

# Young Person Guarantee No-one Left Behind

## Initial Report

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## **WHY IS THIS IMPORTANT TO ME?**

Throughout my career I have been deeply passionate about giving everyone a chance in life, an opportunity to fulfil their potential as an individual, regardless of their background. I simply believe everyone should have the same opportunities in life. I have been incredibly fortunate in my life and career to have been given opportunities and met some incredible role models whether they be school-teachers, my Boys Brigade officers, in my corporate career and through my charity work. I was brought up in a working class family environment on a run-down council estate in Musselburgh and really should not have achieved what I have, the statistics were stacked against me but I was lucky to meet people who believed in me and gave me opportunities.

In many ways that captures why I believe a Young Person Guarantee is so important for our young people in Scotland. No one should have their future and opportunities dictated by the post code they are born in. Young people are the future of Scotland, they are an asset to this country and now more than ever, we need to ensure they are given every opportunity to fulfil their undoubted potential in life. Our young people can help Scotland recover from the impact of Covid if we just give them the same chance as I was given all those years ago.

So that is why I did not hesitate in accepting this challenge, an opportunity to shape a Young Person Guarantee for Scotland.

## **EXECUTIVE SUMMARY**

The recommendations in this paper are a call for action, a call for Government, public sector, private sector including employer groups, employment agencies and 3rd sector organisations to step up and do what they can for the young people of Scotland. The crisis is real and immediate.

I have highlighted specific recommendations that should be actioned now and others that can be started in 3 to 6 months' time. The Guarantee, if implemented effectively, can help address many of the challenges the employment landscape for young people has faced for many years. It needs to be enduring and sustainable, this is not another initiative that is just a reaction to Covid-19. The Guarantee can also help in delivering a fairer and more inclusive Scotland where every young person has the opportunity to succeed and make a contribution to its future.

Understandably, there is a real focus on how to stimulate the demand-side of the labour market and the role the state can play in helping facilitate that demand-side. Public sector, private sector (all sizes), colleges and universities and the third sector all need to play a role in helping to create opportunities and there are clear recommendations on how that can be achieved and what immediate actions could be taken to deal with the current crisis. I also, however, challenge the current thinking around how we ensure every young person has the opportunity to be involved in the Guarantee and how we can think differently about the cost associated with young people being unemployed. A crisis always provides opportunities and

finding different ways to keep young people connected with work, education or productive activity is highlighted in the report.

Finally, the most important person in all of this is every young person in Scotland, we can make a difference to their lives with the Guarantee and that needs to be the aim. We cannot let politics, bureaucracy, process, vested interests get in the way of doing the right thing. We need to make the Guarantee simple for young people to engage with and I believe the recommendations in this paper will achieve that aim, however, engaging young people throughout will be important so we get feedback for improvement.

## INTRODUCTION

The scale of the overall challenge we are facing is well understood and should be considered as a national emergency, similar to the early response to Covid-19 in order to avoid a life-long impact on our young people. Evidence suggests that some are already referring to themselves as the ‘class of Covid’ and research highlights the immediate and potential long-term effects on them as individuals. Our young people are an asset to Scotland, they are not a cost or a burden, they are a vital part of the future of our country.

In the absence of further significant measures to protect jobs, the unemployment rate of 16-24-year olds in Scotland could increase to more than 20% because of the impact of COVID-19 on our economy and depending on the pace of recovery. To put this in context; following the 2008 economic crisis, the unemployment rate of 16-24-year olds in Scotland rose sharply, peaking at 21.8% in 2011. In terms of numbers, this was equivalent to 95,000 unemployed young people in Scotland and we could be facing at least, if not more, out of work today. These data points alone clearly highlight that what we do today with employment and education for young people will be insufficient to deal with the scale of the crisis, in other words, we need a scalable solution to deal with the immediate challenge but also one that is sustainable for the longer term. While there is good collaboration between all relevant parties, there is undoubtedly room for improvement and an increased commitment to working together around an agreed set of outcomes will be vital if the Young Person Guarantee is to maximise its impact. As the Higgins report called out, collaboration needs to be raised to new levels if we are to effectively deal with the employment crisis amongst our young people. A clear objective of the Young Person Guarantee must be to engage with the programme which will go a long way to ensuring greater equality, social mobility and inclusion. While the scope and focus of this work has been on 16-24-year olds, I believe that many of the principles and recommendations equally apply to other groups who find themselves unemployed because of Covid-19.

