



The Scottish Parliament  
Pàrlamaid na h-Alba

## Official Report

# FINANCE COMMITTEE

Wednesday 16 May 2012

Session 4

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**Wednesday 16 May 2012**

**CONTENTS**

	<b>Col.</b>
<b>DECISION ON TAKING BUSINESS IN PRIVATE .....</b>	<b>1151</b>
<b>SUBORDINATE LEGISLATION.....</b>	<b>1152</b>
Official Statistics (Scotland) Amendment Order 2012 [Draft] .....	1152
<b>EMPLOYABILITY .....</b>	<b>1155</b>

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**FINANCE COMMITTEE**  
**15<sup>th</sup> Meeting 2012, Session 4**

**CONVENER**

\*Kenneth Gibson (Cunninghame North) (SNP)

**DEPUTY CONVENER**

\*John Mason (Glasgow Shettleston) (SNP)

**COMMITTEE MEMBERS**

\*Gavin Brown (Lothian) (Con)

\*Mark McDonald (North East Scotland) (SNP)

\*Michael McMahon (Uddingston and Bellshill) (Lab)

\*Elaine Murray (Dumfriesshire) (Lab)

\*Paul Wheelhouse (South Scotland) (SNP)

\*attended

**THE FOLLOWING ALSO PARTICIPATED:**

Karen Adams (NHS Education for Scotland)

Stephen Boyd (Scottish Trades Union Congress)

Duncan Dunlop (Who Cares? Scotland)

Dr James Miller (Universities Scotland)

Andy Milne (SURF)

Laurie Russell (Social Enterprise Scotland)

Alan Sherry (Scotland's Colleges)

Pamela Smith (Scottish Local Authorities Economic Development Group)

John Swinney (Cabinet Secretary for Finance, Employment and Sustainable Growth)

Jim Wallace (Barnardo's Scotland)

Henrietta Wright (Department for Work and Pensions)

**CLERK TO THE COMMITTEE**

James Johnston

**LOCATION**

Committee Room 1



## Scottish Parliament

### Finance Committee

*Wednesday 16 May 2012*

[The Convener *opened the meeting at 10:00*]

### Decision on Taking Business in Private

**The Convener (Kenneth Gibson):** I welcome everyone to the 15th meeting in 2012 of the Finance Committee of the Scottish Parliament. Can all who are present please turn off mobile phones, BlackBerrys and pagers?

Agenda item 1 is to decide whether to take item 6 in private. Do members agree to do so?

**Members** *indicated agreement.*

## Subordinate Legislation

### Official Statistics (Scotland) Amendment Order 2012 [Draft]

10:00

**The Convener:** Item 2 is to take evidence from the Cabinet Secretary for Finance, Employment and Sustainable Growth on the Official Statistics (Scotland) Amendment Order 2012. The draft order is subject to affirmative procedure. That means that Parliament must approve the order before it can be made and come into force. A motion in the name of the cabinet secretary invites the committee to recommend to Parliament that the draft instrument be approved.

Before the debate on the motion under agenda item 3, we will hear evidence to clarify technical matters and to explain detail. The cabinet secretary is accompanied by Scottish Government officials Julie Watson and Janette Purbrick. I invite the cabinet secretary to make an opening statement.

**The Cabinet Secretary for Finance, Employment and Sustainable Growth (John Swinney):** I clarify that it is Julie Wilson, not Julie Watson.

**The Convener:** So it is. It would have helped to have had my glasses on. Thank you, cabinet secretary.

**John Swinney:** I did not like to point that out, convener, but it might help.

The purpose of the Official Statistics (Scotland) Amendment Order 2012 is to extend the definition of official statistics in the United Kingdom Statistics and Registration Service Act 2007 to include statistics that are produced by five non-Crown bodies. The statistics will be from NHS 24, the Scottish Ambulance Service board, the Scottish Social Services Council, Social Care and Social Work Improvement Scotland—the care inspectorate—and a proportion of the data from Sustrans Ltd.

The order will ensure that the statistics that are produced by the five listed bodies are designated as official statistics which means that they should be produced and published to the professional standard that is set out in the United Kingdom Statistics Authority code of practice for official statistics. The UK Statistics Authority is the non-ministerial department that was created by the 2007 Act. It has a statutory objective to safeguard and promote the quality of official statistics. It has welcomed the addition of those five bodies in Scotland.

The five non-Crown bodies were consulted and they agreed that their statistics should be included in the definition of official data. We do not envisage significant costs or burdens to the bodies involved and they agree with that assessment. The statistics involved justify the steps that we are taking. The order will not place any burden on front-line services.

The amendment order will build on the three non-Crown bodies that are already named in the Official Statistics (Scotland) Order 2008. They are the Common Services Agency for the Scottish health service, the Higher Education Statistics Agency and the Student Loans Company Ltd. It will also build on the five non-Crown bodies that are named in the Official Statistics (Scotland) Amendment Order 2010, which are the Scottish Children's Reporter Administration, the Scottish Consortium for Learning Disability, the Scottish Environment Protection Agency, the Scottish Further and Higher Education Funding Council and Scottish Natural Heritage. Each of those bodies has published at least one set of official statistics, with some bodies actively seeking national statistics designation. That is proof of our commitment to drive up standards in Scotland.

The Scottish Government has engaged with a number of additional public sector bodies that produce statistics on Scotland to discuss whether bringing their statistics into the definition of official data would help to improve standards, but it has concluded that those additional bodies are not yet in a position to be able to meet the requirements for official statistics. We will continue to review their progress and declare any official candidates. Hence, further amendments to the Official Statistics (Scotland) Order 2008 will follow in due course.

**The Convener:** Thank you, cabinet secretary. There are no questions from committee members, so we move to the debate on the motion. I invite the cabinet secretary formally to move motion S4M-02867.

*Motion moved,*

That the Finance Committee recommends that the Official Statistics (Scotland) Amendment Order 2012 [draft] be approved.—[*John Swinney.*]

*Motion agreed to.*

**The Convener:** The committee will formally communicate its decision to Parliament by way of a short report that provides a link to the *Official Report* of this debate. Are members content with that approach?

**Members** *indicated agreement.*

**The Convener:** Thank you very much, cabinet secretary.

10:05

*Meeting suspended.*

10:09

*On resuming—*

## Employability

**The Convener:** Item 4 is a round-table evidence hearing on the need, as a prerequisite to increasing sustainable growth, to improve the employability of individuals who experience high levels of multiple deprivation. This meeting—the first on this theme—will examine in particular the role of the public and third sectors.

I welcome to the committee Karen Adams, who is educational projects manager at NHS Education for Scotland; Stephen Boyd, who is secretary of the Scottish Trades Union Congress; Duncan Dunlop, who is chief executive of Who Cares? Scotland; Dr James Miller, who is director of the Open University in Scotland and is appearing on behalf of Universities Scotland; Andy Milne, who is the chief executive of SURF, Scotland's independent regeneration network; Laurie Russell, who is the chair of Social Enterprise Scotland; Alan Sherry, who is the principal of John Wheatley College and who is appearing on behalf of Scotland's Colleges; Pamela Smith, who is the chair of the sub-group on employability in the Scottish local authorities economic development group; Jim Wallace, who is acting head of children's services at Barnardo's Scotland; and—last but not least—Henrietta Wright, who is the west of Scotland district manager for the Department for Work and Pensions of the United Kingdom Government.

With this round-table format, I will basically throw out a question for people to pick up and run with. Anyone who wishes to contribute should—in time-honoured fashion—put up their hand, and I will take people in the order in which I see them. If you wish to make a supplementary to a point that was made earlier, please indicate as such. We have quite a lot of experience of this sort of thing on the committee, and we usually manage to discern between the two types of comment.

We have an hour and a half or so, but our time is quite flexible and everyone should have the opportunity to say what they wish. Although our discussion will not be too tightly structured, we have nevertheless divided proceedings into five wee sections to allow speakers to focus their remarks and to ensure that we do not end up wandering all over the place. Duncan Dunlop will kick off on the first section, which is about the current initiatives—including modern apprenticeships and work and training places—to improve employability of individuals who are experiencing high levels of multiple deprivation. We will then consider how such initiatives are

being evaluated, the relative success of such interventions, the barriers to success, and any further action that can be taken. The various points for discussion are set out on the first page of the papers for the meeting.

I do not intend to be strict with time; it will all depend on how the discussion flows. One section might take only 10 minutes, while another might take half an hour or 40 minutes. I want everyone to have the opportunity not only to speak to their submissions to the committee but to discuss any other issues that might come up.

