

Evaluation of the Youth Employment Scotland Fund (YESF) for the Scottish Government

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Editor's Note

Youth Employment Scotland Fund

The Youth Employment Scotland Fund (YESF), introduced in April 2013, moved forward the Scottish Government's commitment to help unemployed 16-29 year olds into work. YESF was established to create up to 10,000 job opportunities for young people. The programme was available for jobs starts from 1 April 2013 to 30 June 2015.

The programme, which was delivered by Local Authorities, provided financial support to employers for at least 26 weeks which covered a minimum of half the salary costs at the National Minimum Wage.

Initially the programme was jointly funded by Scottish Government and the European Social Fund. However in Spring 2016 the Scottish Government replaced the European Social Fund element with Scottish Government funding.

This evaluation report was completed prior to the decision to replace the European Social Fund element of the funding. Where it is noted that funding was provided by the European Social Fund this has now been replaced by Scottish Government funding.

The report was prepared by ekosgen who conducted the underlying research on behalf of the Scottish Government.

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Executive Summary

The Youth Employment Scotland Fund

In August 2015, ekosgen was commissioned by the Scottish Government to evaluate the Youth Employment Scotland Fund (YESF) and assess its impacts on young people and employers, including the extent to which it achieved its objective of creating sustained employment.

The YESF was a Scottish Government and European Social Fund (ESF) funded programme that provided a package of support of up to £25m to deliver a wage incentive type of Employer Recruitment Incentive (ERI) in order to support up to 10,000 young people into jobs across Scotland. Funding was initially available for job starts up to 31st December 2014. When the ESF element ended after two years, the YESF was extended by another year to 30th June 2015 with co-investment from Local Authorities.

Delivered at a Local Authority level, the YESF aimed to support the Scottish Government's commitment to help unemployed 16-24 year olds (extended to 29 year olds in August 2014) into work, and build on local and national measures that provide education and training to prepare young people for employment. It was introduced in response to the high youth unemployment resulting from the economic downturn, recognising that in this period, simply being young was a significant barrier to employment. The evidence from the Federation of Small Businesses (FSB) report 'Bridging the Gap' suggested that employers viewed recruitment incentives as important in overcoming barriers that employers faced to recruiting young people.

The YESF was delivered by Local Authorities and supported employers in the private and social enterprise sectors to take on a young person aged 16-29 years (originally 16-24, extended to 29 in August 2014). Following changes in the criteria after the first three months, it also supported Local Authorities to employ vulnerable young people, Modern Apprentices and graduates with the aim of moving them in to private sector employment. Employers were provided with a wage incentive ERI which covered half the salary costs of a young person in a job (based on the appropriate National Minimum Wage).

It was based on the premise that all jobs created by employers were to be additional and permanent. Any references in the report that suggest that either the young person or the employer did not see the period of the ERI as a permanent job may reflect some misperception and miscommunication between Local Authorities and beneficiaries.

Study methods

The study team used a mix of methods to evaluate the YESF. We gathered monitoring data from all 32 Local Authorities to assess progress against local and

national targets. We requested data on the number of starts and any more detailed data that may have been gathered locally about the characteristics of the participating young people.

We focused on 12 Local Authorities for more in-depth qualitative research. This looked at setting up and delivering the fund, alignment and strategic fit and key learning points. We also gathered contact details for employers and young people in those areas. Using these contact details, we carried out a telephone survey of 40 young people who had participated in YESF and supplemented this with an on-line survey of a further 74 young people. This means that survey information was gathered from a total of 114 young people across 20 Local Authority areas representing just over 1% of the total jobs provided through YESF. Whilst it is a small percentage, the total number of 114 young people is adequate to give robust findings as part of a mixed methods approach. We also set up and moderated an online discussion group using the Liveminds platform.

As agreed with the Scottish Government and within the scope of the budget and timescale, 50 employers were interviewed by telephone and a further 133 employers completed an online survey. We also carried out interviews with five employers and five young people to develop case studies and illustrate key findings, giving a total of 188 employers who participated in the evaluation. The case studies are anonymous and are based on self-reported information from employers and young people rather than on data provided by Local Authorities or others.

As another strand of the study, the researcher conducted a programme of consultations with operational and strategic stakeholders to explore the YESF's strategic fit, strengths, weaknesses and delivery. We also explored the key lessons for future programmes.