While there are a lot of good employability programmes, the current landscape could be described as being overly complex, confusing for both young people and employers. [Previous research](#) has suggested that there is £660m invested in employability in Scotland each year. While the picture will have changed since then, I believe that at this level of investment there should be a bigger positive impact for young people in Scotland even before we add in Kickstart and the additional money from the Scottish Government. Through their work on [No One Left Behind](#), the Scottish Government and Local Authorities have been working to address these issues and this work should continue as the principles are critical to delivery of the Guarantee. In conducting this review, I have, however, recognised that trying to change the current landscape would create considerable distractions when our focus should be entirely on our young people and giving them a guarantee about their future. Within the recommendations there are a number that will, over time, start to address the core issues with the current model, sustainability is at the core of the proposals.

What has also become clear as I have conducted extensive research and stakeholder engagement is the alignment with other similar reviews, for example, the report from [the Enterprise and Skills Strategic Board](#) or the [Hunter Foundation](#) response to the [Higgins report](#). Also, there are already other recommendations that exist that would form part of the Young Person Guarantee, for example, the recently completed review and recommendations on a Volunteering programme for Scotland.

So, the scale of the response needs to be considerable and the response needs to cover a variety of areas including:

1. Stimulating the demand-side of the labour market.
2. Being truly inclusive so no one is left behind, including those who were already further from the labour market prior to the impact of Covid-19.
3. Keeping it simple for both young people and employers, this response needs to be employer led.
4. Aligning with the future economy of Scotland particularly across economic policy, education at all levels and employer requirements.
5. Ensuring good quality and fair work for all.
6. Supporting the ambition of Scotland to become a net zero economy.
7. Simplifying the current employability landscape including governance and measurement.
8. Significantly improving collaboration across key stakeholders.
9. Ensuring the right level of education for students that is better aligned to the needs of Scotland's economy and covers all Colleges and Universities and actively embraces blended learning.
10. Engaging with the UK government and their programmes, with an aim to providing a seamless set of interventions that complement each other and where possible are free from political interference.

To develop a strategy to start to address the scale of this challenge, it is important to have a clear ambition and a supporting set of principles that underpin the recommendations. The ambition and principles detailed have been through review and refinement with a broad range of stakeholders covering all the key groups who would be involved in delivering the recommendations.

Fundamentally what is at the heart of this response is that 'connection to work and/or education is a good thing and should always be the number one aim'. The consequences of not having young people attached to work or education are considerable and ultimately result in increased costs elsewhere in the public sector system, not to mention the wider societal impacts, for example, the impact on the mental health of our young people. The Young Person Guarantee needs to be viewed as an investment in the future of Scotland and not a cost. Work and education have so many positive direct and indirect outcomes ranging from the individual feeling valued, contributing to society, the potential to earn and enhance self-esteem and self-worth. In other words, we should do whatever it takes to keep young people connected to work and education, including addressing pre-existing

inequalities faced by young people from minority ethnic backgrounds, young disabled people and young women and girls. The alternative to this would be thousands of young people being unemployed. This, with the associated direct and indirect cost to society would be catastrophic for Scotland.

Finally, the ambition and principles are deliberately very stretching, they need to be given the long- term negative impact Covid 19 will have on young people and the wider economy.

### **Ambition**

Within 2 years every 16-24 year old in Scotland will either be in paid employment for a period of between 12 and 24 months, enrolled in education, actively involved on an apprenticeship or training programme, or engaged on a formal volunteering or supported activity programme.