Because his sector deals with some of the most difficult people to place in employment, I ask Duncan Dunlop to give us his views on current initiatives to improve the employability of individuals experiencing high levels of multiple deprivation.

**Duncan Dunlop (Who Cares? Scotland):** For those of you who do not know, the remit and mandate of my organisation are to provide a voice for young people who are looked-after, in accommodation or leaving care. To our minds, they are one of the most vulnerable cohorts of young people in Scotland. Indeed, the Life Changes Trust, which was set up by the Big Lottery Fund, has identified that group and people with dementia as being the two most vulnerable groups in today's society.

How is that relevant to employability? Many schemes deal with young people who, although they might have fallen through the cracks after leaving school, have other sources of support. However, with looked-after young people, there has quite often been a breakdown in the fundamental relationships that support them. That is really important with regard to employability, because such relationships set the rudder—as we put it—that guides young people through their lives and allows them to have the aspirations, the ambition and the confidence to achieve and succeed. What we are trying to do in the care system—I am not sure that we as a country have it totally sorted, but we are working on it—is to set the young person up with support and relationships to allow them to recognise opportunities and build their ambitions.

The vast majority of young people with whom we have discussed this issue have said that they want a job. There is something of a misperception out there that these young people want to stay in a perpetual cycle of being on the dole and getting the buroo. However, although they want a job, they lack the life and technical skills to get one. They might not have had the appropriate engagement with formal school education and do not necessarily have the social skills that we—I realise that I am making an assumption here—gain from our core relationships.

When they go along to a programme that is there to assist them, whether it is only for 12 weeks or whatever, they should be given other support to help them understand the context that they are in, which is not just about the opportunity in front of them, but about dealing with housing, too. Quite a lot of the 16 to 18-year-olds are asked to leave their home, whether it is a residential unit or a foster family. That is a crucial factor for them if they are in education. Leaving their home is a big issue for them because they do not necessarily have all the skills for living independently, as many of us probably did not at 16. At the same time, they are expected to be able to stick at an employability programme, a college course or something else.

10:15

The main point that we want to highlight is that employability cannot be viewed in isolation for those young people, the most vulnerable of whom are looked-after young people and care leavers, because they require a package of support. There must be consideration of transitions and whatever else is going on in their lives to ensure that they can engage with whatever courses or opportunities we put out there.

For us, the solution is not to fit the young person to the programme but to fit the programme to the young person. That does not mean that we must change everything all the time, but the young people need key skills and core relationships to help them to get through some of the fundamentals in life—from paying a gas bill, budgeting and ensuring that they are in appropriate accommodation, to getting the bus and knowing that they must get out of bed regularly every morning to be in work or college by nine o'clock. All those fundamentals must be in place so that their innate capacity—which we recognise—can be released through training and other opportunities.

We would like employability programmes or courses to have the mindset that considers what support needs to be in place to enable the young person to stick at the course. We consider those young people to be on a tightrope that they keep falling off. We must broaden the tightrope into being a plank or a road that supports them. Other agencies must be involved: housing, education, health, community learning and development, and the third sector. We all have a role to play in supporting the young people, but we must be joined up, which links to what the Christie commission said about integrating services. Not only the public sector but the independent and third sectors must be involved.

The challenge is not to look at courses for young people in isolation, because looked-after

young people will not necessarily stick at them. Statistics show that 36 per cent of looked-after young people in Scotland go to a positive destination, but I guarantee that that will apply only to a given date and that it does not show whether they sustain being in a positive destination for three to six months—they may only be on a two-week training course, for example. We must consider what we are doing with the young people more widely, because in reality probably only about 20 per cent—being optimistic—will remain in positive destinations. My plea is therefore that we consider broader support for the young people. I had better wheesh or nobody else will say anything.

**The Convener:** Indeed, you had—but I am just being facetious.

Alan Sherry is next, to be followed by Mark McDonald.

**Alan Sherry (Scotland's Colleges):** I support the comments that have been made about the non-linear nature of the journey of young people leaving care. My college—John Wheatley College—has for three years now had a programme called transitions to learning and work. We have just secured Big Lottery funding for the next three years, which will enable us to support a programme for young people leaving care.

Our experience broadly matches that of Duncan Dunlop in that the young people often have not had very positive educational experiences. In some circumstances, the reality is that they stopped engaging with formal education at primary 7. Their experience in care does not equip them to deal with moving to college. We felt in John Wheatley that we understood challenging young people, but we had to put our hands up and say that we did not really understand the challenge for the cohort who are leaving care.

We have found that we generally need about two years to enable the young person to gather the skills to fit in with teamwork and the social norms, and to gain the skills that prepare them for employment. We have had to build programmes around youth work experiences, using the best practices and fitting them into a youth work curriculum. We had to think carefully about tasters for vocational experience, because failure is a big turn-off for young people. They often know what they want to do, but they do not have the core skills to move on to the vocational settings that they choose—construction and hairdressing tend to be the main ones.

We have also had to work very closely with colleagues in Glasgow City Council and social work services to ensure that the young people are plugged into the system. We have worked closely with our colleagues in the local housing



associations to deal with the accommodation issue, because the young people often find it difficult to get accommodation. We have also looked at work experience and at finding employers who are prepared to take what they see as a considerable risk with a young person who comes from a more challenging background.

The challenge is that the funding methodologies exist to support the average learner. We reckon that the cost of the support that we are discussing is roughly double the cost for a normal learner. That includes staffing and the additional support that is needed.

Duncan Dunlop made a point about young people getting to school or college for 9 o'clock. I have a member of staff who leads our work in this area and part of her job is to text those who have not appeared by 9 o'clock in the morning and say, "It's time you were at college. Why aren't you here?" in order to support them.

As an aside, we had an external consultant do some work with our young people and we discovered two things. First, as a result of being at college, some of the young people who had been in the youth justice system were acknowledging that they were in that system partly because of things that they had done rather than just because of things that had been done to them. Secondly, we found that, although they were in college, they were skipping classes. We thought that that was a negative thing and a terrible reflection on our teaching staff, but the young people said, "We felt we had to do it to prove that we could. We're going back in 10 minutes because we actually like it." That set of attitudes has to be developed to build on the positives, and it is time to do that. I heartily endorse what Duncan Dunlop said about the need to be flexible and joined-up and to take different approaches.

My final point—otherwise, no one else will get a word in—is about plugging young people into diversionary activities when they are not in college. At John Wheatley College, we have a youth access programme that is supported by a local community planning partnership. As part of that, a range of youth work activities takes place in the evenings. Having young people engaged in those activities also helps to prevent them from falling back into self-destructive behaviours.

I am with Duncan Dunlop; it is a complex picture that requires a great deal of thought and lots of flexibility.

**Mark McDonald (North East Scotland) (SNP):** Much of what Duncan Dunlop said is stuff that I said at local authority level when I was a councillor. How do we help those who are coming out of care-home placements to make the transition? They have no experience of household

budgeting, and even basic things such as cooking and cleaning sometimes prove to be a challenge.

I think that what Duncan Dunlop said would be recognised everywhere. While he was speaking, I was wondering whether there is a need to identify people who have made the transition and come through the system, who could be effective mentors or ambassadors to help young people who are now coming through the system. We often hear people who have become successful businesspeople say, "I left school with no qualifications, so you can do it too." I am not talking about them; I mean people who have gone out into the workplace and made a modest success of themselves, having come from a challenging background. They might be willing to come back and speak to young people and give them a bit of advice or be a mentor to them. Do we need to consider identifying such people and using them to help?

Often, authority figures are the last people who will be listened to by young people who have had difficult experiences with authority figures all their lives. If somebody who has been where they have been and walked the walk that they are walking comes and speaks to them, it might have a much greater impact than if somebody in authority tells them how to do things.

**Paul Wheelhouse (South Scotland) (SNP):** I will make a simple point at this stage, but there are other things that I would like to come in on later.

Duncan Dunlop said that various agencies in housing, education and health need to co-ordinate their efforts to ensure that vulnerable young people are helped, but one thing that has not been mentioned is transport. I wonder whether that is one of the biggest challenges. Somebody might be allocated a house in a place from where it is impossible for them to commute to work or college, or they might be in existing housing but lack access to public transport to get to where they need to be to receive training or attend a work placement.

Some colleges provide buses—I know that there are such buses in the Borders, for example—but they do not cover all areas. How big an issue is physically getting people to the support that they need, whether it is training, a college place or employment, particularly in rural areas?

