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Gordon Lindhurst MSP
Convener
Economy, Energy and Fair Work Committee
By email -
economyenergyandfairwork@parliament.scot

16 October 2020

Dear Convener,

Re: Economy, Energy and Fair Work Committee Follow Up

Thank you for your email requesting further detail following my evidence session on 6th October. Please find below the information requested.

Adopt an Apprentice

The Scottish Government continues to do all we can to ensure that apprentices in training are protected as much as possible from the impacts of COVID-19.

Scotland's Adopt an Apprentice programme was established to help redundant apprentices gain a new job and complete their apprenticeship by providing an incentive for employers to employ a redundant apprentice. This is complemented by regular, proactive contact with a Skills Development Scotland (SDS) careers adviser and tailored support from the individual's training provider.

To help address the immediate economic situation in April 2020, the Scottish Government extended the Adopt an Apprentice programme to include Graduate Apprenticeships, with those made redundant from 01 February 2020 being eligible.

Since the introduction of the programme, over 2,000 applications have been approved with 17 approved in the first quarter of 2020/21. This is a significant drop in comparison to last year's first quarter in which 92 apprentices utilised this initiative. As apprentices are also employees, many employers have made use of the Job Retention Scheme (JRS) during the initial pandemic and we anticipate an increase in Adopt an Apprentice applications once the JRS concludes at the end of October 2020.

The protection of existing apprentices remains an absolute priority for the Scottish Government during these uncertain times which is why we have put additional measures in place to help support business by increasing the Adopt an Apprentice payment for

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employers recruiting redundant apprentices from £2,000 to £5,000 from 13th October 2020 until 31st March 2021.

Please see a breakdown of the annual Adopt an Apprentice figures below;

Year	AAA Applications Approved
2019-20 Q4	227
2018-19 Q4	262
2017-18 Q4	201
2016-17 Q4	192
2015-16 Q4	200
2014-15 Q4	175
2013-14 Q4	224
2012-13 Q4	301
2011-12 Q4	375

It is hoped the enhanced Adopt an Apprentice payment will help support apprentices made redundant find a new employer and complete their apprenticeship. Scottish Government in collaboration with SDS will continue to promote Adopt an Apprentice through both social media channels and regular engagement with stakeholders.

Scotland's Apprenticeship Programme – Redundancies

With the full impact of redundancies for apprentices not yet known, the Job Retention Scheme offered relief to many employers and employee. We have acted quickly and put in place a comprehensive package of measures worth over £2.3 billion to help sustain businesses, helping them pay staff and treat staff fairly.

SDS has confirmed the that to date 130 apprentices in Scotland have been made redundant in the first quarter of 2020/21 and have provided a full breakdown on the number of redundant apprentices for the last three years;

Year	Number of Redundant Apprentices
2019-20 Q4	398
2018-19 Q4	511
2017-18 Q4	410

Since the start of the pandemic, apprentices facing redundancy have been supported through our Partnership for Continuing Employment (PACE) initiative and SDS provide a helpline for employers and learners. This includes dedicated careers and apprenticeship advice, signposting to well-being resources and practical information on apprenticeships.

We are confident that the strength and resilience of the Scottish system alongside initiatives to recruit and retain apprentices, such as Adopt an Apprentice, will help support the long-term future of work-based learning as many employers start to rebuild their workforce. A clearer understanding of apprenticeship uptake and redundancies will be available when the Quarter 2 Apprenticeship statistics are released in November 2020.

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Workforce Volumes

The full scale of COVID-19 on Scotland's labour market is still emerging. We have moved from a period which delivered historically low levels of unemployment and achieving our ambitious targets on youth unemployment, to a much more challenging labour market with young people already being more severely impacted by the crisis. The Young Person's Guarantee will build on that strong track record and will be used to marshal our response, working with local partnerships to respond quickly as this situation develops.

The latest labour market figures published earlier this week, covering June - August 2020, showed a youth unemployment rate of 12.5% amongst 16-24 year olds in Scotland, higher than a year ago (9.7%), with 44,000 young people unemployed, 9,000 more than a year ago.

We know that young people have been disproportionately impacted and our analytical work suggests that in a worst case scenario over 60,000 young people may become unemployed and not in education as a result of the impacts of the pandemic. To help aid this understanding SDS tracks the destinations of young people in the 16-19 year old cohort through the Data Hub, which securely holds information from a range of partners. This enables SDS to publish an Annual Participation Measure and identify those young people not in education, employment or training and to support them in finding suitable opportunities through their Next Steps offer.

SDS are engaging with DWP and HMRC to improve data sharing in a way which will allow better tracking of those in the 20-24 age bracket.

The most recent Participation Measure published on 25 August 2020 only covers the period from 1st April 2019 to 31st March 2020 and therefore the impact from COVID-19 was limited and we anticipate that the impact will be evident in the next and subsequent releases of the Annual Participation Measure which is due to be published on 16th December 2020. My officials will work with analysts and SDS to provide updated figures to the committee once published.

Apprenticeships are not only valuable for those undertaking them, they are a key way for all employers to invest in their workforce, and provide the skills the economy needs both now and in the future, especially as we focus on restarting and growing Scotland's economy from COVID-19.

I hope this further information has been helpful in responding to your request for additional information.



JAMIE HEPBURN

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