### **Principles**

- We will be relentlessly focused on the young person and recognise their personal needs and situation.
- We will eradicate 'in work' poverty for 16-24-year olds.
- We believe young people are better paid to work than be paid to be unemployed.
- We view work as an economic and social stabiliser that helps address the inequalities in Scotland's economy and society.
- We will work with secondary education, Universities and Colleges to ensure our young people receive the right education that is aligned with the future needs of the Scottish economy.
- In partnership between the private sector, third sector and public sector we will have a real focus on those young people for whom employment opportunities are far harder to sustain, ensuring they are not left behind and giving them every opportunity in life.
- We will leverage the totality of the DYW framework to avoid creating any new bodies to oversee the Young Person Guarantee and we will simplify the existing employability landscape.
- We will have a consistent strategy, plan and outcomes framework for Scotland, including alignment to the National Performance Framework and accept implementation is best led at an appropriate level to take account of geographic, economic and demographic differences.
- We will ensure that the Young Person Guarantee is aligned to the skills need for Scotland's future inclusive and environmentally focused economy.

- We will ensure that the Young Person Guarantee will provide ‘real’ experience focused on building sustainable skills to enhance future employment prospects.

It is important to appreciate that the recommendations in this report aim to address both the immediate crisis but also recommend changes that will create a more sustainable, simpler and more effective employability model for our young people for years to come. In other words, the full impact of these recommendations will only be achieved if they are implemented collectively.

## **WHAT IS THE YOUNG PERSON GUARANTEE?**

I was asked to take on this challenge due to the work I did on the Edinburgh Guarantee. In 2010 the definition of the Edinburgh Guarantee was simple; we would guarantee every young person in Edinburgh aged between 16 and 25, who was not in a ‘positive destination’, a minimum of 6 months’ work experience. In many ways that was not particularly ambitious, however, there was no money invested other than what companies did to provide the work experience.

The Young Person Guarantee will be the umbrella that sits above ALL programmes for young people, it is the single portal and brand, the simple journey for young people regardless of their circumstances when aged between 16 and 24. It is vital the Young Person Guarantee is not viewed as ‘yet another new initiative’ being added to a long list of other employability initiatives. There needs to be a long-term commitment to the Guarantee if it is to fundamentally change the employability landscape for our young people and deliver a more fair and inclusive economy for all. Gaining cross party support for the Guarantee has been a priority since the beginning, and I am currently engaging with all the opposition parties on this. I would also add that while the specific brief for this work was our young people, I strongly believe the ambition and many of the principles could also apply to other groups in Scotland whose employment prospects have materially been impacted due to Covid.

While there are many successful programmes and initiatives in employability, there is a recognition that the current landscape is complex, inefficient and confusing to young people and employers. In meetings with all stakeholders this has been heavily reinforced. That said we/I cannot start from a blank sheet of paper given what we are facing in to. We should continue the reform work already underway and we need action now. However, I am pointing out the issues with the current landscape and areas that need improved, changed or removed in order to make the Guarantee sustainable.

To define the ‘What’ we need to consider it in the context of 4 destinations albeit not mutually exclusive as people could move between them. They are:

1. School, College, University or a combination.
2. Apprenticeship - covering FA, MA and GA
3. Employment - either direct or indirect through the support of the third sector, this also includes work experience.



4. Volunteering, training or supported activity (it is important the DWP accepts that volunteering, training or supported activity helps young people find work, and their benefits should not be affected).

## **YOUNG PERSON GUARANTEE**

**We will GUARANTEE every young person aged between 16 and 24 in Scotland, the opportunity, based on their own personal circumstances and ambitions, to go to university or college, an apprenticeship programme, training, fair employment including work experience or participating in a formal volunteering programme.**

This needs to be bold, it will of course never be completely achieved, we never quite achieved it in Edinburgh, but it sends a very clear commitment, a guarantee.

Personally, I am an enormous advocate for the Living Wage and if we were in a better economic environment, I would be proposing a move towards the Living Wage for all employment in Scotland. We are, however, well aware of the economic challenges facing the majority of businesses and the overarching priority must be to maintain as much employment as we have and create new opportunities that keep young people connected to work or education. Eradicating 'in work' poverty for young people is a core principle, and in my recommendations I am clear that jobs that are being created must come with a stated commitment from the employers to move to the Living Wage within an agreed time period, which will coincide with the economic recovery.

