may be either in education or training or in employment. The Committee notes that such a measurement can lead to the perception that reaching one or other of these targets is an end to the process in itself rather than seeking to ensure that the individual ultimately finds and remains in sustainable employment. In the Committee’s view, only by making such a measurement, can the Scottish Government and Parliament be satisfied that the investment in such programmes and initiatives is delivering value for money.

134. The Committee welcomes the evaluation strategy that has been developed by SDS although it questions why it has taken so long to develop and notes that further work is to be undertaken towards its implementation. The Committee would welcome further information on the following—

- how the strategic logic model will inform each evaluation of individual employment and skills initiatives;
- clarity on whether evaluation of the initiatives will include an outcome which measures whether individuals have accessed sustainable employment;
- what criteria will determine whether an initiative is to be internally or externally evaluated.

135. More generally, the Committee is concerned about the lack of evaluation of current Scottish Government skills and employment initiatives. The Committee considers that there needs to be robust, independent evaluation of these initiatives to establish the extent to which they support individuals from disadvantaged background into sustainable employment. Given its view that investment in supporting such individuals should be undertaken over the long term, that the measurement should not be limited to an individual remaining in employment for six months. In keeping with recommendations from the STUC, the Committee further considers that the evaluation should examine the nature and quality of the employment obtained.

### **Engagement with the private sector**

136. The ILO has emphasised that a key aspect of successful labour market programmes is genuine partnership with the private sector. The Committee sought to explore in its evidence sessions how the public sector was working with businesses on employability and skills initiatives and programmes to assist individuals from disadvantaged backgrounds into employment and how public funding was being directed to support this objective.

137. In its evidence to the Committee Scottish Enterprise (SE) and Highlands and Islands Enterprise (HIE) described the various methods by which they were working with the private sector. For example, HIE stated that—

“Through our account management approach we also play a key role in introducing businesses to the offering of Modern Apprentices and other

support available from Skills Development Scotland. In addition, HIE's engagement with social enterprises includes support for organisations that not only contribute to economic growth but also provide valuable opportunities for those furthest from the labour market to find gainful employment."<sup>102</sup>

138. HIE referred to Nigg Skills Academy which is being funded by SDS, the Scottish Funding Council and Global Energy Group. The Academy will provide training for 290 Modern Apprentices in its first year and aims to have trained 3,000 people by 2015 to take up jobs in the growing renewable energy sector.<sup>103</sup> HIE indicated that—

“The skills academy is very much a development model. We are working with Global Energy as a private sector partner, but we are interested in how the model might be used not only in other parts of the same sector but in other sectors and in other parts of the country. We have had over 3,000 applications for the skills academy and I am pleased so say that, although I have not analysed them all, they seem to be of exceptionally high quality.”<sup>104</sup>

139. While SE stated that—

“We are working with our account managed businesses (those we work most intensively with) to consider the untapped potential of young talent, highlighting the range of public sector support available to them through agencies such as Skills Development Scotland (SDS) and Jobcentre Plus (JCP).”<sup>105</sup>

140. SCDI provided information to the Committee on the work that it was undertaking with large employers to increase employment opportunities for young people. It indicated that, following a survey of its members, it had been working with large employers in Scotland to organise a series of discussions with their supply chain. It stated that—

“As part of this work, a BP Strategic Suppliers Engagement Event took place earlier this month. Among the conclusions at this first meeting were that there is a need for businesses to work with the skills sector to raise the aspirations of young people. Recruiters should look at the potential of the person, not only their qualifications, and consider competences rather than simply their time served in the industry.”<sup>106</sup>

141. However, it was also suggested that employment and skills programmes and initiatives involving collaboration with the private sector were not always tailored to the needs of small and medium-sized businesses. For example, SLAED stated in its written evidence that—

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<sup>102</sup> Highlands and Islands Enterprise. Written submission.

<sup>103</sup> Highlands and Islands Enterprise. Written submission.

<sup>104</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1239.

<sup>105</sup> Scottish Enterprise. Supplementary written submission.

<sup>106</sup> Scottish Council for Development and Industry. Written submission.