**Pamela Smith (Scottish Local Authorities Economic Development Group):** I agree with the comments that have been made. From a local authority perspective, we are really keen to look at integrated action planning.

As Duncan Dunlop said, we as a public service have to look at how we more effectively integrate that action plan when people have housing, financial, core skills, and employment needs. We

have to look at how we eradicate the silo-funding approach, so that we can more effectively fund the learner journey and people's employability journey through the different stages of that pathway into sustainable employment. We also have to look at enhancing and targeting resources to ensure more effective and equal access to mainstream provisions so that we do not always deal with the most vulnerable people somewhere else, in a different class or programme. What we need to put into effect are additional support measures to enable young people to participate as effectively as every other young person does.

There are examples of the learner journey being funded and modern apprenticeship places being ring fenced, either through the local authority provision in relation to the corporate parenting role, or through the community benefits and procurement, where local authorities and the public sector can look at all their powers to assemble employment training opportunities for those who are most vulnerable. There are a lot of good examples out there, but we have to consider the nature of the current funding and the restrictions, and the nature of the compliant participation rules that often mean that those who are most vulnerable cannot participate.

**Laurie Russell (Social Enterprise Scotland):** I will follow up the point about mentoring and Duncan Dunlop's point about the programme needing to fit the young person rather than the young person fitting the programme. That is a mantra that we should look at across all age groups in relation to employability, particularly for people who have been outside the labour market for some time. We know that some individuals—whether they are leaving care or are in any other situation—who have been out of work for a number of years will have a range of issues that need to be addressed before they can sustain work.

The organisation that I work with—the Wise Group—has a project called routes out of prison, which has ex-prisoners as life coaches or mentors who work with short-term prisoners on release. The difference is that people who have been through a situation understand it and can talk to a young person who is leaving Polmont prison, for example. It is regrettable that a lot of people who have been in care end up in Polmont prison; sometimes more than 70 per cent of the inmates in Polmont are young people who have been in care. The mentors who have been through the system can often work with individuals in a way that professionals cannot. That is not to say that professionals do not have a role, but the mentor assists the young person with a journey that the mentor has already been through. That approach can apply at different ages and for different people who have issues relating to the labour market.

My second point relates to any individual who has gone through a difficult period. We need to assess such individuals in terms of what might be seen as negative issues or challenges to employment, but also in relation to what they can offer. Institutions quite often only look at the negatives—a point that was picked up by Alan Sherry. We must also look at what people can contribute, and work on that and on programmes that build on peoples' self-belief and self-confidence. Regrettably, such programmes are expensive; the easy option is to assume that we can set up vocational skills training and that everybody will fit into that because it is cheaper and easier. We have to get the right resources: I emphasise that the programme should fit the individual rather than the individual being made to fit the programme.

**The Convener:** It is quite clear that there are concerns about the flexibility of current initiatives and that they are not sufficiently cross-cutting. I am keen to hear what folk around the room think are the best initiatives, and about initiatives that could perhaps be discontinued. Be bold.

I also want to hear—from witnesses who feel that it is appropriate to comment—about the role of training and modern apprenticeships.

10:30

**Jim Wallace (Barnardo's Scotland):** Before I come on to that, I will comment on Duncan Dunlop's point about looked-after children. Looked-after children have complex problems involving mental health, educational attainment, employment and offending. We tend to look at those issues individually, but we need a much more coherent approach and a fundamental shift in how we work with looked-after children if we are to achieve success. The difficulty with work programmes is that 13 to 26-week programmes just will not work for those young people—they need something better.

Fundamentally, we need to take a good hard look at planning processes for looked-after young people. Approaches are being developed through the getting it right for every child programme and the Education (Additional Support for Learning) (Scotland) Act 2004. There are plans to strengthen and enhance that act, which is important. The statistics show that 80 per cent of looked-after children have a plan, but that leads to the big "So what?" question. The issue is what is in that plan and what it achieves. We need to develop better planning.

On Mark McDonald's point about mentoring, there is a lot to think about. There have been initial discussions about the possibility of lifelong mentors for looked-after children. It would be

useful to have somebody to consistently stick by the looked-after young person over the years to give guidance and support and perhaps to challenge if their rights are infringed.

**The Convener:** When I met Duncan Dunlop just a few weeks ago, we discussed that latter point about consistency of mentors and folk in care having someone they can rely on.

Before I let in Elaine Murray, I remind you all that you do not get only one go—feel free to comment on something that the person who has just spoken has said. We want the session to be as free-flowing as possible.

**Elaine Murray (Dumfriesshire) (Lab):** I was struck by the comment in the STUC submission that

“‘Employability’ is not just a supply side problem”.

Are there interventions that work on the employer side to assist employers in understanding why a young person is perhaps not the ideal employee when they come through the door? Do we encourage employers to understand people’s potential and that they are worth working with because, potentially, when that work has been done, they will have a good and loyal employee?

To give an anecdotal example, I am aware of one large retailer that recently took on a load of young people for a probationary period. If, within that period, anybody came in late or was found chatting instead of working, they were summarily sacked and thrown out the door. That was supposed to frighten the other employees and prevent them from behaving in that fashion, but it would not help young people with problems. Their lack of self-esteem would be reinforced because somebody had said that they were not worth employing or working with.

Are there examples of good interventions with employers to encourage them to retain young people who might not be the ideal employee when they come through the door?

**Duncan Dunlop:** There are several issues in that. There certainly is an employment issue, and we need to get employers to understand the nature of the group. We do not like to dwell on this but, as Jim Wallace said, looked-after young people have the worst social and wellbeing indicators in relation to issues such as mental health, criminal justice, drug and alcohol usage and homelessness. There is a huge preponderance of those issues among looked-after children. There are only 20,000 care leavers and looked-after young people, but they are phenomenally overrepresented in those areas.

There is an issue that comes before that about whether we want mentoring or something else. Jim Wallace alluded to that. We need a system

and structure that understand the nature of these young people, but we also need a relationship with them to guide them through the system and structure. In the past two years, we have done corporate parenting training at a basic level in all local authorities and we will continue to do it with the new tranche of councillors. That involves raising awareness about being a corporate parent of looked-after young people. As part of that, we have a good DVD that we localise for each area. In the one for Edinburgh, a lad says, “If my dad owned a sweetie shop, he would give me a job in a sweetie shop. The authority here owns most of the housing, all the transport and most of the leisure facilities, so why don’t I get access to the best housing and free transport and leisure facilities? What is going on?”

That was a positive trigger in Edinburgh. All credit to the chief executive of the council, as a number of apprenticeship places are now lined up for young people. She took on the human resources department by saying that the council would do this under the terms of positive discrimination for young people. We must be able to do that and must look at the specific nature of these young people. A lot of reports, such as “These Are Our Bairns: a guide for community planning partnerships on being a good corporate parent” and “Sweet 16? The Age of Leaving Care in Scotland”, indicate that we must look at the situation differently. The system must see these young people as its children if we are going to use terms such as “corporate parent”. The system must work flexibly to give them the biggest boost possible or they will always be disadvantaged.

Ideally, there would be a lifelong relationship. We had an evening reception at Parliament the other week at which we had a woman aged 40 and a young lad aged 19, who had both left care. They are both positive stories, as many young care leavers are, because they have the abilities and the resilience to get through. There is now less physical and sexual abuse in our care system—we have managed to eradicate such abuse to the greatest extent—and things have improved materially, but what made the difference for those young people was their emotional development, in terms of core loving, nurturing relationships. Such relationships may be lacking, or the young people may have them only for a year before the situation changes. Most of them will suffer three or four changes of place and they do not just move house—they move their family and the relationships around them. How then do we give them continuity of relationship? I am not sure that there are a lot of great solutions out there, but it is great that the spotlight is on the issue.

We need to be able to give the young people long-term relationships that will take them from the

age of 14 to 20. In the case of the young lad we had in Parliament, a nightshift worker in a residential unit took him in as a supported carer and is still taking him in unpaid for two years, because he is beyond the age limit at which payment is available. That young lad is in a stable place and in employment. Otherwise, he would have to get housing benefit for his flat and so on. That person has gone above and beyond. The other girl, who is 40, said that, when she was 15, she was taken in by a foster carer who ensured that she studied for her exams. She has managed to sustain employment and have a successful happy family. Individuals made that happen.

