



The Opportunity to Start: How the UK and Scottish Government Can Help Young People After the Pandemic

Evie Robertson | September 2021

Our
Scottish Future

Economy Commission Report



Forward by Professor Ronald MacDonald

Across the world, while the health impact of the COVID virus has fallen on older people, the longer-term economic effects have disproportionately hurt the young. Older generations have benefited from already having been in full-time secure employment and from government schemes which have propped up their incomes. But, as the International Labour Organisation has put it, the closure of businesses and job losses, combined with lockdown measures which have made it much more difficult to search for work, have made it harder for young people to secure a foothold.

As we emerge from the pandemic, there is a real and present danger that the “COVID generation” of 18-25 year olds coming through this crisis are set at a permanent disadvantage compared to their elder peers.

Scotland has not been immune from this global trend. Even according to the official data, the proportion of under 25s out of work is more than double that of the population as a whole. And during the pandemic, youth unemployment has also risen faster too. Our own figures here suggest that the true figure of youth unemployment across Scotland has reached over 42,000, with at least further 10,000 economically inactive searching for employment - figures that look set to rise as furlough unwinds and new school leavers emerge. Urgent action is necessary.

This is clearly a task for both the UK and Scottish Governments.

Responsibility for things that affect young Scots – the health of the macro-economy, income support, skills and training - is shared. Without cooperation and coordination of these interventions, there is a danger that young people fall between the cracks.

This is already a cause for concern. As our report shows, various high profile Government policy initiatives – from Holyrood’s Youth Jobs Guarantee, to Westminster’s Kickstart programme – are simply not having the impact that was initially promised, nor are delivering jobs and training with the urgency the crisis requires.

With the furlough scheme now less than a month from ending, the Governments in London and Edinburgh must now come together to plan an integrated approach so that young people are not left behind once again.

Our report sets out recommendations on how to do so – centred around a genuine Youth Jobs Guarantee which does what it says: guarantees that every young person who wants to work gets to work this autumn. We also call for reform of longer-term employment support.

Young people in Scotland have had to shoulder a huge share of the burden over the last 18 months since the pandemic struck. Their education has been disrupted, their job opportunities curtailed, and their life experiences limited. Our governments must now work together to ensure their long-term life chances are not also damaged permanently from the COVID crisis.

It is undeniable that the pandemic has hit us all hard - the memory of it will last far longer than the mask wearing, social distancing and home working. Yet whilst the virus itself has not discriminated, 8 months of economic shut down has hardly reciprocated as a 'great leveller' economically. Old and young, rich and poor, may have all been confined to their homes, but the differential outcomes of these groups could not be more stark. None are perhaps more stark than the effects on Scotland's young people. Some might wonder why there is a problem when there is such a large amount of capacity in the system.

Surely there are enough jobs out there for all? The problem is the mismatch: whether the vacancies are in road haulage or agriculture, young people are often in the wrong place, or lack the training and qualifications, to take them on. As a result, we estimate there are least 42,000 imminently unemployed and a further 10,000 at risk NEET individuals searching for work, bringing the total classified as 'Not in Education, Employment or Training' (NEET) to 60,000 - figures that may well rise further.

We examine where current policies fall short in providing a response of the scale the crisis warrants and make our own recommendations for how we can deliver a Scottish youth employment guarantee worthy of the name.

A Generational Crisis

In the past 18 months, young Scots are nearly 2 times as likely to have been furloughed, 2.5 times as likely to work in sector experiencing full shut down, and are already losing jobs at a faster rate than the rest of society.¹ Not only have the younger generation suffered from disrupted studies and perpetual 'catch up', but they have borne the brunt of nearly 8 months of lockdowns on both their supplementary work while studying, as well as having their career starts and early development delayed. This is a huge cause for concern, even without considering the long term implications of economic scarring.