“There is concern amongst Local Authorities around how representative the views expressed by the large national employers are as SMEs provide the bulk of sustainable employment opportunities in local labour markets. There is often a disconnection between the nationally articulated employer support needs and those which exist at a local level.”<sup>107</sup>

142. In its written evidence the FSB noted that small businesses represent 93% of the Scottish private sector and that analysis of the UK Labour Force Survey showed that unemployed individuals without a degree are significantly more likely to make the transition to employment with small employers and that small businesses are more likely to employ people with low or no qualifications than large businesses.<sup>108</sup> Despite this, the FSB referred to a membership poll conducted in 2010 which showed that only 8 per cent had taken on an apprentice.<sup>109</sup>

143. The FSB continued that—

“Small businesses do not have time to look around for opportunities to support young people into employment. They are more likely to recruit, train and offer work experience to someone (or to a provider) who directly approaches them – on the basis of a personal relationship rather than a national policy scheme. Small employers often recruit or offer work experience on an informal basis – through word of mouth. This activity tends to go on under the radar of public policy.

Small businesses are wary of national schemes as they suspect them of being overly bureaucratic, involving a high administrative burden, requiring significant compromise and cost for the business.”<sup>110</sup>

#### *Infrastructure arrangements*

144. Small businesses pointed to the particular difficulties that they faced in offering employment opportunities and apprenticeships to young people in the absence of the kind of infrastructure that larger businesses possess. Similarly business participants in the workshop sessions pointed out that, in a small business, there might be only one person who is responsible for human resources, IT and health and safety matters.

145. Menzies Hotel indicated in its oral evidence to the Committee that—

“Since January, I have received 20 or more calls from different types of organisations, funding bodies and so on and.....it is really difficult to deal with them all. A company usually has only one person to do that work.”<sup>111</sup>

146. In one of the workshops, businesses described public sector employment agencies as “persistent but not joined up” indicating that they “often competed against each other.”

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<sup>107</sup> Scottish Local Authorities Economic Development Group. Written submission.

<sup>108</sup> Federation of Small Businesses. Written submission.

<sup>109</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1198.

<sup>110</sup> Federation of Small Businesses. Written submission.

<sup>111</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1211.

147. Several witnesses commented on the information available to businesses on employment initiatives. Asda commented that—

“We view the current skills and work-support landscape as complex, and we have people in place to deal with it. I understand the problems that small businesses have in that regard.”<sup>112</sup>

148. Another business participant in a workshop session reported receiving differing advice from two different branches of SDS.

*Work experience*

149. Business sector witnesses particularly focused on the difficulties in providing work experience to young people. In its evidence to the Committee SLAED stated that—

“There can often also be multiple and inappropriate demands on employers re work experience and the increased focus on this as an option in schools and with benefit claimants is a concern regarding displacement, job substitution and the quality of work experience provided.”<sup>113</sup>

150. Menzies Hotels described the situation of work placements as “impossible”,<sup>114</sup> indicating—

“Recently, Glasgow City Council surveyed the hotel for a work placement and, in its paperwork, it probably went into more detail than the environmental health officers go into. The person in question was not allowed to pull out a bed, touch anything in the leisure club or do this, that or other.”<sup>115</sup>

151. While Cruden Building & Renewals echoed the comments regarding health and safety, stating that “members can just imagine what the health and safety requirements are like on a construction site for children who are on work experience.”<sup>116</sup> This latter point was confirmed by Kelso Graphics which stated that—

“There is so much coming at us from all directions. We are being told that we need to take on young people and so on, but the amount of compliance work that we have to do, a lot of which emanates from Europe, makes that impossible.”<sup>117</sup>

152. Kelso Graphics emphasised that—

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<sup>112</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1202.

<sup>113</sup> Scottish Local Authorities Economic Development Group. Written submission.

<sup>114</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1212.

<sup>115</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1212.

<sup>116</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1218-9.

<sup>117</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1201.