So, in summary, the Guarantee should be the single point that draws together all the various employability Guarantees including the UK Government Kickstart programme into one place for our young people and employers. A clear message from all stakeholders but particularly employers was to ensure the Young Person Guarantee was the 'umbrella' that brought all other initiatives together and in particular Kickstart. Kickstart is worth up to £230m to Scotland and comes with additional work coaches as part of that investment. As I reference later in the report, for both our young people and employers, it is vital that access to the Guarantee is simple and efficient so engagement and collaboration with DWP will be really important to achieve that goal. As stated in the principles, I want to keep this simple for both young people and employers, and given the complexity of the current landscape, the Guarantee can play a key role in simplifying this position. A simple analogy would be the Guarantee would work initially like an 'aggregator web-site' and by doing so would be able to deliver against the commitment.

## HIGH LEVEL RECOMMENDATIONS

There are a number of recommendations in the following sections and it is fully recognised that not all of these recommendations can be progressed immediately. I have therefore grouped the recommendations using the following criteria:

- Start immediately - recommendations that should be started now to make an immediate impact
- Start in 3 - 6 months – important recommendations, however, these can be started in 3- 6 months' time but should not be deferred indefinitely.

As mentioned above, it is important that all these actions are completed in order to deliver a sustainable employability framework for our young people. I received a very clear message from the majority of stakeholders that the Young Person Guarantee should not have an end date, it should be the way we manage youth employment in Scotland going forward.

### Section 1 – The Young Person's Journey

To ensure the Young Person Guarantee is simple for young people and businesses to engage with, the current employability landscape must be simplified and greater impact must and can be achieved from the current level of investment. It is recommended that this journey is co-designed with young people using third sector organisations like Young Scot, Princes Trust, Action for Children, Career Ready and Barnardo's. The most important aspect of the implementation is to be clear on the young person's journey from S4 until they reach 24; what are their options, choices and pathways, in other words what does the 'Guarantee' mean in practice. In addition, the roles and responsibilities of all groups and stakeholders must be clear to avoid confusion and duplication. There is a clear need to align with the work already underway on [No One Left Behind](#) and [16-24 Learner Journey Review](#) with particular reference to Key Priority 1 – Information Advice & Support – making it easier for young people to understand their learning and career choices at the earliest stage and providing long-term person-centred support for the young people who need this most. Work should start immediately on mapping the Young Person Journey for the Guarantee.

There are two core elements to ensuring the Guarantee is sustainable and they are around supporting young people throughout their journey. The complement of that is the provision of career advice and insight for our young people and the second is the support the third sector and equalities experts can play in supporting our young people in school, moving out of school and into work/education. One of the successes in Edinburgh in 2010 was the partnership with third sector organisations in the delivery of the guarantee.

- Throughout the stakeholder meetings, a common theme was around the provision of career advice and insight to young people from early years through higher and further education. The message was simple, it is currently inconsistent and is influenced by many differing factors. If the Guarantee is to have a long-lasting impact on our young people and they are to receive the quality of advice to help them with choices and decisions they will need to make,

then addressing this issue is important. This will form the foundation on which the Guarantee will be based.

The Scotland's Careers Strategy: Moving Forward report has just been completed and it is recommended that under the leadership of SDS, an implementation plan is developed to take forward the recommendations. In addition, SDS should be asked to consider how best a career advice service could operate from early years right through until a young person enters employment. This would also start to address the long term issue of how best to give young people the insight to what the economy of Scotland is likely to need in the future and how that might influence their decision around career paths. For example, we know there is already a shortage in areas such as digital, cyber, AI etc and these skills and careers will be increasingly important. Having that quality career advice earlier would go some way to helping young people with their decision making.