According to the Labour Force Survey, unemployment across Scotland currently - as of April-June 2021 - stands at 4.3%, translating to 119,000 unemployed Scots, a figure that has fallen just by -0.1% (3000) since the height of the second lockdown in January - March 2021, despite the economic rebound occurring.² Yet for the under 25's, their figures show the unemployment rate is at least double that of the national rate - 9.3% across the same time period (or 32,000 unemployed youth).³ These figures - already high - **significantly underplays the true scale of Scotland's youth unemployment crisis** - as we can tell from the following indicators:

- Taking the (more accurate) Annual Population Survey's Figures for April 2020- March 2021 as a whole, the unemployment rate across Scotland is 12.5%, implying **at least 42,000 unemployed Scottish youth currently.**⁴

1 <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2020/09/the-impacts-of-covid-19-on-equality-in-scotland/documents/full-report/full-report-govscot%3Adocument/Covid%2Band%2BInequalities%2BFinal%2BReport%2BFor%2BPublication%2B-%2BPDF.pdf>

2 <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2021/08/labour-market-monthly-briefing-august-2021/documents/labour-market-monthly-briefing-august-2021/labour-market-monthly-briefing-august-2021-govscot%3Adocument/Labour%2BMarket%2BMonthly%2BBriefing%2B-%2BAugust%2B2021.pdf>

3 <https://www.gov.scot/binaries/content/documents/govscot/publications/statistics/2021/08/labour-market-monthly-briefing-august-2021/documents/labour-market-monthly-briefing-august-2021/labour-market-monthly-briefing-august-2021-govscot%3Adocument/Labour%2BMarket%2BMonthly%2BBriefing%2B-%2BAugust%2B2021.pdf>

4 Measured across April 2020 - March 2021 see <https://www.gov.scot/binaries/content/documents/>

- PAYE data for the UK also suggest that the reduction in employment is larger than Labour Force survey data suggests: -9% for under 25s since the pandemic began,⁵ versus -7% measured by the Labour Force Survey (decrease in those employed).⁶ Scotland's total overall change is broadly in line with UK (-2%).⁷
- Similarly, analysing the youth claimant count, measuring the change in 16-24 year olds on Universal Credit (UC), not in employment and unemployed⁸ across Scotland have increased by 73% (April 2021 versus February 2020), a 1.7 times increase.⁹
- The British Chamber of Commerce in June 2021 has forecast that youth unemployment across the UK is forecast to reach 15.6% in Q4 2021 (625,000),¹⁰ versus 13.2% currently (529,000),¹¹ after the furlough scheme expires. Many furloughed jobs now will not return to full employment - with ministers urged to do more to support the 1.9 million workers in a 'critical position'.¹² Youth unemployment is expected to lag the wider recovery, averaging 10.1% higher than the overall unemployment rate and 25% higher than the pre-COVID average of 7.6%.¹³ **Taking a population share of these figures implies at least 50,000 unemployed young Scots.**
- Appreciating the full extent of the Youth Crisis will mean we need to **look beyond unemployment figures towards the NEET figures** (Not in Employment, Education and Training) that considers economic inactivity for under 25s. UK wide figures show NEET is at 9.3% across the entirety of the UK, representing 631,000 young people.¹⁴ Taking a population share of the UK wide figures would imply **51,000 at risk NEET youth in Scotland.**
- Assessing the potential damage of the pandemic, the Fraser of Allander Institute at Strathclyde University has pointed to the aftermath of the financial crisis in 2011 when youth unemployment peaked at 95,000 in Scotland (21.8%).¹⁵ If this was to repeat it would lead to an additional 40,000 unemployed young people from current levels, **rising to 70,000 unemployed young Scots across Scotland in total.**

We already know youth unemployment is rising - the Labour Force Survey shows unemployment is up by 6,000 (26% from January - March, or explicitly a 1.3ppt rise in the unemployment rate). **So, in reality, we face perhaps a minimum of 42,000 unemployed young people across Scotland, up to a further 10,000 more classified as NEET, with**

govscot/publications/statistics/2021/08/labour-market-monthly-briefing-august-2021/documents/labour-market-monthly-briefing-august-2021/labour-market-monthly-briefing-august-2021/govscot%3Adocument/Labour%2BMarket%2BMonthly%2BBriefing%2B-%2BAugust%2B2021.pdf