“You have to empathise with us and understand the pressures that we are under and the amount of bureaucracy that we face, which, as I said, is all very well intentioned.”<sup>118</sup>

153. While the Scottish Chamber of Commerce stated that—

“Chambers of commerce get more queries from the education sector about work experience than they do about anything else. People in the education sector often say, “Please provide work experience placements,” but there is a lack of clarity from the sector about what the work experience needs to be.”<sup>119</sup>

154. Menzies Hotels raised the risks to businesses, particularly in the hospitality industry—

“A barrier in the hospitality sector in particular is that, within a week of employment in the sector, one person can cause a lot of difficulty for us. Every website has customer feedback on it, and a lot of people choose hotels on the basis of customer feedback. If one employee gets eight negative reviews on one website, that is the first thing that our next potential customer will see.”<sup>120</sup>

155. SDS was invited to respond to a number of these points in its evidence to the Committee. It stated that—

“A lot of the support that we offer is concentrated on small businesses. For example, the flexible training opportunities are available only to companies with 100 employees or fewer. An employer recruitment incentive is running that is targeted at smaller companies. The vast majority of employers who are involved in the modern apprenticeship programme are SMEs.”<sup>121</sup>

156. SDS also commented on the broader support it provides for employers. It stated that—

“We are about to launch a website that is directed at employers to try to gather everything in one place. As we progress, I hope that it will include all the local authority initiatives and so on. We want to gather in one place the range of assistance that is available to employers across Scotland. We have put a lot of effort into trying to get that up and running as quickly as we can.

We are involved in BASES, which is a project that the Government set up to align all the employability services that are available to employers across Scotland.”<sup>122</sup>

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<sup>118</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1215.

<sup>119</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1207.

<sup>120</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1212.

<sup>121</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1261.

<sup>122</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1262.

157. In his evidence to the Committee, the Cabinet Secretary confirmed the launch of the skills force service, which will be a new online contact centre service that is aimed at improving access for employers to information on training, recruitment and workplace development.

158. The Cabinet Secretary also expanded on the new employer recruitment incentive which was announced in the draft budget 2013-14 by which an investment of £15 million will be directed to support SMEs to create 10,000 job opportunities. The Cabinet Secretary stated that—

“We are going further in the level of support that we are providing. Under the previous initiative, we provided support that was very much related to the costs that fall on employers—the additional areas of burden that may come, for example, from a sole trader going into new territory by employing somebody else for the very first time. The employer recruitment incentive is designed to provide support directly to individual companies to assist in the salary costs of young people, which is a departure for the Government.”<sup>123</sup>

**159. Given that a common theme among private sector representatives during the oral evidence and workshop sessions was the complexity of the employment and skills landscape, the Committee welcomes the steps that the Scottish Government is taking to provide clarity of information to employers through BASES and the development of skills force. It seeks confirmation that these initiatives will be regularly monitored and evaluated to ensure that they are meeting the needs of employers.**

**160. The Committee further welcomes the announcement by the Scottish Government of £15 million in funding to be directed to SMEs to support the creation of 10,000 job opportunities. It looks forward to receiving further detail on how the incentive will work in practice, the criteria for selection of SMEs, the age eligibility requirements for job seekers that might benefit from this scheme and the plans for evaluation of this scheme to ensure that it is acting as an incentive to employers and is delivering value for money.**

**161. While the Committee welcomes these developments, it highlights a number of issues below which were raised in its evidence gathering and which it considers warrant further examination by the Scottish Government.**

*Understanding employers through genuine engagement*

162. A key theme that emerged during the Committee’s workshop sessions was that while public sector organisations appeared to be working well together at a local level to co-ordinate their activities to tackle unemployment, their engagement with the private sector was patchy and needed to be improved. For their part, public sector witnesses acknowledged that building relationships with employers was a significant hurdle and that such relationships took time to develop.

163. It was acknowledged that improved engagement between the private and public sector would facilitate a better understanding of the needs of employers. For

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<sup>123</sup> Scottish Parliament Finance Committee. *Official Report*, 31 October 2012, Col. 1734.

example, a key issue for employers was getting the right person for the job. Businesses suggested that not enough focus was placed on asking employers what they needed and they argued that there was often little correlation between employment programmes and local vacancies. Similarly, employers indicated that they would welcome better and more information on the needs of those they are asked to employ.