In terms of employers, we propose in our submission—I know that other organisations are doing likewise—that these young people be given a little bit of cushioning before they go into the reality of the workplace. As Alan Sherry said, a bigger investment is required. I want to get employers excited by the idea. We will get their philanthropic ideals and juices flowing, whether it is in local authorities or in business. I do not want the young people to be treated with kid gloves. If you go into a workplace, you go there for a job. However, many of our organisations and local authorities could give them 17 hours a week for six months and they could call the posts apprenticeships.

We would give the young people the support that they need to understand what it means to come to work, so they will turn up on time and will have a meaningful task and role to play, but it is timebound. The precursor to that will be some personal development training. They will then have a six-month placement and, if they graduate from it—it will not be so draconian that if they turn up late once, they are out, but they will have to perform properly as a young employee—we will secure and guarantee them a job. I believe that they can enter that workplace as an employee. I know the capabilities of a lot of these young people. We have worked with many of them and they can sustain employment.

We need the system to start looking at the issue flexibly and differently instead of blaming the overarching problem and saying that we cannot deal with all the issues around positive discrimination. We have to guarantee these young people relationships and look at the other issues. The financial return on the investment would be phenomenal if we consider the myriad social wellbeing indicators on which we are not performing.

**The Convener:** Six people now want to come in.

**Andy Milne (SURF):** I will try to be brief. A lot of important points have been made. Laurie Russell's point about looking at the positives is important, as

is Elaine Murray's point about the reality of the situation.

SURF tries to bring together all the different organisations that are involved in trying to regenerate communities with a view to improving individual and community wellbeing. I will do a wee bit of advertising, as we have a conference a week on Tuesday about reality, resources and resilience. I will focus on the first of those—reality. I do not know whether my comments are a little bit heretical. I hope that they are constructive and useful to the committee, but they may be slightly beyond the remit of what we are meant to discuss at the meeting.

I think that we might be using an old tool for the wrong job. It is perhaps not the case that we would solve the problem if we somehow managed to get all these young people out of bed at 9 o'clock in the morning, get them dressed, get the vocabulary right, get the attitude right and get the right smile or whatever. It seems to me that there are not enough jobs out there for these young people.

We are still operating a system that, for about 25 or 30 years, has placed the responsibility for macroeconomic policy on mostly young, but also older, unemployed people. That is a fundamental mistake. A huge amount of great work is being done and could be done to support people into jobs and give them better life chances. That is important, but if we are unable to deliver the jobs at the end of the day, who will we end up blaming? We are in danger of blaming young people for somehow not being able to get out of bed, not being dressed properly and not having the right skills.

If we pursue that line, we will not be successful. There are ways of being successful. SURF's broader view is to try to support the Government's regeneration strategy towards community-led regeneration as well as economic development. We are looking at, on the one side, market-led solutions such as the opportunities through infrastructure and procurement to give young people and others jobs. However, we are also looking at the capacity that exists within what are usually perceived as quite negative, deprived communities, and the resources that they have to do things for themselves, and to do things differently in the absence of the large-scale resources that were to some degree available but, in my view, were not well used at the height of the property bubble.

Those communities and organisations, which played no part in the creation of that bubble or the disaster that followed it, are basically now being asked to pay for it. We should not fall into the trap of focusing on deficiencies in young people rather than deficiencies in the system as a whole. I

apologise if that is not necessarily helpful, but there are some positives within that.

My experience, for what it is worth, is that I was one of those folk who was unemployed at the very beginning of the 1980s. There was a different kind of structure at the time, and a better understanding of the relationship between the economic system and outcomes. The trade unions, churches and tenants' associations were stronger. There was a different matrix of understanding and support in the community, which meant that the solutions that came forward were more substantial and mature. For goodness' sake, the community programme under Margaret Thatcher's Government involved full-time employment at trade union-approved rate, with training in place, and independent community action that built not just individuals' skills and networks but capacity in organisations in those communities. I worked in the Wester Hailes community programme at the time.

There are shadows of those opportunities here. As the convener said, we need to be a bit bolder about what is achievable and what kind of tools would be appropriate for the real job and not the job that we have been telling ourselves we have had for the past 25 years.

As I say in my paper, we are running the conference to which I referred in co-operation with the Joseph Rowntree Foundation, with which we are doing a piece of work. A killer fact: the foundation tells us that nearly two thirds of all children in poverty live in households in which somebody works. We need to look at the decline in full-time, progressive, training-based employment and the creation—from which we have all benefited—of a flat, low-waged economy, in which the minimum wage has become the default maximum wage. That is also a problem.

**The Convener:** Your contributions are very important to the whole discussion, Andy, and I am looking forward to coming to your conference. I know that Stephen Boyd and others will support a lot of what you have said.

**Mark McDonald:** I was struck by what Duncan Dunlop said about corporate parenting. In Aberdeen, the local authority is offering work placements in some council departments to young people in care. However, there is the issue of how passive or otherwise corporate parenting approaches are. Is it possible that some approaches do not look at getting those young people into work in the way that they perhaps ought to?

The other issue that strikes me is what work we need to do with employers. I hear what Andy Milne is saying about a lack of job opportunities. However, where there are job opportunities, if these young people are going for a job and are up

against four or five people who do not have disadvantage in their background, how do we ensure that they are being given a fair opportunity? How do we ensure that there is parity in the way in which they are viewed? I suspect that, among many employers, there will still be a stigma attached to people who have come from a disadvantaged background or a background of care. I am not saying that that view is right, but I suspect that it is still prevalent. How do we ensure that employers give those young people an opportunity? I suspect that rejection is likely to set them back further than it would set back someone without that background. I am interested to hear folks' thoughts on how we tackle that.

**The Convener:** John Mason can go next, followed by Henrietta Wright.

10:45

**John Mason (Glasgow Shettleston) (SNP):** That is good timing, convener, because I want to hear the DWP's views.

I was interested to see that the DWP's submission states:

"Mandatory Work Activity lasts for 4 weeks and is designed for the small number of claimants who need to re-engage with the system".

From what I am hearing this morning, young people not engaging with the system is a major problem. Does the DWP feel that, in the overall picture, it is quite a small number of young people?

I do not know how adaptable we need to be. We heard from Alan Sherry that the costs are twice as much for some youngsters at college; I am surprised that they are only twice as much. I would have thought that for all sectors, including the DWP, extra costs and personnel involvement would be needed for a substantial number of young people, if those resources are available.

**Henrietta Wright (Department for Work and Pensions):** The youth contract that the Government has put in place has resulted in much more emphasis on work experience.

Elaine Murray spoke about the need to engage with employers. We find, in dealing with young people and trying to get the more vulnerable into work placements, that if our employer advisers speak to employers and market a young person for a particular opportunity, we are much more successful in getting the right young person into the right work experience. We have also found that if we ask the young person what type of work they want to move into and get more information from them, we are much better placed to market them to employers. The employer advisers continually talk to employers about how the young

person is getting on, which is important. Those are the most successful work placements that we arrange.

Mandatory work activity is for individuals who are totally disengaged and do not want to participate. They turn up late for appointments and do not do anything to look for any type of work during the fortnight before they sign on again. They have been submitted for jobs and asked to turn up for interviews, but they have not done so. That is quite a small amount of people in Scotland.

**John Mason:** We heard that John Wheatley College is texting young people in the morning. Is that the type of thing that the DWP can do?

**Henrietta Wright:** We are moving towards using free texts to get in touch with young people in particular. We are also setting up Twitter accounts in many of our offices, so the technology is moving on. We have been developing the digitalisation agenda in the past few months.

The big problem for many young people—and all unemployed people—is the way in which the employment market works at present. People need to be able to upload CVs and apply for jobs on the internet, which is a big issue for many of our unemployed customers and for young people.

We think that young people all have smart phones and iPhones and are able to access the internet but, in truth, uploading a CV and applying for a job can be difficult for them. We now have the ability to text from jobcentres, which we did not have a year ago. Instead of having a set number of texts, we can now use free texts. We can send alerts to young people to tell them of vacancies and training opportunities that they might be interested in. Sector-based training is another area that we are moving into—we are linking up with employers on training programmes that have a job at the end of them, in a lot of cases. We are getting internet-enabled computers with no hard drives in our offices, which will enable us to support customers in our jobcentres.

**The Convener:** I noted that you had your hand up to say something earlier, before John Mason asked his questions. Did you want to make a comment on another matter?

**Henrietta Wright:** I wanted to stress the need to marry up the employer and the young person and to support the employer by marketing the young person and ensuring that the young person is turning up for work. The employer adviser has a role in supporting that relationship.