5 May 2021 versus February 2020 (pre-pandemic) - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetableseasonallyadjusted>

6 April - June 2021 versus January - March 2020, decrease in employment rate - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/bulletins/regionallabourmarket/latest#regional-labour-market-data>

7 May 2021 versus February 2020 (pre-pandemic) - <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/realtimeinformationstatisticsreferencetableseasonallyadjusted>

8 Those not in employment and searching, planning or preparing for work are 'unemployed', those not in employment and not searching, planning or preparing for work are excluded

9 DWP Statistics (Stat-Explore) - <https://stat-xplore.dwp.gov.uk/webapi/jsf/dataCatalogueExplorer.xhtml>

10 <https://www.britishchambers.org.uk/news/2021/06/bcc-forecast-uk-set-for-an-uneven-economic-recovery-despite-record-gdp-growth-2>

11 <https://researchbriefings.files.parliament.uk/documents/SN05871/SN05871.pdf>

12 UK economy grows 4.8% as hospitality bounces back from lockdown (msn.com) <https://www.msn.com/en-gb/money/news/uk-economy-grows-48-25-as-hospitality-bounces-back-from-lockdown/ar-AANem0R?ocid=BingNewsSearch>

13 <https://www.britishchambers.org.uk/news/2021/06/bcc-forecast-uk-set-for-an-uneven-economic-recovery-despite-record-gdp-growth-2>

14 Young people not in education, employment or training (NEET), UK - Office for National Statistics (ons.gov.uk) - <https://www.ons.gov.uk/employmentandlabourmarket/peoplenotinwork/unemployment/bulletins/youngpeoplenotineducationemploymentortrainingneet/august2021>

15 <https://fraserofallander.org/what-next-for-youth-unemployment-in-scotland/>

the potential for this to rise over 70,000 total in the coming months.

Certain areas in particular are suffering badly - the claimant count in Aberdeen was up by 12% in May, versus a year prior for 18-24 year olds.¹⁶

Over the last year, furlough has been a saviour for many. A young person's job, particularly in sectors such as retail and tourism. Yet with furlough set to be rolled back come September, and the inevitability of a third wave looming, businesses will continue to see economic uncertainty for many more months yet. For young people, who are 2.5 times more likely to work in sectors that have been shut down than over 25s¹⁷ - this will mean ongoing job insecurity. They have already seen a 14% drop in hours worked compared to before the pandemic across Scotland.¹⁸ The 50,000 pandemic 'school' leavers and graduates from this Summer who are seeking to enter the labour market currently (alongside the 28,000 apprenticeship leavers) are also facing the same uncertainty over their job prospects.¹⁹ In 2020, unemployment amongst school leavers rose by 2%, to 6% - a trend likely to continue this year - increasing the likelihood that our youth unemployment figures could exceed 70,000.

In summary, recovery will not materialise for young people without significant mobilisation by our two governments. An 'adult recovery' does not translate into a 'youth recovery'. Whilst vacancies continue to rise across the country as we look to move forward from Brexit and the economic re-opening, it isn't driving mass youth employment - a skill's mismatch remains as to what these employers want: hiring a young person is not a priority. Training and supporting young people requires significant investment and forward thinking, giving their limited initial skills and a steep learning curve - hardly 'value for money' in a competitive job market, even if cheaper in wage. 55% of employers

based in Scotland already think that the pandemic will have a negative impact on the medium term employment prospects of young people.²⁰ And while young people may have the option to stay on in education, this cannot be at the expense of losing parity of esteem amongst post 16 pathways - supporting Scottish young people means helping them into not just University, but apprenticeships, traineeships, and full time employment.