164. Witnesses suggested that while a website and contact centre would help businesses navigate the complex employability and skills landscape these were no substitute for genuine engagement. The FSB indicated that “one of the things that makes a real difference to small businesses is building relationships,” pointing out that a “website cannot do that. It helps, but it cannot do it.”<sup>124</sup>

165. Minerva People Ltd suggested a “one-stop brokerage service”. It emphasised, however, that this would have “to ensure that there was engagement with all providers – public, private and third sector and market for everyone meeting the local need.” It further indicated that this should be a neutral body. It suggested that—

“If a neutral body undertook this, they could inform employers of the best option for their consideration and contact all providers able to offer the service. Employers and providers then engage and the process moves forward positively for the young person.”<sup>125</sup>

*Financial reward v. human resource support*

166. Further, during the oral evidence and workshop sessions businesses suggested that too great an emphasis was placed on the financial reward for companies to recruit additional staff, rather than focusing on getting the right person for the right job. In its written evidence to the Committee the FSB referred to the then employer incentive initiative and stated—

“While, we support in principle of investment to engage employers, we are not aware of any evaluation of these initiatives’ effectiveness – how much of an incentive do they really provide?”<sup>126</sup>

167. Business participants suggested that the financial incentive was not the key issue for businesses. They were looking for in-work support and human resource expertise. For example, in its written submission Minerva People Ltd pointed out that—

“Micro/SME businesses are unlikely to have an HR department or specialist and may not have the necessary skills and experience when recruiting, selecting and inducting new young staff as well as the associated employment/HR expertise required when things go wrong, identifying and utilising appropriate training methods and this can put them off being involved.”<sup>127</sup>

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<sup>124</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1225.

<sup>125</sup> Minerva People Ltd. Written submission.

<sup>126</sup> Federation of Small Businesses. Written submission.

<sup>127</sup> Minerva People Ltd. Written submission.

168. The Cabinet Secretary acknowledged this point in his evidence to the Committee stating that—

“A small company might require a bit of management training from the business gateway more than an employer recruitment incentive. That is essential feedback, which we understand and will take action on.”<sup>128</sup>

*Flexibility in support*

169. Witnesses also emphasised that there needed to be greater and more flexible support for small businesses. FSB pointed out that “employers are very different from one another and are not a homogenous group.”<sup>129</sup> The FSB reported that—

“Following a member’s initial inquiry, we frequently get feedback that they were told that nothing that they wanted to do actually fitted with what was available; that they would have to take on somebody from a particular programme although they already had somebody in mind; or that their training requirements did not quite fit into a particular apprenticeship framework.”<sup>130</sup>

**170. The Committee highlights the above points to the Scottish Government. It considers that a key message from the private sector is the need to involve business representatives and individual businesses of all sizes in the design of employability and labour market initiatives and programmes both at a national and local level. The overarching message from the oral evidence and workshop sessions is that too often employers are approached once the programme and initiative has been developed with the result that they might not be tailored to meet their needs.**

**171. In particular, the specific needs of small and medium-sized businesses need to be reflected in employment and skills initiatives if such businesses are to be approached to provide opportunities to young people, particularly those furthest from the labour market. There is also a need to ensure that there is genuine engagement with these businesses in supporting them to understand the complex employability and skills landscape.**

**172. The Committee considers that the starting point for the development of future employer schemes and programmes must be genuine and focused engagement with employers from the outset. In this regard, the Committee notes the recommendations to the Scottish Government from the Smith Group which stated that—**

**“The Scottish Government should ensure that a strategy is in place that clearly defines expectations of, and outcomes for local authorities in employer engagement. This should allow consistency in delivery across 32 local authorities. We feel strongly that the starting point for**

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<sup>128</sup> Scottish Parliament Finance Committee. *Official Report, 31 October 2012*, Col. 1749.

<sup>129</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1197.

<sup>130</sup> Scottish Parliament Finance Committee. *Official Report, 23 May 2012*, Col. 1198.

**the strategy should first reflect the imperatives of the young person and employer, followed by local authorities and training providers.”<sup>131</sup>**

*Creating employment opportunities*

173. During the oral evidence sessions and workshops witnesses and participants pointed to the need to consider the demand side of the economy. Witnesses emphasised that improving employability for those with multiple disadvantages had to be considered within the broader economic context and the consequential reduction in sustainable employment opportunities. For example, SURF stated that—

“I think that we might be using an old tool for the wrong job. It is perhaps not the case that we would solve the problem if we somehow managed to get all these young people out of bed at 9 o’ clock in the morning, get them dressed, get the vocabulary right, get the attitude right and get the right smile or whatsoever. It seems to me that there are not enough jobs out there for these young people.”<sup>132</sup>

174. While the STUC stated that—

“More than 100,000 people in Scotland have been identified as being economically inactive but wanting a job for a sustained period of time.