**Stephen Boyd (Scottish Trades Union Congress):** Andy Milne has made many of the points that I was going to make, and has probably done so more effectively than I would have done. He brought out the main point in our written

submission, which was that this discussion cannot be divorced from the state of the macroeconomic environment.

Elaine Murray mentioned that our submission talks about the need to focus on the demand as well as the supply side. I should emphasise that, by talking about that, we are not just talking about the need to assist employers in this process. Clearly, employers have legitimate concerns in this area. A lot of effective work is already under way, and we should seek to learn from that, but I hope that we are prepared to challenge some of the employer perceptions. I know that, next week, you have a round-table session with employers. I have been having this discussion with national employer organisations for a number of years, and I would argue that much of the employer position on this is based on prejudice as much as on evidence. There is a lot of talk about core skills being bad across the economy. However, if you look at the more robust work that has been done on this issue—such as the big bit of work that has just been published by the UK Commission for Employment and Skills—you will see that the experience of employers who take on young people is positive. I understand that, today, we are focusing on those who are most removed from the labour market, and that might not hold true for them, but we need to think about introducing some robust, evidence-based research into the discussion instead of recycling the same old prejudices.

Our submission also talks about the scale of the intervention, which is often forgotten about. We are having this discussion today in the context of fiscal sustainability. The assumption seems to be that the intervention is expensive and people are questioning whether we get back sufficiently good outcomes for the money that we spend. However, as our submission makes clear, the UK—we do not have Scottish figures, I am afraid—spends much less on this area than the best-functioning labour markets in the world do. We need to bear that in mind. Also, the issue is not just that we spend much less but that what we spend is subject to peaks and troughs. Successful economies invest heavily over a period of time in the type of active labour market interventions that we are talking about. We need to bear that in mind.

As Andy Milne indicated, we need to think about the nature of the work that we are sending young people into. The workplaces that many young people—particularly those who are hardest to reach—move into are not welcoming places. Andy Milne referred to the outstanding and important work that the Joseph Rowntree Foundation has done on the low-pay, no-pay cycle. The people it is working with really want to work—they believe that having a job is better than having no job—but

their experiences of the workplace are pretty grim. In the public policy discourse in Scotland, we rarely address nature-of-work issues. We have lots of interventions to get people into work, on the assumption that any work is better than no work, but we do not talk about what Scottish workplaces are like. The research that has been done at a global level by the Russell Sage Foundation and other research that has been done at a UK level has shown that periods of cycling between low-wage, insecure work and no work at all are every bit as detrimental to a person's future employment prospects as sustained periods of unemployment are. We need to bear that in mind. If the interventions that we undertake put people into bad jobs, the long-term outcomes are not going to be good.

I will jump back to the employer issue. I am reminded that the Secretary of State for Scotland recently undertook a series of seminars around Scotland on youth unemployment and getting people into work. The employer views that we heard at the seminar that I attended in Hawick were revealing. This is related to the point about the nature of work. A big employer in Hawick spoke about taking on 20 young people the year before; a year later, not one of them was left in work. He said that that was all about the quality of the young people who were sent to him by the education system. My point to him was that, if any employer takes on 20 people of any age and any experience for a year and has let all 20 go by the following year, it must look at its own internal recruitment and training practices. That is simply not good enough. To blame what happened on public and voluntary sector interventions and the quality of the young people is just not sustainable. We need to challenge such views.

Andy Milne referred to the jobs that are being created in the economy. That issue is linked to young people's perception of work and what they can attain from it. The truth is that, over a 40-year period, the Scottish and UK economies have failed to create sufficient numbers of decent-quality jobs for people to move into. Even at the height of the labour market pre-recession, probably around 20 per cent of the workforce cycled between low-paid and insecure employment and no employment at all. More than 100,000 people in Scotland have been identified as being economically inactive but wanting a job for a sustained period of time. In recent work that we have done, we have looked at what we describe as Scotland's full-time employment deficit. The number of people in Scotland who are unemployed and would like a full-time job, are in involuntary part-time work because they cannot find full-time employment, or are economically inactive but want a job stands at just short of half a million. There will be a lot of discussion today about the headline employment

statistics. We need to bear in mind that the labour market is very much weaker than the headline statistics suggest.

Finally, we have spoken about the nature of work and the number of jobs that are being created. The labour market that has been created over the past 30 years through deregulation and the weakening of trade unions and so on has left us with one that is not kind to the prospects of the young people we are talking about. We really have to get to grips with that, particularly in the constitutional debate that we are about to embark on. If we look at the best-functioning labour markets in the world, we will see that they are all more regulated than the Scottish and UK labour markets, but that is not necessarily the point. We have much stronger and more effective labour market institutions, trade unions, employer organisations and tripartite social partnership institutions, which play a full and strong role in the labour market. Those are the type of things that we need to move towards, or at least have a debate on.

**Jim Wallace:** Working effectively with employers is as important as working with the young people themselves. We have Barnardo's works initiatives across Scotland in which there are employer liaison officers, whose job is to bring employers on board and to troubleshoot if there are issues. More important, they proactively manage the key relationship with employers. The question of how and when we support young people is important.

On the idea of texting young people, many of our staff in those services start work at around 7 o'clock in the morning to ensure that the young people get support when they need it. They are there to do more than text; they will go round and knock on the door if that is possible. That is not always possible, but it sometimes is.

We need to get behind the idea that we must provide support for young people when they need it rather than when it suits us to provide it. A good parent will perhaps take their child along to their first day at work. It is good practice to ensure that the child is up and ready and has everything that they need, including simple things such as a packed lunch, to give them a good start.

My two points are to do with relationship managing with employers and providing flexible support when young people need it most.

11:00

**Michael McMahon (Uddingston and Bellshill (Lab):** Mention has been made of re-engaging with the system. I recently spoke to some careers advisers who told me that their problem is not so much getting young people to engage with the

system as trying to deal with those who are stuck in the system, bouncing from one course to another. They go on getting-ready-for-work courses but there is no work, so they go on another course. They undertake work placements, but when those come to an end they bounce back on to another getting-ready-for-work course. They are just going round within the system. How much of a problem is that? How can we get people who are engaged in the system moved on so that they will have benefited from it?

I was talking to careers advisers because of concerns about the way in which the careers advice service has been restructured. Young people want to engage with the system to get advice and information—we have heard about mentoring, one-to-one support, working with young people and building relationships. However, I have lost a local careers advice office. I was told that that would benefit young people, as they would go to the careers advice service at the local college where the careers advisers could work directly with them, but there is a lot of deprivation in my area and young people cannot always get to the college. Furthermore, the careers advice service has now been taken out of the college and it is all going to be done on the internet. On the one hand, we are talking about the importance of one-to-one contact, support and individual relationships; on the other hand, the interface is now a computer. How big a problem will that be for those who want to engage with the system?

**Paul Wheelhouse:** It is interesting that Stephen Boyd mentioned Hawick. I was there yesterday with Angela Constance, the Minister for Youth Employment, meeting the Scottish Borders knitwear group training association, which is putting together a pooled apprenticeship programme for the textiles sector. That is a successful programme with a lot of enthusiastic young people involved in it. About 80 per cent of them are jobcentre clients who have been put in touch with the programme; the rest have found it by word of mouth. However, when I conducted a quick straw poll to find out where those who were there had come from, almost all of them said that they were from Hawick—they were physically able to access the job opportunities.

I return to a point that I made earlier, which nobody has really addressed. We talk about texting people to make sure that they get where they need to be on time in order to demonstrate their reliability, but that is practically impossible in some cases. If there is only one bus service in the morning and it does not turn up, the person is completely knackered. Would they lose their employment opportunity if they were unable to make it because someone else had failed them?

We must get our act together at the local development plan stage as well. In the Borders, various hubs are being targeted for employment growth but some of them do not have bus services that arrive before 10.30 in the morning. Many vulnerable young people do not have access to a family car and cannot afford one themselves, so they depend on public transport. What are we doing to ensure that the valuable programmes that you are talking about are able to help people in areas where they physically cannot access the opportunities? Their reliability is being questioned, but it is not their fault—it is the fault of the system for not providing the public transport that they need to fulfil their obligations to their employers.