Without a ladder of adequate support from both governments to enter the employment market, the 2020's youth risk becoming a lost generation. Tackling youth unemployment has to be a key priority of the government, or we face the prospect of economic and consequent social scarring for decades to come. Recent data from the Resolution Foundation already shows last summer's school leavers were between 13-37% less likely to be employed in 3 years' time,²¹ meanwhile a recent study by LSE showed that young workers entering the labour market in recessions suffer long term losses to their earnings, employability and health / social implications.²²

Failure to act is a failure to support Scotland's - and Britain's - future. The Learning and Work Institute and The Prince's Trust combined report warned that the economic cost of higher youth unemployment in terms of lost national output across the entire UK will be £5.9 billion in 2021, rising to £6.9 billion next year,²³ with a further £2.5 billion fiscal cost this year. With billions of lost output and increased costs at risk, it is imperative we act - and finance appropriately - programmes to stimulate youth opportunity and employment.

¹⁶ <https://www.pressandjournal.co.uk/fp/news/aberdeenshire/3154054/north-east-jobs-woe-revealed-in-latest-unemployment-figures/>

¹⁷ <https://www.ippr.org/blog/what-does-covid-19-mean-for-the-labour-market-prospects-of-young-people-in-scotland>

¹⁸ https://www.heraldsotland.com/business_hq/19196242.coronavirus-scotland-youth-unemployment-warning-pandemic-hit-job-prospects-young-revealed/

¹⁹ <https://www.ippr.org/blog/what-does-covid-19-mean-for-the-labour-market-prospects-of-young-people-in-scotland> - figures for 2020

²⁰ The Prince's Trust - Facing the Future - Employment Prospects for Young People after Coronavirus

²¹ <https://www.gov.scot/binaries/content/documents/govscot/publications/research-and-analysis/2020/09/the-impacts-of-covid-19-on-equality-in-scotland/documents/full-report/full-report/govscot%3Adocument/Covid%2Band%2Binequalities%2Bfinal%2Breport%2Bfor%2Bpublication%2B-%2BPDF.pdf>

²² <https://www.theguardian.com/business/2020/oct/26/covid-job-losses-hitting-young-people-hardest-in-uk-study-finds>

²³ https://www.heraldsotland.com/business_hq/19196242.coronavirus-scotland-youth-unemployment-warning-pandemic-hit-job-prospects-young-revealed/

Has Government support worked so far?

Both the UK and Scottish Governments have set out ambitious plans to support young people into work during and after the pandemic. Unveiling a Youth Guarantee one year ago this month, First Minister Nicola Sturgeon said it “signals our absolute determination that youth unemployment will not be a legacy of this pandemic.” Similarly, unveiling his KickStart plan 15 months ago, Chancellor Rishi Sunak made clear that he wanted “to give hundreds and thousands of young people, in every region and nation of Britain, the best possible chance of getting on and getting a job.” Both Governments have rightly recognised the impact the pandemic will have on young people and have set out their stall to support them.

This political will is to be welcomed, as are the significant resources that have been allocated. However, the roll-out of job support programmes has not made sufficient inroads to tackle the scale of the crisis we face in Scotland. It is due to **poorly designed policies, a lack of consultation with business and enterprise, administrative bureaucracy driving delays**, and – above all – the absence of genuine **coordination between UK and Scottish government**.

The Policies for supporting Youth Employment

Rishi Sunak’s Kickstart and enhanced Apprenticeship and Traineeship schemes, supporting youth across the UK, were the first landmark areas of earmarked support to tackle the COVID youth crisis. Kickstart, a £2 billion scheme announced in July 2020 was designed to create 250,000 six month paid work placements for young people who were at risk of long-term unemployment, providing 100% of the national minimum wage for 25 hours / week. Scotland’s population based meant an anticipated £160 million in funding for approximately 20,000 young Scots. In addition, apprenticeships and traineeships received earmarked funding at a UK wide level - a doubling of cash incentives to hire any apprentice - not just young people - and, £126 million specifically for traineeships. This means just under £50 million specifically for traineeships - the vital ‘first step’ for many into skills based career - for Scotland alone.