We need to bear in mind that the labour market is very much weaker than the headline statistics suggest.”<sup>133</sup>

175. Asda noted that—

“There is a great deal of competition in the workforce, and it’s common when we open stores to see thousands of applications for the new jobs we create. Between ten and twenty applicants for every post is not unusual and in some cases has been significantly higher. We received around 5,000 applications for 300 positions at our new store at Straiton in Edinburgh. Of the colleagues recruited, a quarter were previously unemployed and a quarter are 16-19 year olds.”<sup>134</sup>

176. The Committee therefore sought to explore what support was being provided to support businesses to create employment opportunities, beyond the use of employer recruitment incentives and the extent to which this activity was being directed to assist vulnerable individuals into employment.

177. In its written evidence to the Committee SE stated that—

“We support around 10,000 companies each year, and this includes our intensive work with over 2,000 of Scotland’s fastest growing companies. These 2,000+ companies employ more than 300,000 people. We help them

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<sup>131</sup> The Smith Group recommendations to the Scottish Government. Available at: [www.scotland.gov.uk/Publications/2011/11/SmithGroupReport](http://www.scotland.gov.uk/Publications/2011/11/SmithGroupReport).

<sup>132</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1166.

<sup>133</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Cols. 1171-2.

<sup>134</sup> Asda. Written submission.

to sustain and grow this figure and anticipate that our business plan 2012-15 will help create 13,000 to 19,000 new jobs.”<sup>135</sup>

178. However, SE emphasised that—

“To be frank, for us to promote economic development, our role has to be around growth and growth companies.”<sup>136</sup>

179. This accords with the evidence provided to the Committee earlier in the year by SE, which stated that—

“It is about our understanding the sectors and markets that are most likely to grow and about deeply understanding Scotland’s strengths.

That means that we must focus deeply on a relatively small number of companies.”<sup>137</sup>

180. Both enterprise agencies emphasised that the size of company was not important in determining whether it is supported. SE stated that “it is growing companies that are important, whether they are large or small.”<sup>138</sup> While HIE stated that, from its perspective, “small business is not the issue; it is about the ability of a business to grow. For HIE, in a rural area, this might mean growing from two people to three people. If such growth is significant in that sector, community or geographical area, it represents the kind of growth that we want to support.”<sup>139</sup>

181. However, witnesses questioned the direction of support provided by the enterprise agencies. For example, in its evidence to the Committee Minerva People Ltd noted that—

“I valued enormously the support that I got from the business gateway when setting up my microbusiness...However, I am not seen to be in one of the large growth areas. A lot of effort could be put in to support micro SMEs to be sustainable in the current climate.”<sup>140</sup>

182. The Committee understands that while “growth” will be a factor in determining whether a business receives support from the enterprise agencies as part of their respective business growth strategies, it is not necessarily a factor in determining whether a business will be approached by public sector agencies to provide an employment or training opportunity to a young person through a national or local employability programme. The Committee notes that this suggests a lack of alignment between business growth strategies and employment initiatives, a point made by the FSB in its response to the Committee’s call for evidence on the draft budget 2013-14. The FSB stated that—

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<sup>135</sup> Scottish Enterprise. Written submission

<sup>136</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1229.

<sup>137</sup> Scottish Parliament Finance Committee. *Official Report*, 9 May 2012, Col. 1084.

<sup>138</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1229.

<sup>139</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1236.

<sup>140</sup> Scottish Parliament Finance Committee. *Official Report*, 23 May 2012, Col. 1201.

“Job creation incentives and youth employment strategies generally focus on providing training places for individuals and finding employers to pick up those places. However, the experience of many small businesses suggests that this approach is unsuitable. Consequently, we are not capitalising on those businesses’ potential to expand. This is often due to the rigid eligibility criteria.