**Andy Milne:** In one of the case studies that we looked at as part of the work that we have been doing with the Joseph Rowntree Foundation, a young man who was involved in a local project in a voluntary capacity, and who was growing and learning a lot through that, was obliged by the Jobcentre Plus system to take a job that was one and a half hours away from where he lived in Gallatown in Fife. As a result of striving to do that job he lost the connection with the voluntary organisation, but he could not sustain the employment position and got his benefits docked. There are major faults between the large scale of the system and the reality of the experience for individuals, and transport is a big part of that.

Trying to be more positive—which is always a good thing to be—I think that there are real opportunities. The other day, I was at a discussion about the Scottish Government's intention to produce a procurement bill. Within that, there are obvious opportunities—Duncan Dunlop and others have referred to them—to support local opportunities for people to get into work and other opportunities through the large amounts of money that are still flowing through the system in different ways at different levels through, for example, local authorities and health boards. However, that carries the danger of the default mechanism of scaling up. The Scottish Government must think more about the impact that the hub project, of which people might be aware, will have on local businesses, local jobs and the vibrant high streets and town centres that we are all concerned about.

There is a positive connection with the Scottish Government's intention to produce a community empowerment and renewal bill, which is to be on the statute book by autumn 2013. That links to a brilliant bit of research, of which I am sure most of the people here will be aware, that is being done by the GoWell programme. The research is looking at the effect of physical change of place in areas of Glasgow—mostly in Glasgow Housing Association's transformation areas—on individuals and their sense of wellbeing. That involves a mix



of things. Professor Ade Kearns of the University of Glasgow is the leading academic on the issue.

The research uses the Warwick-Edinburgh mental wellbeing scale, which I am told is a robust mechanism for measuring people's sense of wellbeing. One of the main messages has been that any local activity—not just employment—substantially improves people's sense of wellbeing.

I return to a point that I made earlier. There are major opportunities from supporting community and voluntary organisations, social enterprises, development trusts, housing associations and so on that are all working hard locally, which do not need to access people by text or on a computer screen but which know folk and know where they live. People who do not have jobs still live somewhere. In the community, such organisations have an opportunity to play a positive role in caring for people and making environmental improvements and innovative developments in their areas.

I make the plea again that we need to think more boldly about what the reality of employment and gainful activity is and about the opportunities for developing that in a way that gives communities, individuals and the wider state added value by getting people well motivated and making savings in education, justice, social work and health services. Big gains can be made. The Christie commission pointed to that and the Government's regeneration strategy points to that. We need to get the DWP's employment measures behind that as well.

There is a fascinating debate about Scotland's constitutional future. I think that I am right in saying that all major parties now accept that existing powers will be enhanced. The question is what we would do with such powers. What would we do differently if we had control over the DWP's resources and policies? I suggest that we should concentrate not on getting a large number of people into a small number of jobs but on looking more expansively at how we could use those powers and huge resources to transform communities through other activities.

**The Convener:** I am very tempted to comment, but we will move on to Alan Sherry.

**Alan Sherry:** I will take up Paul Wheelhouse's point about transport and a couple of other issues. Transport is not simply a rural issue; the cost of transport to poor urban communities is equally challenging. John Wheatley College is on the periphery of Glasgow, from where the cost of commuting to the city centre is considerable. I am sure that John Mason got the same leaflet as I got this week about the reorganisation of bus routes, which will prevent some of our residents from

moving across the city to where jobs might be available. We need to consider the broader issue of transport affordability.

Stephen Boyd and Elaine Murray raised my hobby-horse—partnership working with employers. We do not often discuss employers' roles in workforce development and their commitment to ensure that people become job ready once they have left education or training.

A broader issue concerns the public purse. I do not necessarily believe that it is the job of colleges or schools to create a system in which we give every employer a work-ready person. Our job is to give people broad skills that equip them for employment and which can be built on to meet employers' needs. We need to discuss such issues.

Stephen Boyd talked about more successful economies. The more successful economies in, for example, Germany and Scandinavia have the partnership that I described, in which the public sector's role is to provide not job-ready people but people who have the broad skills that make them ready for work, not for specific tasks. We need to have the broader debate about that, which we do not often have in the Scottish context.

Finally, we are focusing on young people—and rightly so—but there is another concern about how we are going to tackle unemployment and the issues around it for the 29 per cent of people aged over 24 in our community who have no qualifications. If Glasgow is to be a successful economy, and if Scotland is to be a successful economy, we need to think about strategies for engaging with that cohort, because they will be in the labour market for the next 20 to 30 years. Looking at the demographic, I think that if we fail to deal with that generation we are not going to build capacity and create a stronger, more successful, more vibrant Scotland. At some point in this discussion it might be useful to explore some of those issues and what they mean for us as a society.

**The Convener:** The over-50s are a key resource—they are often forgotten about as well.

**Laurie Russell:** I notice that you turned to me when you said that, convener.

**The Convener:** I was trying to flatter you by implying that you were only 50. [*Laughter.*]

**Laurie Russell:** Following on from Alan Sherry's point, I want to make a more general point. We have got this far without talking about how the UK Government is dealing with this group of people in Scotland.

One of the frustrations—probably the biggest frustration—for those of us who work in delivery in this area is that we broadly know what works.

There have been a lot of good examples from people around the table, and there is a good summary in paragraph 17 of the STUC paper of what will work around employability according to the research. We also know about a number of other issues, including transport and links with employers. However, the difficulty is that we currently have a system for long-term unemployed people in the UK that is dominated by the work programme.

After people have been with Jobcentre Plus for a period of time—between six months and 12 months, depending on what benefit they are on—they go on to a private sector-led work programme. That is mandatory for everybody on benefit during that period. We are picking up a lot of stories about how difficult it can be for people who get their benefits sanctioned for various breaches of the work programme rules—for not turning up, for example. People are with the work programme for two years. It is done on the cheap, led by the private sector, because the real aim of the UK Government is to save huge amounts of money on the benefit budget—the aim is to get people off benefit.

As was mentioned earlier, we are not putting that effort into creating good-quality jobs that people can get off benefit to go into. As a lot of people have said this morning, there is clear evidence that the majority of people who are not working want a job. However, they want a reasonable job. Like those of us sitting around the table, they want a good, satisfying job. They want a job that pays them more than the minimum wage—hopefully, a job that pays the living wage—so that they get some economic benefit as well as some personal satisfaction from working and contributing to society. That evidence is there.

We are not creating those jobs. What is there for long-term unemployed people is a cheap and nasty system—led by the UK Government—that is not succeeding. The DWP will start to produce the figures on it in the autumn and I think that those figures will be way below those reached by previous programmes for labour market intervention. That is sad. The organisations that are represented here have a real challenge to focus on and better target the most vulnerable groups in Scotland. I am not just talking about young people. Several comments have been made about other groups, including prisoners who, on release, are faced with a number of issues. Because of the competition for jobs, they are lower down the hierarchy for an employer now than they used to be.

Regrettably, we are in for a much more difficult time over the next couple of years on this issue. We have to watch and be aware of the impact of

the work programme and the impact of welfare reform.

11:15

**The Convener:** I echo many of those comments. We are well aware from evidence that we have taken from the Institute for Fiscal Studies that 88 per cent of public expenditure cuts are likely to come after 2015.

We have been having a really interesting conversation for an hour now and have touched on a number of the issues that we wanted to discuss. I will let Duncan Dunlop in, but then I want Stephen Boyd to focus on and kick off a discussion on the further actions that could and should be taken.

**Duncan Dunlop:** I want to come back to a number of points to refocus the discussion on what I thought it was about—the employability of our vulnerable young people. I am not a businessman and certainly do not know how to go about bringing business into Scotland—others have that skill set. However, the fact is that the public sector, which includes the national health service and local authorities, is this country's biggest employer and I believe that we should look at ourselves and the things we control, because we can do quite a lot in our own system to create opportunities for vulnerable young people. Of course, there is another important debate to be had about how we might bring in the private sector to work with them.

Mark McDonald asked earlier about what we do with those young people, and what we do about the stigma that is attached to them. I note that the statistical bulletin produced by the Scottish Government at the end of February stated that 43 per cent of young people leaving care did not have a pathway plan that sets out their transition out of care into housing, employment and so on. It is their right to have such plans, so why are they not in place? There are certain things that, if we got them right, would really assist the situation but those plans, which show the key relationships that will help young care leavers through the process, are just not there.