Finally, the third sector already plays a vital role in helping young people in school and their options for when they are leaving school. In considering how best to develop that end to end career service SDS would be asked to collaborate and work with the third sector so their services are an integral part of the model. This would also allow the development of the service to be based on what our young people would look for from such a service, in other words a co-design approach. **Start within 3 to 6 months.**

- Through engaging with SCVO, contract with a small number of third sector Scotland-wide organisations to establish an eco-system that supports young people from all backgrounds 'in school', 'moving from school' and 'into work' (note there already exists examples of this e.g., St. Roch's secondary school). These national led third sector organisations would also engage with other local third sector organisations to ensure the eco-system works in the region. This approach would also align with the proposed governance model detailed above. **Start within 3 to 6 months**

## Section 2 - Strategic

- A consistent theme throughout my extensive stakeholder engagement has been the need to better align education provision at all levels with the future economic strategy for Scotland with the needs of employers. This of course is not a new challenge but it has now become an imperative to solve. The benefits of bringing clarity to this question should not be underestimated as it will allow us to better educate and develop sustainable skills in our young people which are valuable to them and Scotland. The recent Logan Report highlighted the need for upskilling/training for the technology sector in Scotland given its importance to the future economy. The acceleration to becoming a more sustainable economy that covers all sectors means it is vital this collaboration across government, education and employers starts immediately. It is my recommendation that DYW would be best placed to lead on this and should be invited to start this as a matter of urgency. **Start immediately**
- Ensure that the UK Government, Scottish Government and Local Authorities work together to ensure seamless alignment between the Kickstart programme

and the Young Person Guarantee. There can be no overlap or competition between Kickstart and the Young Person Guarantee, instead the Guarantee must build on the UK government investment and enhance the offering to young people. We also need to ensure there is no competition, overlap or added complexity at a local level between employability programmes. The direction must be to have all investments sit under the Young Person Guarantee umbrella to deliver a seamless journey for our young people and employers. **Start immediately**

- Invite SDS to conduct an analysis to gain a better understanding of the sectors, including the public sector, that will be continuing to thrive and grow, those sectors that are less/marginally impacted and then the sectors that are most impacted so we better understand where the opportunities for young people could be stimulated. This analysis could also help increase alignment between the provision of college and university courses and the needs across Scotland more locally. There already exists excellent regional and local data from SDS however its use is inconsistent. With the governance structure detailed later in the paper, a core part of making that operate effectively will be using the data to make decisions to address regional and local economies. **Start immediately**
- Carefully consider the different groups of young people who are affected by the impact of Covid-19 to really understand their starting point, their concerns, aspirations and what choices/options they see in front of them. There are many third sector organisations, for example, Young Scot, Robertson Trust, Career Ready who could support this work. As we start to action the recommendations in this paper I also believe it is important we maintain regular engagement with young people to understand the impact the Guarantee is having on their lives day to day so we can make changes quickly to address any challenges. **Start immediately**

### **Section 3 - Stimulating the Demand-side in the labour market and retention of existing jobs**

The single most important immediate action is to stimulate the demand side in the labour market. The following are a series of recommendations which would drive demand. Given the scale of the crisis, state intervention will be required to support many of these recommendations.

- For the young people who need help the most, implement a model where government will pay 50% of the wages for 18 months and the SME or third sector organisation who would employ the young person pay the remaining 50%. This 50/50 model would be a true partnership and would be a much better use of public money than paying young people to stay at home. It would also have wider positive effects on society more generally and reduced costs on other areas of Government. There would be a requirement for the SME and third sector organisation to commit to pay the Living Wage at the end of the 18-month period. This can be supported by the recently announced [Job Start Payment](#) to support entry into employment. Scottish Government and Local authorities should work together quickly to cost and establish how such a model could work through existing mechanisms and powers. **Start immediately**