In Scotland, the Scottish Government announced that it would guarantee youth outcomes, with a bold commitments to a 'Youth Job's Guarantee', announced in September 2020. The scheme, designed from recommendations by Sandy Begbie, committed to build upon UK wide schemes, so that every young person aged between 16 and 24 had the opportunity of work, education, training or volunteering over the next 2 years.²⁴ £60 million was earmarked in funding, with additional money for apprenticeships, and a further £125 million pledged for 2021/22 towards the Guarantee, the National Transition Training Fund and other initiatives. The continuation of the scheme remained the SNP's core youth policy - alongside the creation of a 'School Leaver's Practical Toolkit' within their May 2021 manifesto.

What is the record?

Nine months on from the Scottish Government's Youth guarantee and a year on from the launch of Kickstart, and the spectre of mass youth unemployment in Scotland looms large. **Given the amount of political and fiscal firepower aimed at supporting young people, both Governments need to assess why, and examine the shortcomings of the approaches thus far.**

²⁴ <https://www.bbc.co.uk/news/uk-scotland-scotland-politics-53971947>

²⁵ <https://questions-statements.parliament.uk/written-questions/detail/2021-06-08/12187>

²⁶ As of 16 June 2021, see <https://questions-statements.parliament.uk/written-questions/detail/2021-06-28/23180>

²⁷ Based on 60,000 unemployed / NEET young people across 73 constituencies

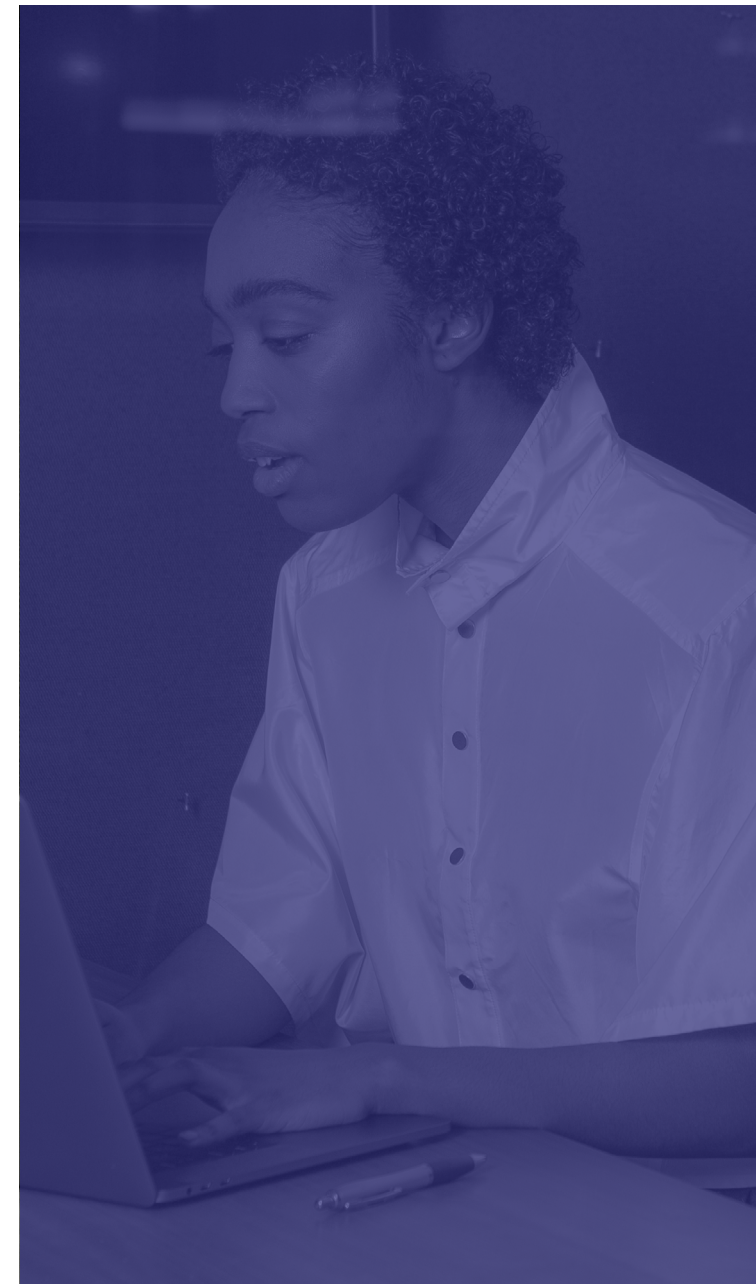
²⁸ <https://questions-statements.parliament.uk/written-questions/detail/2021-06-28/23180>