There were some methodological challenges with the evaluation but these were not insurmountable, and have had no impact on the robustness of the evaluation or the findings. The monitoring data across all the Local Authorities was not always gathered or presented consistently and so aggregating it was more difficult than expected. The final phase of the YESF was not complete at the time of the evaluation (it completed in December 2015) and so not all data sets provided to us captured the final outputs; for example, destinations of young people following completion and final beneficiary numbers. This means that final figures may be slightly higher than those reported here.

Outputs

The target was to provide up to 10,000 jobs for young people and at the time of writing, the Local Authority monitoring data showed that 9,396 young people had started a YESF job at the time of the evaluation although this figure may have increased following the end of the programme. The vast majority of young people who participated (98%) were aged 24 or below (reflecting the fact that the age range was only extended to 29 in August 2014) and they tended to live in the same Local

Authority area in which they undertook their YESF job. No reasons were provided for why this might be the case. The non-completion rate was 14%, accounting for 1,286 young people. There was a range of reasons for non-completion including moving in to another positive destination before the end of the ERI but the most common reasons were that the contract was terminated because of poor time-keeping, bad attendance or the employer going out of business.

Value for Money

The evaluation did not include financial analysis as the data was not available for the evaluation. The study was conducted before the programme closed and so the financial data was not final.

Whilst there is no financial analysis, we know that Local Authorities absorbed the costs of set up, administration, compliance and delivery into existing budgets as no funding was available to cover these. This means that the YESF investment levered in significant additional resource however it has proved very difficult to place a figure on this given the variations in local delivery models. The YESF ERI enabled some employers to provide support to the young person with almost a third (30%) of employers in the survey indicating that they were able to provide training to the young person that would not have been possible without the ERI.

Additionality

Whilst the YESF was very clearly about additional job creation, some employers participating in the evaluation seemed to view it as a trial period even though the young person was given a permanent contract from the outset. This perception may mean that a clearer message was required to be given to employers.

Having said that, the evaluation shows that the YESF fund helped to create additional jobs for young people, and potentially sustained employment. The evaluation indicates that in some cases, this message may not have been fully understood by employers, although all young people were provided with permanent contracts. 69% of employers reported that they would not have provided the job without the YESF ERI. A further 15% said that the YESF brought recruitment forward (time additionality). Additionality was boosted by the existing relationships between Local Authorities and employers and the 'contracting' approach taken by some Local Authorities, where they developed contracts with employers, setting out terms and conditions stipulating that the job must be guaranteed and treated as a permanent job beyond the ERI.

The YESF enabled businesses to offer jobs and take on young people, when they otherwise wouldn't have; 69% of employers reported that they wouldn't have provided the job, or were unsure if they would have or not. Consequently there are now young people in long term sustainable employment that wouldn't otherwise be in a job, as a direct result of the YESF reducing the initial costs and the risk to employers.

Deadweight and displacement

Although there is some evidence of deadweight only 31% of respondent businesses would have taken on a young person without the YESF ERI, whilst for micro businesses, the ratio was lower at 28%. Also, over half of respondent employers reported that they had an existing vacancy to fill and took on a young person for the role. This figure is significantly less than the levels of deadweight reported in other employer recruitment incentives.

As reported above, over half of employers already had a vacancy to fill, some of which were created through Local Authorities brokering the opportunities on behalf of eligible young people. Various Local Authorities reported that some employers recruited a young person at entry level, whilst their original intention had been to recruit someone with experience therefore placed young people more prominently within the company's recruitment. However more than three quarters of respondents stated that taking on young people did not displace other potential employees.

Impacts

Young people

The YESF has been successful in providing jobs to young people across Scotland. At the time of the evaluation, 9,396 young people had started YESF jobs and this number may increase as the Fund reaches the end of its final phase.

Young people have benefited in a number of ways. They have developed hard skills related to their YESF job; they have gained qualifications, for example through MAs; they have gained and been able to demonstrate soft skills such as time-keeping, team-working and motivation; and they have improved their employment prospects and future career progression. Young people also reported that it had positively impacted on their confidence and career aspirations.