- In partnership with employers, in sectors who are less impacted (e.g., life sciences, financial services, software engineering, utilities), encourage them to create more opportunities for young people. To date SSE, Scottish Power, SFE, ABI, Standard Life Aberdeen, Cap Gemini, Weir Group, Scottish Water and Forth Ports are all considering how they can become early adopters of the Guarantee. There are good examples of business clusters being established where companies from similar/related sectors come together and form a very clear skills, employment and careers agenda. Two notable examples are SFE and Scotland IS where working with their members they are driving forward a progressive skills and careers agenda for young people in their sector. This also very often involves the cluster working effectively in partnerships with schools/colleges/universities and SDS in developing programmes to encourage young people to consider careers within that sector. Consideration should be given to build on these good examples of cluster collaboration particularly in sectors that will be important for Scotland's economic future. DYW, SDS and all employer groups should be asked to call upon businesses across their networks to support the Guarantee and do all they can to create opportunities for young people. **Start immediately**
- Public sector can be a driver of demand through existing vacancies but also at a local level LA's must create a number of roles/jobs as part of the Guarantee. Local Authorities would also act as a conduit with all other public bodies in the region, in conjunction with this we recognise the unique and important role that the NHS plays as a major local employer and will work to align any offer with their provision. **Start immediately**
- Some of the hardest hit sectors are leisure, tourism, hospitality, retail where traditionally young people, people from minority ethnic backgrounds and women have secured jobs. A real driver of business in these sectors is consumer spending and it is vital for these small businesses that this employer driven business recovers as soon as possible. Taking account of the impact of Covid-19 on the world of work, the need for employers to embrace much greater flexibility and significantly increased safety for employees we should encourage working models that allow people to return to their place of work, when it is safe to do so, to stimulate consumer spending in these hardest hit sectors. **Start in 3 to 6 months**
- In rural economies, look to build on the success of the SDS apprenticeship programmes where businesses who would not normally have taken an apprentice full-time come together as part of a group who share an apprentice, in other words a co-operative type model. There are good examples of where this has worked well in farming, forestry and hospitality but there is scope to scale the proposition. It should, however, be recognised that access to affordable public transport is a very real barrier so support to apprentices would need to be provided either through a subsidy or paying the Living Wage. **Start in 3 to 6 months**
- The SME sector comprises approximately 350,000 companies that employ 1.2m people and will, therefore, play a vital role in creating opportunities for young

people in Scotland. One of the successes in Edinburgh in 2010 was a simple message of 'if we can get 150 SME's all to take one young person then we make a big impact'. If we adopted a similar approach, if even 10% of SME's all provided one opportunity that equates to 35,000 jobs. During my conversations with both the Scottish Chamber of Commerce and the Federation of Small Businesses, we discussed creating 35,000 to 50,000 jobs within SME's in Scotland. They felt this is a challenge they could take forward with their members given the right financial support, however, they did stress the need to make the process simple unlike previous employability programmes which have turned off some businesses. Serious consideration should be given to provide some incentive for SME's who provide opportunities for young people for a minimum of 18 months and who also give a commitment to becoming a Living Wage Employer if they are not already one. This would also build on the Kickstart Guarantee at a UK level. **Start immediately**

- Acceleration of infrastructure projects. While this may not be a short-term driver of demand, acceleration will drive opportunities in the medium and longer term. Priority should be given to projects where there is a positive impact on the environment and promotion of Fair Work with this reflected in the community benefit clauses. **Start in 3 to 6 months**
- Explore the feasibility of increasing and redirecting places in universities and colleges to engage more young people in further and higher education, including post graduate degrees. (NOTE - need a decision on this quickly). The post graduate qualifications should be focused on skills aligned with the needs of the future economy. **Start immediately**
- Make sure that the release of the City Deal money for infrastructure projects, particularly those projects with positive environmental impact, create sustainable good quality jobs for young people that provide fair work. **Start in 3 to 6 months**
- While recognising the positive impact the apprenticeship levy has had on the numbers of apprenticeships in Scotland with the vast majority being in the SME sector, we should look to encourage larger firms and the public sector to offer more apprenticeship opportunities. There remain several sectors where there is scope to do more. **Start immediately**
- Actively engage the investment management industry to support the funding of environmental and socially positive projects e.g., social housing developments which in turn creates employment. **Start in 3 to 6 months**
- Reduce/streamline regulation and planning permission for environmentally focused projects that create jobs. Also use the over-supply of young people to accelerate environmentally focused projects for example home insulation, charging points for electric vehicles etc. **Start immediately**
- Invite the third sector in partnership with a private sector business, for example, BT, to look at options to eradicate 'digital poverty' and thereby also creating jobs. This was also highlighted in the recent Logan Review. **Start in 3 to 6 months**