As for stigma, the public believe that young people in care or who have all the other issues that we have talked about are not necessarily the greatest characters in the world. That is just not true. When we were carrying out our corporate parent training, we found that a huge tranche of our society is very ignorant about the issues faced by those young people. Given the ideals, values and attitudes of Scottish society, I believe that, if awareness is raised, the public will want to embrace those young people and give them a bit of a boost. Who Cares? Scotland is looking at how

we might raise awareness to get more people, including business, involved. In short, therefore, we need to address the issue of stigma, ensure that obligations with regard to pathway plans are met and focus on vulnerable young people.

Convener, you said that you wanted to focus on solutions. I believe that we have the skill sets and that if we had the mandate and the resources we could build relationships. I know how talented the looked-after young people we work with are and, with partner organisations similar to ours, we can provide a safe space to develop them into work-ready young people. However, that will require resources and a bit of innovation and trial and error. The employability stuff that many organisations have churned out over the past few years will not work for them; we need to consider other, more flexible approaches. We are more than happy to take a practical look at that. We are certainly confident that we can achieve in that respect—after all, we have engaged with young people for up to nine years and more. Achieving is what matters to them.

**The Convener:** I think that at a time when resources are declining we should focus on what works and discard what does not.

I will now bring in Stephen Boyd.

**Stephen Boyd:** It is very kind of you, convener, to put me on the spot. I am painfully aware that many people around the table have the genuine experience of the sharp end of these issues that I do not have, so I make these perhaps slightly woolly comments with some humility.

Laurie Russell has very effectively made it clear that we already have a good idea of what works. The research that we quote in our written submission is very robust and, indeed, many papers out there have reached similar conclusions. However, it would be helpful to have some research on what is being delivered in Scotland, how it matches with international experience and where the Scottish economy as a whole differs from the best-functioning labour markets, particularly with regard to the participation of disadvantaged young people.

We certainly need to open up the debate. I am very encouraged by the way others around the table have agreed with my suggestion that we examine the nature of the work that we send young people into. For quite some time now, we have been banging our heads against the wall on some of these issues. We are trying to open up a debate about how our companies are managed, the quality of management, the career progression that is available to young people moving into the workforce and the wages that people are paid—things that used to be discussed as a matter of course in policy discourse but which are very

much ignored now. If we could open up the debate it would be very helpful.

We would absolutely sign up to Laurie Russell's views on the work programme as it is currently designed and delivered. I do not know if this is overly ambitious, but if we could come up with some collective Scottish response, it would be very helpful and probably deliverable. I think that the work programme is doing great harm and is likely to do much more harm to some of our most vulnerable people. There seems to be a lot of unanimity on some of these issues, so a collective response would be very helpful.

**The Convener:** Do members have any comments? Nobody has their hand up.

**John Mason:** I have a comment, in my role of questioning the DWP.

**The Convener:** The deputy convener has saved the day.

**John Mason:** I believe that there are plans in some of the jobcentres to specialise and focus on young people.

**Henrietta Wright:** We have extra resource for the first time in a long time, and we are recruiting additional advisers. In my district, we are taking on 41 additional executive officers to support what we are doing with young people. Instead of seeing a young person fortnightly, we have a commitment to see them weekly. We will work with partners to try to improve the opportunities that are available to young people. Given our experience so far, we also need an investment in both our partnership work and our linking in with employers. We have an extra investment to help us deal more effectively with young people.

**John Mason:** If I have understood things correctly, young people would perhaps all go to one jobcentre, from which they would get a lot of support. How would that tie in with travel, which has been mentioned already? Would it happen only in cities?

**Henrietta Wright:** Young people would normally go to their jobcentre fortnightly. We are also looking at doing sessions for young people with local partners, rather than asking them to come back to the jobcentre. Some of our most successful group sessions involve organisations such as the Prince's Trust coming along to give motivational talks to encourage young people. A lot of young people have been unemployed for a while—they have been listening to what the media have been saying, they are very disheartened and they do not see a future. We are working with Skills Development Scotland, the Prince's Trust, local authorities and different organisations. We are doing group information sessions, as well as seeing young people on an individual basis.

We are moving towards a more flexible approach to how we deliver our service, rather than a one-size-fits-all approach. With that, we are looking at what is suitable for communities. *[Interruption.]* For example, what works in Ayrshire will not work in Paisley, for me, so I need to consider what support the different areas require.

**The Convener:** I remind people in the public gallery that all mobile phones and BlackBerrys should be switched off during the meeting.

**Karen Adams (NHS Education for Scotland):** I would like to pick up on some of the things that Duncan Dunlop and Alan Sherry mentioned with regard to partnership working. I work for NHS Education for Scotland, which is the special health board that is responsible for supporting education and training of NHS staff across Scotland. We work closely with the NHS boards that have responsibility for employability. A number of different partnership projects are taking place to support the issues that have been raised. In particular, healthcare academies have been set up in a number of board areas, which work specifically with young people from more deprived backgrounds and areas.

The issue we find in the NHS is the fragmentation of information and access to support. We have done quite a lot of work with the boards to find out what the barriers are. A key barrier is the fact that managers who might be responsible for employing or providing opportunities for young people do not necessarily understand the support systems and mechanisms that are out there, and do not necessarily know how to access them. NES has been working with Skills Development Scotland and other partners to put boards in touch with support mechanisms, to help start a conversation that will support partnership working.

As I mentioned, the fragmentation of information is a big barrier to successful integration in the workforce. A number of boards are looking at employability issues in the context of their own workforce planning, because they want to ensure that opportunities that are provided are sustainable and can be supported in the workforce in the long term. It is important that boards look at employability in the local area and how that can influence workforce planning. A key requirement is that we provide more joined-up access to information on support that is already available.

**Andy Milne:** I will do another crass advert. Professor David Blanchflower will do this year's SURF annual lecture on 25 October. Two or three years ago, I heard him do a presentation specifically on youth unemployment. He had a list of eight practical things that he thought could be done to avoid a crushing demographic and what he called the deep scarring of a generation

through unemployment. At the top of that list was a simple measure—investment in housing; in other words, investment in schemes to upgrade housing, energy conservation schemes and schemes to retrofit housing. He indicated much more articulately than I can the number of hits that we could get from that, which include easy access to construction skills, support for the construction industry, energy conservation, access to jobs for people who would otherwise be far from the labour market and support for third sector organisations.

The Government's regeneration strategy and its new people and communities fund are based largely on supporting the development of what are called community anchor organisations—organisations that are owned by communities in communities and which have existing collateral management and administration systems. Housing associations are top of that list. If we could invest in improving the quality of existing and new housing stock, we could address all those issues, including the provision of access to employment for young people. I think that I am right in saying that the Wise Group, which is now a huge organisation, grew out of such activity at the beginning of the 1980s.

The Scottish Government's budgets are under tremendous pressure. Substantial cuts have been made in the housing budget, and I imagine that those will have been extremely difficult decisions. I think that a solution would be reinvestment in housing through anchor organisations. That way, the money goes directly into communities, provides added benefit and stays in those communities. It is not a win-win; it is a quadruple win, or something like that.

**Pamela Smith:** I will follow on from what Andy Milne said about programmes of public works or ways of spending public money that could produce greater community benefit. He was referring to the old intermediate labour market-type approaches. We might want to call the work that would be created transitional employment, in that people would be offered a period of paid employment that would provide not only work experience, but an opportunity to upskill. I make a plea for the community jobs Scotland initiative to provide skills and high-quality training rather than just a period of paid employment. Without that, young people will be no more highly skilled when they come out of those periods of paid employment, which means that they will not be in a more competitive position in the labour market to get their next job.

There are many good examples that show that transitional employment, supported employment and corporate parent and family firm approaches work, but I think that they do so as a workaround. I do not think that the design of the national training programmes helps.

11:30

We need to go back to basics. Quality, sustainable employment should be the outcome of all skills and employment measures, so we need to work back from wherever a young person starts on the journey and be more realistic about funding it. If a young person spends three weeks on this, four weeks on that and 13 weeks on something else, they will not build towards sustainable, quality employment.

The in-work poverty figures are testament to the lack of skills and the skills system that we have at present. Some of the training programmes, such as get ready for work, have no skills element attached—not even a core skills element. Through SLAED's representations, we have been pushing for the national training programmes to have more competence-based milestones and more skills and employment-related outcomes. At present, people are entitled to 20 weeks, but after that, what else is there? We need to assemble the next parts of the pipeline, and we need pre-apprenticeship programmes that lead to further training.

If we are to get people into higher-paid, quality, sustainable jobs, we need investment for five, six or seven years. It might not cost any more; we just need to be realistic at the outset that the cost will be £17,000, £18,000 or £20,000 and not five times £3,000. If we took a more longitudinal approach, we would get more value for money.