²⁹ Based on 4400 placements started between September to July 2020; note creation has been higher since lockdown restrictions minimised but still not at level required for urgency of this crisis

1. Kickstart

Four months away from the scheme's non-negotiable²⁵ registration 'end date', Kickstart has led to **just 4,400 job starts for young people across Scotland.**²⁶ This translates to **just 60 per constituency across Scotland** - despite **approximately 700 young people on average being unemployed / searching for work whilst economically inactive in each constituency**²⁷ - **a 1 in 20 chance of receiving a place on the scheme.** To reach targets, 15,600 more starts are needed before Christmas. The UK government points out that 11,200 jobs in total have been advertised for the scheme across Scotland - just 60% of those required.²⁸ But the problem remains that the scheme is failing to translate these into actual starts. As it stands, the current rate of creation and on boarding will fall well short - we need approximately 3,900 starts per month not the rate of 440 seen across the last year.²⁹

The idea behind Kickstart is clearly worthy of backing. Supporting young people to access to placements, and businesses to fund placements, at a time when money is tight and opportunities few is critical. The problem lies in the policy detail, implementation and coordination which are adding layers of unwanted bureaucracy and preventing young



people from rapidly accessing jobs. SME's in particular have complained of 'red tape' and delays in the process; they have had to apply via a gateway rather than directly to DWP - a process taking anywhere from a month to 3 months for placement sign off.^{30,31} When created, vacancies are not advertised externally - instead they are only available by DWP coaches³² through Jobcentre Plus referrals. Here, a critical failure lies in the inability to involve both devolved governments and local authorities.

2. The Scottish Youth Guarantee

The narrative of 'big promises, poor design, and implementation also fits with the Scottish Government's 'Scottish Youth Guarantee'. The scheme remains in its infancy, focusing on the creation of 'youth opportunities' within the next 2 year period. This longer-term focus means that job creation now will take second place to several rounds of consultation and governance design.³³ COVID should have accelerated a business partnership and job creation process - providing both a reaction to current circumstances, whilst also considering the long term design of the scheme concurrently. There is no reason why we cannot rapidly mobilise parts of the scheme alongside longer term design.

Consequently, data shows **just 18,000 new and existing opportunities** had been given funding up to the end of May, pre Summer recess by the Guarantee, with 40% of these counting as college places and apprenticeships.³⁴ Perhaps even more concerning is that on record, **just 45 major employers had pledged partnership**, many of which are from the public, not private sector - including Scottish government and NHS Lothian, and only 1 SME. ³⁵Evidently not enough is being done to attract SMEs across Scotland, nor major private sector firms - and it remains

unclear what is asked of them when they do join nor the conditions put upon them to secure funding.

The Youth Guarantee is ambitious and welcome, but as it stands, progress is too slow and will not therefore be ready to help enough young people who need support now. Not enough is being offered as an incentive to attract job creation for what Begbie calls 'the hundred thousand spread' - the stimulation of demand across SMEs, large corporate organisations, the public sector and the voluntary sector.³⁶ As Fraser of Allander state *'it seems unlikely that, at least at the current time schemes that rely upon a brokerage between employers and job seekers won't have the desired impact...businesses are cutting back on staff significantly, and this is something that is unlikely to accelerate once the furlough scheme comes to an end'*.³⁷

In particular, the scheme is focusing too heavily on the acceleration of investment in 'shovel ready' infrastructure projects. This is because large-scale capital investment in fiscally uncertain environments is unlikely.³⁸

There remains a disconnect between ambition, incentivisation and opportunity creation for today's unemployed Scots within the existing Guarantee, and a disjoint between it and the UK wide schemes.