The key aim of the YESF was to overcome the disadvantage that young people faced in the labour market and to avoid the well documented life-long impact that periods of unemployment early in life will have on young people by helping support young people into sustained employment and the evidence clearly demonstrates that it has been successful in achieving this, with monitoring data showing that 64% of the young people who started YESF retained their employment at the end of the ERI. A further 5% moved on to another positive destination such as FE or training.

Employers

Employers have also benefited from providing YESF jobs. They were able to increase their capacity for the period of the ERI at a lower cost to the business; assess a young person's suitability for the role before committing to employing them permanently; bring in new, fresh ideas and attitudes to the business; and address the issue of an ageing and sometimes stagnating workforce. The YESF ERI encouraged some employers to recruit a young person in place of recruiting a more experienced

worker, but in many cases they created a new post for the young person directly as a result of the financial support available.

Local Authorities

YESF has also brought benefits to the Local Authorities. The main benefit has been the volume of young people that they have been able to put through any type of employability scheme and into employment, therefore contributing to local strategic objectives on youth unemployment. There has also been an increase in and better engagement with employers which has enhanced their employability work, but also benefitted other functions such as economic development.

Employer Recruitment Incentives

There is overwhelming agreement across a range of partners that appropriately targeted ERIs are an appropriate response to tackle high levels of youth unemployment and an effective means of encouraging employers to provide jobs to young people with a view to maintaining sustained employment at the end of the ERI period. It reduces the risk to the employers but employers, Local Authorities and stakeholders believe that the value of the ERI is enhanced for some where pre-employment training is provided, for example through employability initiatives. Employers also noted that they may need additional support, including practical support to employ a targeted young person, for example someone with a disability.

Challenges

The YESF presented some challenges although there is no evidence to suggest that these detracted from the impacts over the life of the programme. Local Authorities with existing employability initiatives successfully integrated the YESF into the provision and tended to find it less challenging to implement the Fund than authorities with no existing provision.

Compliance was an issue, both for Local Authorities who found it to be resource-intensive, and for employers who were required to provide very detailed information to make a claim. Anecdotal evidence suggests that some employers recruited the young person but decided not to claim the ERI due to the compliance requirements. Again, this does not appear to have been a significant issue.

Some aspects of the guidance from the Scottish Government were open to interpretation which led to a degree of inconsistency between Local Authority areas. Whilst this was not necessarily an issue, and flexibility at local level was a deliberate feature of the Fund, it led to some confusion, particularly for employers and partners working in more than one area. It also meant that how, and the extent to which Local Authorities monitored the Fund and assessed the impacts varied, which was a challenge for the evaluation.

Despite eligibility rules and guidance there is evidence that in a small number of cases some of the young people supported by the YESF were already in a job or in a

Modern Apprenticeship (MA) scheme at a Local Authority (perhaps only having just started) and at that point, the job was converted to a YESF job to enable the employer to access the ERI. Where this occurred, the Local Authorities believed this met eligibility criteria, whilst in other areas, the Local Authorities did not consider young people already in employment to be eligible.

Despite these issues, on the whole the localised approach to delivery was a strength of the Fund. It allowed Local Authorities to align the YESF ERI with local employability activities and add significant value.

Recommendations

Although the YESF is coming to an end (at the time of writing) and delivery of Scotland's Employer Recruitment Incentive (SERI) has commenced¹, there are some recommendations for the Scottish Government and partners to consider for the future.

Recommendation 1: Communication. There should be clear, consistent and timely guidance at the start of the programme. Mechanisms for on-going communication should be reviewed regularly to ensure that important updates and messages are being effectively communicated and are reaching the target audience.

Recommendation 2: Coherence across partners. Funding partners must work closely together before launching a programme, and on an on-going basis to present a coherent offer to delivery partners that meets a minimum national standard but takes account of local initiatives and circumstance.

Recommendation 3: Marketing. Peer recruitment should be a key strand of a programme's engagement strategy, using case studies, advocacy and providing opinion leaders with information to help engage employers and young people. Social media campaigns are effective in engaging young people and reinforcing messages.

Recommendation 4: Monitoring. A monitoring and evaluation framework should be an integral part of a programme's development and agreed from the outset. This will mean that strategic and delivery partners are agreed and are clear on what will be collected, in what format and how and when it will be reported. This will ensure that progress, outcomes and impacts can be monitored and assessed and where necessary, adjustments made to maximise the efficacy of the programme.

