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Gordon Lindhurst MSP  
Convener  
Economy, Energy and Fair Work Committee

Via email:  
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24 March 2021

Dear Convener,

Thank you for the opportunity to appear before the Economy, Energy and Fair Work Committee last week. I hope that the information I provided highlighted the extensive range of activity the Scottish Government and its partners are undertaking to reduce the negative impacts of Covid-19 on young people. I promised to follow up on a number of points.

**Data on underemployment of young people (col 6);**

Provided at Annex A

**Specific examples from various regions of the work of DYW regional groups with employers (col 16);**

Provided at Annex B

**Information about the methodology and process that SDS uses to track young people leaving further education (col 18);**

***Careers Strategy***

The Scottish Government *Careers Strategy: Moving Forward* was published in February 2020. It outlined the need for an all-age career service which places an emphasis on equipping people with the skills they need to manage their careers by developing their career management skills.

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Currently Skills Development Scotland (SDS) work in collaboration with individual colleges through a Further Education Partnership Agreement. Through this partnership and the data hub, they engage with college leavers through either a targeted Next Steps offer, which is available for young people aged 16-18.5 and up to 26 for those young people who are care experienced; or through the all age universal Career Information Advice and Guidance (CIAG) offer. The SDS Helpline has also been promoted to institutions as an access point to CIAG services, including a media campaign messaging to anyone whose education, learning or employment has been disrupted due to the pandemic.

Going forward, as part of the Young Person's Guarantee, SDS are leading a collaborative, system-wide review to bring together the views and experiences of young people, parents, employers, teachers as well as experts from across the system, including from the university sector. The aim is to provide recommendations for the future of Scotland's all age service to support people's career development and maximise the benefit from services in the post-pandemic global economy. The review will explore the journey from early years to first transitions to employment and will then make recommendations that will take forward the implementation of the all age careers strategy. There will be a particular focus on those who face the greatest challenges in their journey through education and into rewarding and sustainable careers.

### ***Tracking young people leaving Colleges and Universities***

Universities and Colleges keep active lists of graduates to enable them to provide a range of support to alumni. Each organisation will run these independently, offering careers advice and support with professional development for a period of up to 2 years after completion.

[The Association of Graduate Careers Advisory Services](#) (AGCAS) is a membership organisation which supports student career development and graduate employment professionals. AGCAS are an important part of the all age careers system and also part of the CIAG review.

The 16+ Data Hub links up the work going on across Scotland to help young people find positive, sustained destinations after they leave school. This joined-up approach between agencies such as SDS, Colleges and Local Authorities is designed to provide earlier intervention for young people who may be more at risk of finding it difficult to stay in training, education or a job. The Data Hub is useful in terms of overall planning especially when partners and agencies are considering the needs of those students who may require additional assistance. Another benefit is that SDS can quickly re-engage with young people who may have withdrawn from learning.

SDS continue to publish the annual Participation Measure, which allows us to identify the participation status of the wider 16-19 year old cohort. In February, SDS published its first 'Monthly Participation Snapshot for 16 and 17 Year Olds'. Data for 18 to 24 year olds is currently not robust enough to publish as a monthly snapshot. However, SDS are currently working with the Department for Work and Pensions to secure access to Universal Credit data for those aged 18 to 24 to improve their coverage of this age group which will help with the tracking of college leavers, university graduates as well as other groups of young people. We are also working with partners to examine the ways we can improve data sharing to enhance reporting of the Participation Measure, and better understand what activity young people are engaged in. This includes working with HMRC to progress data sharing arrangements to access employment data for young people.

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In addition to existing engagement and tracking by individual educational establishments, the Scottish Government are working closely with partners in the sector and in Local Authorities to ensure effective support and pathways to employment are provided for individuals leaving college or university. This engagement will offer eligible individuals under the Guarantee additional advice, guidance, specialist support and access to employment opportunities.

The recent budget includes investment of £70 million in 2021/22 to support the Young Person's Guarantee. A significant part of this funding will be for employer recruitment incentives to support employers create more jobs, including for graduates. A national Employer Recruitment Incentive Framework that sets out the minimum standards for publicly funded places has also been recently published: [employer\\_recruitment\\_incentive\\_framework.pdf \(employabilityinscotland.com\)](#). This will help ensure that opportunities are accessible, well-supported, high quality and follow fair work principles.