Implementing a suitable Youth Guarantee, will, like Kickstart, require in essence a speedy delivery to provide for job starts today. We have to be willing to call upon local authorities which have the local knowledge of job markets. However, to do so with ease and speed will require a reversal of the budgetary cuts, as it can only work effectively with adequate funding.

30 <https://questions-statements.parliament.uk/written-questions/detail/2021-05-27/8742>

31 <https://www.thisismoney.co.uk/money/smallbusiness/article-9530175/Government-placed-16-500-young-people-jobs-Kickstart-Scheme.html>

32 <https://www.forres-gazette.co.uk/news/online-event-aims-to-kickstart-retail-careers-for-young-peop-240004/>

33 Example engagement see <https://youngscot.net/news-database/ypguarantee>

34 <https://www.parliament.scot/chamber-and-committees/written-questions-and-answers/question?ref=S6W-00024>; updated by written question to SPICE emphasising no change in figure

35 Scottish Government Statement, Written Enquiry, Scottish Parliament Information Centre

36 <https://www.holyrood.com/inside-politics/view,a-mission-and-a-passion-interview-with-sandy-begbie-on-implementing-the-youth-guarantee>

37 <https://fraserofallander.org/what-next-for-youth-unemployment-in-scotland/>

38 <https://www.holyrood.com/inside-politics/view,a-mission-and-a-passion-interview-with-sandy-begbie-on-implementing-the-youth-guarantee>

3. Apprenticeship funding

What about building on existing schemes? The additional allocation of funding for traineeships and apprenticeships, both from Westminster and Holyrood is failing to reverse the significant drop in apprenticeships since the levy was introduced in 2017. Unsurprisingly, due in part to COVID, apprenticeship starts reached lows of 18,655 in the last year across Scotland (April 2020-March 2021) versus 27,875 the year prior.³⁹ Schemes such as ‘adopt an apprentice’ helping those made redundant, and apprenticeship traineeships, as well as the enhanced grant (that ended in March) failed to counter falling opportunities. Whilst there has been some recovery – 43% of the most recent full year’s starts were in Q4, and Q1 data for 2021/22 shows a further 3,402, versus 910 in the same period last year, this is still over 900 lower than the same period for 2019/20, pre-pandemic. Recovery is therefore still contingent on providing adequate incentives for apprenticeship creation, particularly within SMEs for young people. Critically, the proportion of apprenticeship starts aged 16-24 still remains lower than in Q1 2019/20, due, in part to *‘the ongoing adverse effects of the pandemic on young people, with employers less able to recruit young people into retail and hospitality where they tend to dominate’*, as well as *‘reflecting demand from employers, including apprenticeship levy payers, who have chosen apprenticeships to upskill their existing workforce’*.⁴⁰

Similar trends are seen for intermediate apprenticeships - those accessible to school leaver populations at the outset. The majority of starts for the most recent quarter, Q1 2021/22, were at SCQF level 6 or above (77%), in line with Scottish government’s policy of promoting higher level apprenticeships.⁴¹ Yet, given level 6 is the equivalent of a advanced higher it warrants the question as to whether adequate focus is being provided for more ‘entry level’ foundation and level 5 apprenticeships, accessible to all abilities.⁴²

At its core, **Scottish and UK government support of apprenticeships is falling into the same traps** as before. **Support has not been targeted specifically to focus on the young** - instead, an ‘exploitation’ of sorts is seeing good intention funding go towards up-skilling older employees, whilst opportunities for young people decline. Whilst the Spring Budget’s new apprentice focused initiatives increased the wage incentive to £3000 for new employee apprenticeships, and offered a flexi scheme, this incentive was across the board - no targeting for young people. Caps too remain - even if reset - on the number of apprenticeships an SME can hire. This is critical, given 50% of youth apprenticeships are created. And, in certain sectors, the flexibility of the scheme is still lacking - certain sectors without an ability to hire full time, still cannot ‘share’ - thus minimising places.