Recommendation 5: Compliance. Where possible administration and compliance requirements should be as straightforward and consistent as funding regimes allow. The processes should take account of the nature, experience and capacity of the

¹ Scotland's Employer Recruitment Incentive (SERI) was launched in June 2015 with a commitment to assist employers in supporting young people into jobs. The scheme was paused amid uncertainty following the Chancellor's spending review and how it would affect Scottish budget. SERI will resume in April 2016 with a sharper focus on the job prospects of young people who face the biggest barriers to employment, including those with disabilities. Details of the resumed SERI are still being worked out.

organisations that will have to complete the compliance process e.g. micro and small businesses can face particular challenges. Support is important to help employers address any issues of demonstrating compliance.

Recommendation 6: Setting targets. Targets should be set using evidence at local level where it is available e.g. on deliverability, capacity, economic context, existing employability activities and outputs of other/previous interventions.

Recommendation 7: Employer Recruitment Incentives. ERIs are effective in encouraging employers to provide jobs and sustained employment to young people. This approach should be an integral part of future employability programmes but against a backdrop of an improving youth labour market, should be focussed on those who are further from the labour market and optimised with pre-employability training, through and after-care. Flexibility should be built in on how the ERI can be used to remove barriers to employing young people and should be specifically about the young person's needs.

Recommendation 8: Flexibility at local level. A positive feature of YESF is that National ERI programmes had the capacity to be delivered flexibly to respond to local need and circumstance but with clear guidance to ensure appropriate levels of consistency and compliance to programme criteria. This flexibility should be maintained.

Recommendation 9: Providing the jobs. Employers should be given clear guidance about the expectations and commitments required of them in providing a job. This should include what they are expected to provide to the young person during the ERI. Consideration should be given to this taking the form of a formal agreement between the employer and the Council. It would also set out what the Council is agreeing to provide for example, any additional support.

Recommendation 10: Support to employers. Some employers, particularly smaller ones, may benefit from practical support, for example help to find and recruit a suitable young person, assistance to prepare an induction programme and so forth. This type of support is available through Business Gateway and a selection of local on-line tools. Additional support could potentially be provided as an on-line resource at national level, with local flexibilities.

Recommendation 11: Targeted Young People. The Targeted ERI was available in conjunction with the YESF to provide support to employers to employ targeted groups of young people facing specific barriers to employment. However, the findings show that for some employers it did not fully meet their needs in terms of practical advice or they were not aware that it was available. Consideration should be given to ensuring that all additional support is promoted to employers. This could include signposting employers to external sources of advice and information.

1 Introduction

Overview and purpose

1.1 This report presents the findings of the evaluation of the Youth Employment Scotland Fund (YESF). ekosgen was commissioned by the Scottish Government in August 2015 to undertake the evaluation into the delivery of the YESF and the outputs it has secured. The evaluation incorporated extensive primary research with participating employers and young people, along with key stakeholders, and Local Authorities as delivery agents.

1.2 It assesses the success and effectiveness of the YESF in delivering jobs for young people and the extent to which it has secured sustained employment. It explores how effective a wage incentive Employer Recruitment Incentive (ERI) is in tackling youth unemployment and what other support can impact on unemployment. The evaluation identifies key delivery lessons to inform future youth employability initiatives and goes on to make a series of evidence-based recommendations for the Scottish Government and delivery partners.

The YESF

1.3 The YESF is a Scottish Government and European Social Fund (ESF) funded programme that provided a £25m package of support to deliver an ERI in order to support up to 10,000 young people into jobs across Scotland. Funding was initially available for job starts up to 31st December 2014. When the ESF element ended after two years, the YESF was extended by another year² with co-investment from Local Authorities.

1.4 Delivered at a Local Authority level, the YESF aimed to support the Scottish Government's commitment to help unemployed 16-24 year olds (extended to 29 year olds on 10 August 2014) into work, and build on local and national measures that provide education and training to prepare young people for employment. It was introduced in response to the high youth unemployment resulting from the economic downturn, recognising that in this period, simply being young was a significant barrier to employment.

1.5 Now at the end of its programme of funding, the success of the Fund needs to be determined and the lessons drawn out.

Study aims and objectives

1.6 The main aim of the evaluation is to assess the impact of the Fund on individuals, employers and on the capacity of third sector organisations. Specifically, its objectives are to:

² The extension allowed for jobs starts to 30th June 2015 for a 6 month period of support up to 31st December 2015.