We believe that, in addition to this traditional approach, we need greater emphasis on employment measures as part of a business growth approach. Specifically, we think more flexible funding solutions will help support jobs growth in small businesses. Our initial evidence suggests that locally-developed solutions, which take account of business priorities/labour demands and direct engagement with local businesses, may be more successful at creating sustainable employment in local small businesses than national schemes. This approach may be more resource-intensive in the short term but aligns well with preventative spending principles.”<sup>141</sup>

**183. The Committee welcomes the action that the enterprise agencies are taking to support economic growth and employment opportunities. It notes, in particular, the support provided to and collaborative action being taken by the enterprise agencies and the SCDI with growth businesses and the action that is being taken to encourage employment opportunities through the supply chain. Nonetheless, the Committee is unclear the extent to which such action is sufficiently targeted on those furthest from the labour market.**

**184. The Committee notes evidence from the FSB indicating that small businesses represent 93% of the Scottish private sector and that analysis of the UK Labour Force Survey showed that unemployed individuals without a degree are significantly more likely to make the transition to employment with small employers and that small businesses are more likely to employ people with low or no qualifications than large businesses.<sup>142</sup> The Committee therefore considers it crucial that SMEs receive appropriate support to enable them to offer sustainable employment opportunities to those furthest from the labour market.**

**185. The Committee notes that the FSB has recently published a report, *Micros untapped: Realising the employment potential of micro-businesses*.<sup>143</sup> The Committee calls on the Scottish Government to work with the FSB and other bodies representing the views of SMEs to establish the kind of support that such businesses require to make them sustainable and, as a result, be better positioned to offer employment opportunities to individuals from disadvantaged backgrounds.**

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<sup>141</sup> Federation of Small Businesses: Written submission in response to the Finance Committee call for evidence on the Scottish Government’s draft budget 2013-14. Available at: [www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/54017.aspx](http://www.scottish.parliament.uk/parliamentarybusiness/CurrentCommittees/54017.aspx).

<sup>142</sup> Federation of Small Businesses. Written submission.

<sup>143</sup> Federation of Small Businesses (2012) Available at: [www.fsb.org.uk/policy/rpu/scotland/assets/publi\\_spec\\_micro2012.pdf](http://www.fsb.org.uk/policy/rpu/scotland/assets/publi_spec_micro2012.pdf).

## Public sector as employer

186. The ability to provide employment opportunities to those furthest from the labour market is not confined to the private sector. Several witnesses highlighted the role of the public sector as an employer. For example, Who Cares? Scotland stated that—

“However, the fact is that the public sector, which includes the national health service and local authorities, is this country’s biggest employer and I believe that we should look at ourselves and the things we control, because we can do quite a lot in our own system to create opportunities for vulnerable young people.”<sup>144</sup>

187. During the workshop sessions public sector participants were asked whether they, as employers, were doing enough to help vulnerable people enter the labour market. Participants indicated that while they had made a start in this direction, it was accepted that more could be done.

188. In its oral evidence, NHS Education for Scotland (NES) stated that it worked closely with the NHS boards that have responsibility for employability. However, it indicated that—

“A key barrier is the fact that managers who might be responsible for employing or providing opportunities for young people do not necessarily understand the support systems and mechanisms that are out there, and do not necessarily know how to access them. NES has been working with Skills Development Scotland and other partners to put boards in touch with support mechanisms, to help start a conversation that will support partnership working.”<sup>145</sup>

189. NES stated in its written evidence that—

“Recent contacts with NHS boards (March 2012) have reported a noticeable increase in MA activity since 2010. More boards have also reported involvement with the Get Ready for Work Programme, providing work placements for young people in partnership with learning providers and/or local authorities. In addition, the issue of employability is being included in the workforce planning processes within a number of boards.”

190. In its oral evidence to the Committee SDS stated that—

“We are engaged in a programme of work with the public sector on taking on more trainees. The Scottish Government, for example, has engaged with the get ready for work programme and the NHS is desperately keen to be involved in modern apprenticeships. However, there are balances to be struck and, at a time when the public sector is looking to slim down, taking on new staff will be a challenge. Of course, the public sector can address

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<sup>144</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1178.

<sup>145</sup> Scottish Parliament Finance Committee. *Official Report*, 16 May 2012, Col. 1181.

this issue not only in its recruitment practices but in its procurement practices, with contracts that promote opportunities for young people.”<sup>146</sup>

191. While recognising that the public sector is itself coping with a reduced workforce the Committee wrote to all local authorities and NHS boards seeking information on the steps they were taking to offer employment opportunities to individuals furthest from the employment market.