- Volunteering has a key role to play in supporting the demand-side and it is recommended that the findings and recommendations from the recent VIP Volunteering report are adopted in full. The Social Enterprise sector also has a role to play in creating jobs that are also inclusive and fair and they should be approached to see how best they could support the guarantee and its ambition. **Start immediately**
- Starting with public sector procurement policy but subsequently reaching into larger private sector organisations, build a requirement into the supply chain that firms bidding for work have a commitment to the Young Person Guarantee and that there is clear evidence of progress in supporting young people into work and/or education. **Start in 3 to 6 months**
- The Health and Social Care sector already has thousands of opportunities/roles which could be used to support young people into employment, however, some key changes would need to be implemented including work on establishing clear career paths, enriching of current jobs to make them more attractive and better paid. Finally, Health Boards should establish relationships with SDS, Colleges or the Open University/Universities on the provision of apprenticeships and education. Encouragingly there was a strong appetite to do this amongst the stakeholders I spoke to and it is recommended that consideration is given as to who should take the lead in taking this opportunity forward. **Start immediately**

#### **Section 4 - Governance**

As referenced earlier in the report, the current employability landscape, governance and processes are overly complex and confusing for both young people and employers. It is, however, recognised that we face an immediate crisis and, therefore, the Guarantee will initially have to work with existing governance models and stakeholders for a period of time in order to deliver for young people now. In order to make the Guarantee sustainable I do believe there is a need to transition to a simpler more streamlined governance model that would also have an explicit objective of dismantling some of the existing bureaucracy. A consistent theme from almost all stakeholder meetings has been a call for simplification.

- It is recommended that in line with the evolving DYW structure review, that we align the governance structure of the Young Person Guarantee to 6 'economic regions' all with an anchor employer who will also provide a senior business leader to act as Chair. The approach in Edinburgh in 2010 was very much based on a strong EQUAL partnership between the Local Authority and business with one key anchor employer working in collaboration with other employers/business groups, all aspects of education, public sector, third sector and equalities experts. What I am proposing for the Young Person Guarantee is each Board would have representation from Local Authorities, other employers/employer groups, DWP, third sector, education providers and SDS. With respect to the third sector representation, SCVO would be asked to nominate who should sit on each Regional Board from its membership to act as the anchor charity for that region and they would then engage at a local level to align charities around the delivery of the Guarantee. This would allow implementation, where appropriate,

to happen at a 'region' level but also at a Local Authority level within the region. The Guarantee must be flexible to meet the specific needs of different geographic regions and ensure compliance with local governance. It is recognised that this approach would extend the remit of DYW, however, to ensure there is no structures/bodies created DYW is the natural group to take forward many of the recommendations in this report. **Start in 3 to 6 months**

- The economic region structure would be charged with setting clear targets against an agreed set of outcome measures which are aligned with the ambition, principles and plan for the Young Person Guarantee. They would also oversee and work with the local Regional Economic Partnership groups to again ensure alignment around outcomes and how funding is allocated. **Start in 3 to 6 months**
- Chairs of all the 6 regions would meet regularly with the Cabinet Secretary, nominated leaders from the four opposition parties, a senior business lead from the private sector, representative from DWP and the Chair of DYW together with SOLACE. **Start in 3 to 6 months**
- Create a single set of outcome metrics to measure the effectiveness of the Young Person Guarantee. Like the execution of a corporate strategy, have a cascade system across the 6 regions that provides a single source of the truth to measure success. To date there are too many measures, applied inconsistently across various groups/bodies and duplication of measurement. **Start in 3 to 6 months**
- Engage with DWP to address the current data issue of not having full information for young people claiming Universal Credit. Make the investment to address this issue. **Start immediately**

## RISK AND MITIGATION

The key risks are:

1. The impact of Covid on the employment or education prospects for young people is greater than forecast

***Mitigation - be bold with the ask in terms of opportunities and jobs, make sure the Guarantee can be scaled.***

2. There is a resistance to moving to the new simplified model by certain groups or bodies.

***Mitigation - constantly reinforce the message that the most important person in all of this is the young person and their future and everything else just enables the Guarantee to be delivered.***



3. Kickstart becomes a separate or loosely connected programme rather than part of the Young Person Guarantee for Scotland.