The Scottish Government has provided additional resources for colleges to provide a range of additional skills boosts and fast track courses. Colleges have recruited up to 4,000 young people under the Guarantee this year and we are exploring with the college sector what additional services can be provided to completers which will facilitate their entry into the labour market.

Targeting of support at those most disadvantaged in the labour market is a key objective and we are working with partners and colleagues to implement specialist provision for example to support disabled students as they progress from college.

There are a range of statistical reports and data sources which provide updated information on outcomes of college leavers and graduates including leaver destinations and earnings. These can be found in Annex C. This evidence base will help us understand the impact of the pandemic on the graduate labour market and shape the future delivery of targeted support for individuals.

## **Information on the range of activity being undertaken to understand better where the skills gaps are and how the SG is seeking to fill them (cols 20-21);**

### **Skills Gap**

#### Skills alignment

We recognise the importance of ensuring that education and skills provision are aligned to deliver the learning and skills necessary for sustainable and inclusive growth. To support this work Skill Development Scotland's Skills Alignment team play a key role in influencing the education and skills system at all levels through the provision of evidence and insight. Their work involves supporting the provision of Labour Market Information for Careers Advisers through to providing evidence and recommendations to both SDS and Scottish Funding Council (SFC) and the Enterprise and Skills Strategic Board to influence future investment decisions.

The alignment work being taken forward will help to ensure that Scotland's people and businesses have the right skills and experience to succeed in the economy, not only now but in the future too.

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## Skills planning and investment

Skills planning and investment also has the potential to impact on local economies through supporting developments to meet current and future need and demand regionally and sectorally. Skills planning, working in tandem with wider economic and social development interventions, has a key role to help drive economic recovery, inclusive growth and productivity.

The implementation of sectoral Skills Investment Plans is driven through Industry Leadership Skills Groups and Implementation Steering Groups made up of key sectoral representatives, employers and skills agencies. The purpose of these groups are to support skills planning and recovery in these sectors.

One example is the Rural Implementation Steering Group, established in 2019, which has been instrumental in driving the progression of the Skills Action Plan for Rural Scotland (SAPRS). A report is currently being prepared which will show the impact of the SAPRS implementation.

Members of the Committee may also be aware of the newly formed Climate Emergency Skills Action Plan (CESAP) Implementation Steering Group. This Group made up of Climate Emergency experts, key partners and the Scottish Government, will be pivotal in driving the implementation of the Climate Emergency Skills Action Plan in the years ahead.

We are continuing to explore with a range of partners how we can utilise these sectoral Skills Investment Plans to support the delivery of the Guarantee and wider employability services, to ensure we can address skills gaps.

### **Uptake of Apprenticeship Employer Grant**

The Scottish Government and SDS are continuing to work together to maximise the number of apprenticeships being created this year. Official Statistics published on 9 February 2021 showed a positive increase in starts compared to Quarter 2. As expected, these are still lower than at the same point in previous years, reflecting the ongoing impact of COVID. However, the Apprenticeship Employer Grant is supporting the positive increase as is the ongoing hard work SDS have put into working with employers to promote apprenticeships.

We are unable to provide figures on the number of employers who have utilised the Grant as SDS are continuing to process applications and will do so until applications close at the end of March 2021. SDS will report on the uptake of the Grant alongside the publication of Modern Apprenticeship annual statistics, which is due to be published in June.

### **Workplace equality fund – further details about the projects that the SG has funded under this and other similar funds - and information about how the SG intends to fund future projects (cols 22-23).**

#### **Workplace Equality Fund**

The purpose of the Workplace Equality Fund is to work with employers to address long standing barriers particular groups face in entering and progressing in the labour market so that everyone in Scotland has the opportunity to fulfil their potential.

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Information about the current funded projects can be found on the Employability in Scotland website: [Key Clients — Employability in Scotland](#). Information about projects funded in 2019/20 and 2018/19 can be found on Impact Funding Scotland's website who were the fund administrators for those years:

[WEF Project Directory 2019-20.pdf \(impactfundingpartners.com\)](#)

[WEF Funded Organisations.pdf \(impactfundingpartners.com\)](#)

An evaluation of the completed Workplace Equality Funds (WEF) 2018/19 and 2019/20 and the ongoing Workplace Equality Fund 2021 (delivery period Jan-March 2021) is underway. The work will also involve a scoping exercise to design a future fund that takes lessons from the previous two programmes of delivery and the current programme which ends in March 2021. This will take into account current government priorities and place this work in the context of promoting workplace equality in the current economic situation, taking account of the implications and impacts of Covid-19 and Brexit. Having now funded projects to the value of £1.8m over the past 3 years, we expect the evaluation to review the impact that this spend has had and if it has met the objectives set out.