We should also take an all-government approach and look at what we are spending on the national health service and other public sector partners. I would go further and give them targets for apprenticeships. At Falkirk Council, we have a target for 5 per cent of our workforce to be modern apprentices, which equates to 300 full-time equivalent posts. Last year, we supported 396. Every service has a target. If the Government established some targets for the public sector, perhaps through its funding, we might see a lot more coming out at the other end.

**Duncan Dunlop:** We have touched on a problem that runs through this area of work. As Karen Adams said, organisations work in silos. They think that they have the solution on their own, but they do not. As we have seen, the problem is a complex one that covers myriad issues. As Pamela Smith suggested, it continues because organisations do a little bit of polishing and think that they have fixed the problem, but then the person drops off the tightrope. Somebody else picks them up and does a little bit of polishing, but then they drop off the tightrope again.

Organisations in the public sector, the third sector, the independent sector and the private sector must be held to account for the outcomes

that they get and for achieving their targets, but we need to look at that horizontally and not just examine what an organisation has achieved in its silo. Rather than looking at an organisation hierarchically, we need to consider how well it has worked with Barnardo's or with the social work department at Falkirk Council. How can we start to change the culture and put to bed the egos that prevent us from doing that in our organisations and the environments in which we work? That is the challenge.

I mentioned that the Big Lottery Fund is committed to investing £25 million in care leavers. That investment will be made over 10 years, so it is not massive, although it sounds quite nice. With other actors in the sector, Who Cares? Scotland was involved in determining how the money should be invested to make the biggest impact. The analogy for the solution that was developed is an umbrella. The handle is the core relationship that the young people need to help them to understand and access all the different segments in the umbrella, such as housing, employability, the transition to decent accommodation, social work relationships, benefits and colleges. The core relationship helps the young people to navigate their way round those things and the many vital engagement programmes that exist, including NHS and mental health services. We do not need to create a new infrastructure for that, because much of it is already in place.

Perth and Kinross Council is a good example. It got its throughcare team and its CLD team together and it resourced new premises called @ Scott Street in the centre of Perth, which are worth a visit. It is a young person-friendly place. When someone goes there, they are not met with plexiglass, a buzzer and a pot plant—they do not feel like they are going to the dentist. There are sofas, TVs and internet access. Many of the young people who go there are in inappropriate accommodation such as bed and breakfasts or homeless accommodation where they do not necessarily get breakfast. They come in and get their cornflakes and they get to use the internet—Facebook or whatever—for an hour or so, and the staff are in among them. The young people may start off by building relationships with the youth work staff and the throughcare staff, and they can use the services in that environment, which is a young person-friendly safe space. NHS staff, mental health staff, the people from Perth College, employers, SDS and others can come in and engage in activities to improve the self-confidence and personal development of the young people.

That is a really good example of a hub. There are little bits that could be added to it, but it is the type of thing that we need to get all the services to work together.

If a young person suddenly hits a crisis point or gets involved in certain behaviours when they should not, there is a range of services available that work with young people. They know their clients—for want of a better word—in that area and they can decide how to support them.

We need to look at and highlight investment in that type of thing, and we welcome the Life Changes Trust investment. We have asked the Scottish Government to consider how it can drive that positive initiative forward.

**Jim Wallace:** On the point about further action, there are complex funding arrangements for employability services. It is difficult for third sector organisations to develop, sustain and strategically build services and employability when there is no guarantee of funding beyond 12 months.

A lot of creativity is involved in making funding work, but if we want strategic progress, we need better funding arrangements for services that are shown to work. We have an employability strategy in Scotland, but further work must be done to strengthen it and build in some tangible things that we can deliver.

**The Convener:** I will let Dr Miller in next. No one else has indicated that they want to speak. We will draw the session to a close soon, so if anyone wishes to make any final comments, please attract my attention quickly.

**Dr James Miller (Universities Scotland):** When we are discussing such issues, going to university is perhaps not uppermost in people's minds. However, the university sector in Scotland is very diverse and can offer significant educational opportunities to deal with many of the issues that we are talking about.

Although I am here in my role as convener-elect of the learning and teaching committee of Universities Scotland, in my day job—as the convener mentioned—I am director of the Open University in Scotland. This year, 15 per cent of the Open University's new students will come from the lowest quintile in the Scottish index of multiple deprivation. There are a significant number of opportunities for individuals of all ages from those communities.

Other universities in the sector work with colleges and community groups to encourage students from non-traditional backgrounds into university and, beyond that, into supported employment. Additional support is available for those who are on benefits so that they can access courses to upskill and reskill.

Individuals can develop skills beyond the discipline in which they are studying, such as resilience, timekeeping, organisational skills and so on, which are all good employability skills. More

use could be made of the part-time sector, and the university sector can play a role in working with employers to improve work-based learning and the sustainability of roles and lifelong learning.

**The Convener:** Alan Sherry and Stephen Boyd will be the final two contributors.

**Alan Sherry:** Andy Milne mentioned the Christie commission several times. The commission's notion of targeting resource at the most deprived communities with autonomous decision making in those communities to address the issues is a really powerful argument, which replicates some of the things for which Andy Milne has evidence.

In north-east Glasgow, particularly in the east end of the city, through working with the CPPs we have delivered innovative and interesting programmes that have made a difference. Educational attainment in our area has gone up in the past five to 10 years, and participation in further education in our communities is now among the highest in Scotland.

I noted Dr Miller's point on new students. In general, 30 per cent of further education learners come from the lowest quintile. However, in my college, 80 per cent of learners live in the poorest 20 per cent of data zones and 52 per cent live in the poorest 5 per cent of data zones.

We have evidence that we can engage effectively to help people to change their lives if we target resource. We work in partnership with all the major organisations and with our local community health partnership. We have done really interesting work on getting unemployed people—mainly lone parents—into sustainable employment through a joint work placement-higher national certificate hybrid programme over 18 months.

The key issue is resource, linked to local decision making. Part of the issue with national programmes is that they must be national by their very nature, and therefore they do not take cognisance of the reality on the ground. We have heard good examples today of how the reality on everyone's ground is very different; we hit everyone's base, as we have the largest number of looked-after young people in Scotland in our area.

That is my plea.

**The Convener:** Stephen Boyd can go next.

**Stephen Boyd:** You put me on the spot earlier and I neglected to make the most important point. If we want to address these issues at this moment in time, we desperately need additional spending at a UK level. If we want to prevent what is at present largely a cyclical unemployment issue from becoming largely a structural one, we need to spend.

First, it is important to emphasise that, although this is not the STUC's ideal answer, a number of organisations such as the Social Market Foundation and the National Institute of Economic and Social Research have come forward with proposals for what they describe as balanced budget stimulus, which would involve a combination of tax rises and spending increases that would focus on the type of issues that Andy Milne raised earlier. Those proposals would have a big effect on employment and significant multipliers, and over time they would more than pay for themselves.

Secondly, a number of people have mentioned procurement and the proposed sustainable procurement bill. We are working closely with ministers on that, and we look forward to the bill being a robust piece of work. However, it is important to emphasise that if we are going to address the issues around procurement, we must invest in the procurement skills of professionals in Scotland. If we want to do creative things around procurement, we do not have a great base out there from which to work.

We need a significant level of culture change among procurement professionals. The Scottish civil service has what I describe as an institutional timidity towards all things European, with regard to whether we might possibly infract on European Union legislation here. We just have to go on and do what is best for Scotland, frankly, and worry about that in the future as most other member states do.

Going back to 2004-05, when the then Scottish Executive appointed John Ward and Jack Perry to run Scottish Enterprise, a very unhelpful debate was created in Scotland about what was pure economic development and what were social programmes. Our discussion today emphasises that we cannot draw that distinction.

The type of things that we are discussing today involve pure economic development and are absolutely crucial to Scotland's economic future. Our aspiration would be that, over a period of time, we can move away from having an economic strategy plus a poverty strategy plus a youth employment strategy towards simply having an economic development strategy for Scotland that works. That is what we should all be working towards.

**The Convener:** On that positive note, I draw the session to a close and thank all the contributors. We will have another round-table session in which we will take evidence from the minister.

At our meeting on 2 May, we agreed to take the next item in private, and at the beginning of this meeting, we agreed to take item 6 in private. I therefore close the public part of the meeting and

ask all witnesses and members of the public to leave.

11:43

*Meeting continued in private until 12:40.*





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