192. The responses indicated that, in general, steps were being taken by most bodies to offer employment and training opportunities through programmes such as MAs and *Get Ready for Work*. However, the level of activity was variable. It was also less clear the extent to which all local authorities and NHS boards, as employers, are sufficiently targeting individuals furthest from the labour market, despite the amount of funding these bodies may be deploying to provide vital services to these individuals.

**193. The Committee recommends that each local authority and NHS board should be required to report to the Scottish Government regularly on the steps that each body is taking to offer employment opportunities to those furthest from the labour market including the provision of relevant data.**

## **Conclusion**

194. By way of conclusion, the Committee highlights the following comments from witnesses. Scotland’s Colleges stated in its written submission that—

“While youth employment is a serious challenge, we consider that being able to support people back into work, providing up-skilling and retraining are also essential for Scotland’s full economic recovery.

Improving employability, however, requires a greater wealth of activity than qualifications alone.”<sup>147</sup>

195. While SES stated that—

“..As a lot of people have said this morning, there is clear evidence that the majority of people who are not working want a job. However, they want a reasonable job. Like those of us sitting around the table, they want a good, satisfying job.”<sup>148</sup>

196. The Committee looks forward to the response from the Scottish Government and to debating these issues further in the Chamber early in the New Year.

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<sup>146</sup> Scottish Parliament Finance Committee. *Official Report, 30 May 2012*, Col. 1269.

<sup>147</sup> Scotland’s Colleges. Written submission.

<sup>148</sup> Scottish Parliament Finance Committee. *Official Report, 16 May 2012*, Col. 1177.

## **ANNEXE A: EXTRACTS FROM THE MINUTES**

### **15<sup>th</sup> meeting, 2012 (Session 4) Wednesday 16 May 2012**

**Improving employability:** The Committee took evidence in a roundtable format from—

Karen Adams, Educational Projects Manager, NHS Education for Scotland; Stephen Boyd, Secretary, STUC; Duncan Dunlop, Chief Executive, Who Cares? Scotland; Dr James Miller, Director, Open University in Scotland, on behalf of Universities Scotland; Andy Milne, Chief Executive, SURF; Laurie Russell, Chair, Social Enterprise Scotland; Alan Sherry, Principal, John Wheatley College, on behalf of Scotland's Colleges; Pamela Smith, Chair, subgroup on employability, Scottish Local Authorities Economic Development Group; Jim Wallace, Acting Head of Children's Services, Barnardo's Scotland; Henrietta Wright, West of Scotland District Manager, Department of Work and Pensions, UK Government.

### **16<sup>th</sup> meeting, 2012 (Session 4) Wednesday 23 May 2012**

**Improving employability:** The Committee took evidence in a roundtable format from—

Allan Callaghan, Managing Director, Cruden Building & Renewals; David Comerford, Hotel Operations Manager, Menzies Glasgow Hotel; Marie-Claire Dibbern, Partner, Kelso Graphics; Amy Dalrymple, Policy and Research Manager, Scottish Chambers of Commerce; Mary Goodman, Senior Policy Advisor, Federation of Small Businesses; Tricia Hunter, Managing Director, Minerva People Limited; Stephen Lyall, Managing Director, Negotiate NOW; David Paterson, Head of Regional Affairs, Asda; Dr Lesley Sawers, Chief Executive, and Gareth Williams, Head of Policy, Scottish Council for Development and Industry; Julian Taylor, Director of Strategy and Economics, Scottish Enterprise; Charlotte Wright, Director of Business & Sector Development, Highlands and Islands Enterprise.

### **17<sup>th</sup> meeting, 2012 (Session 4) Wednesday 30 May 2012**

**Improving employability:** The Committee took evidence from—

Katie Hutton, Lead Head of NTP Policy Integration, and Danny Logue, Director of Operations, Skills Development Scotland.

### **18<sup>th</sup> meeting, 2012 (Session 4) Wednesday 13 June 2012**

**Improving employability:** The Committee took evidence from—

Angela Constance, Minister for Youth Employment, and Hugh McAloon, Head of Youth Employability and Skills, Scottish Government.

### **24<sup>th</sup> meeting, 2012 (Session 4) Wednesday 26 September 2012**

**Improving employability:** The Committee took evidence from—

Laura Brewer, Specialist for Skills for Youth Employment, and Donna Koeltz, Senior Employment Services Specialist, International Labour Organization.

