

MSP briefing: Scottish Government debate – European Youth Guarantee: Wednesday 19th March 2014

1. Background

The European Youth Guarantee aims to tackle youth unemployment by ensuring that all young people under 25 – whether registered with employment services or not – get a good-quality, concrete offer within 4 months of them leaving formal education or becoming unemployed.

This European Youth Guarantee takes inspiration from youth guarantee initiatives already existing in some Member States such as Sweden or Finland, where 83.5% of young job seekers received a successful offer within 3 months of registering as unemployed.

In response to the challenging economic environment, the Scottish Government has already established Opportunities for All, a commitment to offer of a place in learning or training for all 16-19 year olds who are not already engaged.

The Scottish Government's recent focus on young people has seen colleges increase the proportion of their activity towards those aged 16-19 with 71% of all hours of learning undertaken by those aged 16-24. In addition, colleges are still the main provider of opportunities for adults wanting to return to education, to retrain or improve their skills and prospects.

2. Funding

The European Commission recommends that in order to make the Youth Guarantee a reality, national budgets should prioritise youth employment to avoid higher costs in the future.

If the UK Government were to sign up to the scheme, the European Commission has stated the EU will top-up national spending through the European Social Fund and the €6bn Youth Employment Initiative. Given the Scottish Government has already established the Opportunities for All scheme, there would be clear alignment with the European Youth Guarantee, which could lever in additional money.

The Scottish Government's recent budget was welcomed by Colleges Scotland on the basis that a flat cash settlement would allow the sector to broadly continue what it is providing currently. However it means that any new future activity can only be done at the expense of current activity. Access to European funds could allow colleges to expand provision for young people and in turn improve their employment prospects.

3. Wood Commission

The Wood Commission's interim report suggested more should be done to provide vocational education to school-aged young people. A key area of activity that could meet this goal would be the expansion of the already successful work of school-college partnerships. These have been established in every local authority area, funded by the SFC, allowing for school pupils to undertake courses in a college while still enrolled at school, and for vocational skills to be delivered in the school environment. Yet in line with prioritising provision to school leavers studying full time, the proportion of activity aimed at this has reduced - however this could be expanded with additional funding.

4. Colleges and links with business

Colleges across Scotland have a history of engaging with local employers for the benefit of learners. This includes board membership by employers, involvement of business in designing curricula and courses, the involvement of colleges in local economic development strategies, the provision of work placements, and work experience as part of courses.

The success of this engagement requires a very significant investment of staff time at all levels to initiate, maintain and develop these relationships. However experience shows that improving relationships between colleges and employers will be extremely beneficial in the long run, improving the quality of education and training that colleges provide, and ultimately the employment outcomes for students.

In particular, regionalisation of the sector provides an opportunity for colleges to improve their partnership activities. Experience shows that membership of colleges of regional level strategic economic development (e.g. CPPs, Regional Economic Development Forums, and Chambers of Commerce) is valuable for all parties involved. Membership of some of these bodies is the case in many regions already, but a more consistent application of this would be beneficial.

However, for partnerships to be successful, it needs to be truly two-way. The harsh reality of recession has meant it has become increasingly difficult for employers to engage in the education system, something they do not always see as their core business.

5. Modern Apprenticeships

In other European countries, an apprenticeship is a more highly valued route and its contribution to the economy is better recognised. In Scotland, Modern Apprenticeships (MAs) are strong and highly valued in some sectors as a pathway to employment. However, a proportion of employers are resistant to the costs of providing MA pathways and patterns have evolved which rely much more heavily on the public purse, through further and higher education.

Colleges Scotland sees the MA system as a combination of education, employment and training, agreed between employee and employer, and with a training provider on hand to facilitate the relationship and provide specific education and training support.

Colleges are involved in some way or another in the delivery of the majority of MAs although are only directly contracted by Skills Development Scotland (SDS) for a small portion of the MA programme. Colleges Scotland's initial analysis of college regional outcome agreements for 2013/14 suggests that colleges are aiming to deliver more than 3,000 MA starts, which is still only a small proportion of the annual total of 25,000 MA starts awarded each year by SDS.

Colleges Scotland would like apprentices to be provided with a guarantee that their educational experience should include a guarantee that off-the-job training (i.e. college) is available to all MAs. This would compare well with the European countries (such as Germany and Switzerland) where the apprenticeship systems are strongest, and the youth employment rates highest, and where all apprentices receive specialist and general off-the-job learning in order to supplement the training that they receive in the workplace.

Colleges Scotland: This briefing has been provided by Colleges Scotland for MSPs' information. More information can be found on www.collegesscotland.ac.uk. To discuss, or for further information, please contact John Henderson, Chief Executive, Colleges Scotland, email: john.henderson@collegesscotland.ac.uk or Tel: 01786 892000.