³⁹ <https://www.skillsdevelopmentscotland.co.uk/media/47807/modern-apprenticeship-statistics-quarter-4-2020-21.pdf>

⁴⁰ <https://www.skillsdevelopmentscotland.co.uk/media/47807/modern-apprenticeship-statistics-quarter-4-2020-21.pdf>

⁴¹ Modern Apprenticeship Statistics, up to the end of Q2 2016/17 (skillsdevelopmentscotland.co.uk) - <https://www.skillsdevelopmentscotland.co.uk/media/48059/modern-apprenticeship-statistics-quarter-1-2021-22.pdf>

⁴² <https://www.ucas.com/alternatives/apprenticeships/apprenticeships-scotland/scottish-apprenticeships-entry-requirements>



Opportunities for Westminster and Holyrood to Cooperate and Deliver on Guarantees for Scotland's COVID Generation

The COVID generation - Scotland's young people - need urgent support from both our governments. This requires more strategic cooperation, less administrative red tape, and a recognition of the urgency of the crisis we face. Laudable and welcome political will must be transformed into effective urgency - the time to do this was yesterday.

This is an issue that extends beyond party politics. All Scottish parties have, and continue to support Scotland's Youth Guarantee, Kickstart and the modern apprenticeship funding.

We need both governments to coordinate action and double down on job and placement creation for young people. To create a fair and equal society for all, we can no longer see segments of young people - particularly those choosing more vocational opportunities - left behind. Confidence must be restored in our young.

To achieve a youth guarantee worthy of the name, and the crisis we face, we recommend the following initiatives, targeting both UK and Scottish Government:

Area 1: A Coordinated Joint Government Strategy Specifically Focused on Youth Employment to improve existing schemes

- 1. A specific taskforce established, using the knowledge of the Department of Work and Pensions, Department of Education, Scottish Government, Scottish Local Authorities, Educators and Civil Society, to specifically investigate the youth unemployment crisis facing Scotland.**
- 2. Scottish Government and local authorities to be given the money directly for Kickstart, and additional for implementation, to deliver the programme, with tailored knowledge of local employment markets**
- 3. Extension of the Kickstart Scheme until September 2022, and an increase in placement length to 12 months where a full time job can be promised, funded through supplementary funding from Scottish Government**
- 4. Greater cash incentivisation for SMEs to hire young people, particularly school leavers, on apprenticeships, to be subsidised at minimum wage for the first 12 months provided employers commit to long term employment via Scottish government**



5. **Removal of administrative barriers for job creation and application on apprenticeships and Kickstart schemes** - *from government gateways for SMEs on Kickstart, to the 10 person apprenticeship limit on SMEs, to job centre plus advisor requirement for Kickstart access (should be locally advertised)*

Area 2: Opportunity Creation: A De Facto Youth Jobs Guarantee, underwritten by the Public Sector

6. **The Scottish Government should urgently examine the feasibility of a Scottish Public Sector Guarantee, for every under 25 who doesn't have a job, and does not benefit from other employment / education schemes.** This would provide them with work in the public sector for 6 months, receiving the minimum wage paid by Scottish government. *The jobs could range from supporting our care sector, to public development projects, such as environmental restoration, national park support and maintenance, or even labourers to support home builds, with placements giving opportunity for training and career development alongside.*

7. **Creation of a Scotland wide 'Share an Apprenticeship Scheme' delivered by local authorities, across sectors whereby priority segments, particularly construction, agriculture and media, can share on part week / short duration contracts, without impacting their training**

Area 3: A Long Term Overhaul of Scottish Youth Opportunities

8. **A Skills and Work Experience Guarantee for every school age child to prepare them for both the working, and 'adult world', ensuring work based skills, financial management**

9. **Targeted Training Funds for Key, In Demand Public Sector Professions such as Nursing and Health, Teaching, Care and Engineering, with the costs subsidised to enter, train and continue developing**

10. **Jobs for the Future - a set strategy to support Young People in entering the 'jobs of the future' including those needed for the Net Zero Transition, the rura and in Data and AI**

Our Scottish Future is the positive and progressive case for Scotland's place in the Union.

Our Scottish Future | www.ourscottishfuture.org | info@ourscottishfuture.org