I hope that this information is useful to the Committee.



**JAMIE HEPBURN**

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## Underemployment statistics on young people

In Oct 2019-Sep 2020, the hours-based underemployment rate for those in employment aged 16-24 was 16.9 per cent, 1.4 percentage points higher than a year ago (15.5 per cent in Oct 2018-Sep 2019). The underemployment rate for 16-24 year olds is the highest across all the age bands.

**Source:** Annual Population Survey, Oct-Sep datasets, ONS

Notes:

- 1 - Levels and rates based on working population aged 16 and over
- 2 - Underemployment rate based on those in employment (excludes those who did not respond to underemployment questions)
- 3 - Underemployment includes:
  - those looking for more hours in their current role at same rate of pay
  - those looking for an additional job
  - those looking for a replacement job with more hours than their current job.

Underemployment by age, gender and for other characteristics is published annually in the Scotland's Labour Market: People, Places and Regions publication. This publication for January to December 2019 is available at: <https://www.gov.scot/publications/scotlands-labour-market-people-places-regions-statistics-annual-population-survey-2019/> and background tables at: <https://www.gov.scot/publications/scotlands-labour-market-people-places-and-regions-background-tables/>

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## Developing the Young Workforce Examples

**DYW Moray** – DYW Moray take a one-to-one approach with SMEs in Moray and also work with Business Gateway and Moray Chamber of Commerce. The Chamber regularly refer SMEs to the DYW Regional Groups for support to build talent pipelines, recruitment and school engagement. At the recent Young Person’s Guarantee event in January 50 SMEs participated virtually. Some of the employers that engage are - CCL Property, Recruitment Bee and Windswept Brewery.

**DYW Borders** - The Scottish Borders is predominantly made up of small businesses and there has been a vast array of engagement with these businesses from creation of cashmere scarfs with Sinclair Duncan, virtual work experience with Camerons Strachan Yuill Architects and the creation of a real life business project with Scotmas, winner of the SME Scottish Apprenticeship award 2021.

**DYW Inverness and Central Highland** - As a key part of Inverness Chamber of Commerce, DYW Inverness and Central Highland is focused on Small Businesses across Inverness Central Highland in everything that it does, with c.95% of their region’s business community comprised of SME’s. The most recent event ran as part of Scottish Apprenticeship Week, ‘Invest in Your Workforce’, saw fifteen staff from DYW and seven partner agencies engage with 40 businesses from the region, 88% of which were SME’s.

**DYW Glasgow** – DYW Glasgow, led by Glasgow Chamber of Commerce, is committed to engaging with SMEs through a range of interventions. DYW has seen a marked increase in engagement of SMEs with a large increase in Third sector involvement – 20 SME signed up. Some examples of those engaged in Glasgow – J Thomson Printers, Rangers Foundation, Celtic Foundation, the Glasgow Film Theatre, Tennents Training Academy and McTaggart Construction.

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## Statistics on Leavers Destinations and Earnings

The SFC publish the college leavers destination publication which gives detail on the destination of college leavers between 6 and 9 months after leaving the sector: [College Leaver Destinations 2018-19 \(sfc.ac.uk\)](https://www.sfc.ac.uk/colle-leaver-destinations-2018-19)

HESA collect destination data from the Graduate Outcomes Survey, which looks at the destination of University students 15 months after graduating: [Graduate Outcomes Data | HESA](https://www.hesa.ac.uk/graduate-outcomes-data)

There is also the LEO (Longitudinal Education Outcomes) data that looks at earnings of graduates/qualifiers at a specific time after leaving University/college.

[Graduate Outcomes \(LEO\) - subject by provider: 2017-2018 tables - gov.scot \(www.gov.scot\)](https://www.gov.scot/graduate-outcomes-leo-subject-by-provider-2017-2018-tables)

[Longitudinal education outcomes \(LEO\) from Scottish colleges: 2016-2017 - gov.scot \(www.gov.scot\)](https://www.gov.scot/longitudinal-education-outcomes-leo-scottish-colleges-2016-2017)

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