***Mitigation - regular and consistent engagement with DWP to ensure alignment.***

4. There is insufficient pace to start implementation resulting in the Guarantee always being behind the need.

***Mitigation – Clear ownership and accountable person - be clear on the short-term actions needed to start the Guarantee and focus on rapid execution of them. Effective leadership from all stakeholders to challenge any barriers that arise.***

5. Despite the demand-side recommendations, opportunity creation just simply does not match the need of the young people.

***Mitigation - ensure the financial support and other actions necessary to deliver the demand-side stimulus gets to the point of need quickly and with minimum conditions and rules. Make it simple for all employers of all sizes to engage with the Guarantee and as a result create peer pressure to come forward with more opportunities.***

6. The financial challenges for Colleges and Universities results in sustainability issues.

***Mitigation – Currently under discussion***

7. Time taken to adopt and implement some of the more radical solutions leads to loss of impact and delay in delivery

***Mitigation - through the development of a robust implementation plan challenge all parties to move at pace with delivery, be challenging with timescales.***

8. Failure to agree with UK Government/DWP on how the Young Person Guarantee will wrap around the Kickstart programme.

***Mitigation - regular and consistent engagement with DWP to ensure alignment.***

9. There is insufficient clarity about funding streams

***Mitigation - work across Scottish Government to ‘follow the money’ to ensure transparency of where the money is allocated and the outcomes we expect.***

10. There is insufficient flexibility and longevity/stability with the current 3rd sector contracts in place to allow the sector to build the capability to support the Guarantee.

***Mitigation – extend/renew existing contracts for a minimum of 2 years to align with the Young Person Guarantee Ambition timescale.***

## **NEXT STEPS**

The next steps are:

- Continue to engage and re-engage with key stakeholders to test the recommendations.
- Continue to aim for cross-party support for the Young Person Guarantee.
- Engage with DWP on the Kickstart programme so we can fully design the Young Person Guarantee to provide a single programme for young people and employers.
- Engage with the SNIB and City Deal arrangements to see what role they could play in stimulating demand.
- Continue to gather employer support for the Young Person Guarantee.
- Fully document the current landscape with a SWOT analysis and detail path for change and the steps required.
- Be clear on how the funding model will work particularly given the Kickstart programme.
- Start building the implementation plan

## APPENDIX I

### STAKEHOLDER ENGAGEMENT

#### Government & Local Government

- Local Authorities: Edinburgh, Renfrewshire, Fife, Stirling, Dumfries & Galloway, Dundee
- DYW
- DWP
- COSLA
- ESSB
- Highlands & Islands Enterprise

#### Employers & Employer Groups

- SSE
- SFE
- ABI
- Standard Life Aberdeen
- Cap Gemini
- Weir's
- Scottish Power
- SP Energy
- STUC
- SSE
- Ernst & Young
- Scotland IS
- Scottish Council for Development of Industry (SCDI)
- Scottish Chamber of Commerce
- Institute of Directors (IoD)
- Federation of Small Businesses (FSB)
- CBI
- Scottish Retail Consortium
- Scotland Food & Drink
- Scottish Tourism Alliance
- Scottish Water

### **Education**

- SDS
- SFC
- Universities & Colleges: Heriot Watt, QMU, GCU, Glasgow University, Universities Scotland, Colleges Scotland, OUIS
- Scottish Training Federation
- SAAB
- Apprenticeships in Hospitality Scotland
- CITB
- Scottish Commission for People with Learning Disability
- CEMVO Scotland
- Scottish Engineering

### **Third Sector**

- Princes Trust
- Barnardo's
- Young Scot
- Poverty & Inequality Commission
- SCVO
- MCR Pathways
- Carers Scotland
- Action for Children
- Enable
- Inspiring Scotland
- Career Ready
- Close the Gap



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