### **25th Meeting, 2012 (Session 4) Wednesday 03 October 2012**

The Committee Members reported back on the employability workshops, in Dundee, Dumfries and Galloway, and North Ayrshire.

### **27<sup>th</sup> meeting, 2012 (Session 4) Wednesday 31 October 2012**

**Improving employability:** The Committee took evidence from—

John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth, Scottish Government.

## **ANNEX B: INDEX OF ORAL EVIDENCE SESSIONS**

### [15th meeting, 2012 \(Session 4\) Wednesday 16 May 2012](#)

Karen Adams, Educational Projects Manager, NHS Education for Scotland; Stephen Boyd, Secretary, STUC; Duncan Dunlop, Chief Executive, Who Cares? Scotland; Dr James Miller, Director, Open University in Scotland, on behalf of Universities Scotland; Andy Milne, Chief Executive, SURF; Laurie Russell, Chair, Social Enterprise Scotland; Alan Sherry, Principal, John Wheatley College, on behalf of Scotland's Colleges; Pamela Smith, Chair, subgroup on employability, Scottish Local Authorities Economic Development Group; Jim Wallace, Acting Head of Children's Services, Barnardo's Scotland; Henrietta Wright, West of Scotland District Manager, Department of Work and Pensions, UK Government.

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Allan Callaghan, Managing Director, Cruden Building & Renewals; David Comerford, Hotel Operations Manager, Menzies Glasgow Hotel; Marie-Claire Dibbern, Partner, Kelso Graphics; Amy Dalrymple, Policy and Research Manager, Scottish Chambers of Commerce; Mary Goodman, Senior Policy Advisor, Federation of Small Businesses; Tricia Hunter, Managing Director, Minerva People Limited; Stephen Lyall, Managing Director, Negotiate NOW; David Paterson, Head of Regional Affairs, Asda; Dr Lesley Sawers, Chief Executive, and Gareth Williams, Head of Policy, Scottish Council for Development and Industry; Julian Taylor, Director of Strategy and Economics, Scottish Enterprise; Charlotte Wright, Director of Business & Sector Development, Highlands and Islands Enterprise.

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The Committee Members will report back on the employability workshops, in Dundee, Dumfries and Galloway, and North Ayrshire.

[27th meeting, 2012 \(Session 4\) Wednesday 31 October 2012](#)

John Swinney, Cabinet Secretary for Finance, Employment and Sustainable Growth; Hugh McAloon, Head of Youth Employability and Skills; Tom Craig, Policy Executive, Employability and Skills Division, Scottish Government.

## **ANNEX C: INDEX OF WRITTEN EVIDENCE**

- [Summary of evidence from May 2012 sessions \(228KB pdf\)](#)
- [Further action \(85.9KB pdf\)](#)
- [Additional submissions \(1.29MB pdf\)](#)

Written submissions—

- [Aberdeenshire Council \(147KB pdf\)](#)
- [City of Edinburgh Council \(158KB pdf\)](#)
- [Clackmannanshire Council \(85KB pdf\)](#)
- [Comhairle Nan Eilean Siar \(156KB pdf\)](#)
- [Dumfries and Galloway \(148KB pdf\)](#)
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- [NHS Western Isles \(94KB pdf\)](#)
- [North Ayrshire Council \(2740KB pdf\)](#)
- [North Lanarkshire Council \(164KB pdf\)](#)
- [Perth and Kinross \(143KB pdf\)](#)

- [Scottish Borders Council \(159KB pdf\)](#)
- [Shetland Islands Council \(152KB pdf\)](#)
- [South Lanarkshire Council \(161KB pdf\)](#)
- [West Dunbartonshire Council \(231KB pdf\)](#)

Additional information—

- [Correspondence from the Convener \(123KB pdf\)](#)
- [Correspondence to the Convener \(113KB pdf\)](#)

On Friday 28 September 2012, the Finance Committee held three workshops across Scotland with key employability stakeholders. Workshop summaries—

- [Dundee \(75KB pdf\)](#)
- [Dumfries and Galloway \(108KB pdf\)](#)
- [North Ayrshire \(170KB pdf\)](#)

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Printed in Scotland by APS Group Scotland

ISBN 978-1-4061-9384-8

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