- Identify the outcomes secured for young people and for employers as a result of participating in the YESF;
- Determine the extent to which the YESF has helped to deliver sustained employment for young people in Scotland;
- Identify the factors that have affected the delivery of the YESF for Local Authorities;
- Capture the key learning from delivery to inform future employability programmes;
- Provide recommendations on the future delivery of ERIs, and the approach of the Scottish Government and strategic partners in facilitating sustained youth employment.

Study approach

1.7 The researcher adopted a multi-method approach, with a strong emphasis on primary research. This comprised telephone and online surveys of participating employers and young people, coupled with follow-up interviews to explore key themes. The surveys and interviews with young people were supplemented with an online discussion group to gain more in-depth qualitative data.

1.8 In addition, we consulted with a range of stakeholders and Local Authority staff to explore experiences of, and learning from, the delivery of the YESF along with its impacts.

The report

1.9 The remainder of the report is structured as follows:

- Chapter 2 details the research methodology;
- Chapter 3 provides an overview of the YESF, and its delivery throughout Scotland;
- Chapter 4 examines the performance of the YESF to date, considering achievement of outputs against targets;
- Chapter 5 explores the delivery experience of Local Authorities, and any challenges or locally specific conditions that impacted on delivery;
- Chapter 6 draws out the findings on the impacts and experiences of employers who provided jobs for young people;
- Chapter 7 assesses the impact that the YESF has had in terms of providing ERI supported jobs, sustained employment and other outcomes for young people;
- Chapter 8 considers the effectiveness of a wage incentive ERI;
- Chapter 9 draws out the conclusions and provides recommendations for the future.

1.10 The report contains two annexes: a schedule of consulted individuals and organisations; and a schedule of Local Authorities participating in the qualitative research.

2 Method

Introduction

2.1 The primary research for the evaluation consisted of four main phases of research with stakeholders, Local Authorities, employers and young people who have been involved in the YESF and these are described in this chapter.

2.2 The research tools are provided as a technical annex to the report.

Stakeholder consultations

2.3 The study team conducted consultations with strategic and operational stakeholders from the following organisations:

- Scottish Government
- Department for Work and Pensions
- Scottish Chambers of Commerce
- Federation of Small Businesses in Scotland
- Skills Development Scotland
- Third Sector Employability Forum
- Scottish Council for Voluntary Organisations
- Jobcentre Plus
- The Scottish Local Authorities Economic Development (SLAED) Group

2.4 The purpose of the consultations was to gain an understanding of consultees' views of the YESF; its successes and weaknesses; its strategic fit; complementarity/duplication with other employability initiatives; perspectives on the marketing of the YESF; and delivery challenges.

2.5 We consulted with ten stakeholders and their views are included throughout the report. A list of the individuals consulted is provided in Annex 1.

Local Authority engagement and consultation

2.6 Local Authority engagement and consultation was a key element of the study. The researcher contacted all 32 Local Authorities by telephone and email to request YESF monitoring data. This included information relating to the young people who have participated in the YESF, the employers who provided jobs and the financial details of the funding received by the Local Authorities and paid as ERIs to employers. We provided a pro-forma to the Local Authorities to help them gather and provide the data.

2.7 Twelve Local Authority areas were selected by purposive sampling for more in-depth qualitative work with the council, young people and employers. The 12 Local Authority areas included all three Ayrshires as one area, as the YESF was delivered in a co-ordinated way across all three. The sample included urban and

rural areas, areas with high and low jobseeker claimant rates of 18 to 24 year olds, areas with high and low levels of YESF uptake and areas with different employer profiles.

2.8 The evaluation team interviewed staff from ten of the 12 Local Authorities covering topics such as views on the YESF delivery model and the marketing/awareness raising activities used to promote the scheme to young people, employers and others. The interviews also covered the strategic fit and complementarity/duplication with wider employability offers, funding arrangements and particular strengths and weaknesses of the YESF, including challenges in delivery, monitoring and evaluation.

Research with employers

2.9 Employers who had participated in the YESF were contacted to take part in a telephone survey. A total of 50 employers took part in the telephone survey from the sample of 12 Local Authority areas (three Ayrshires included as one) which represented employers by geography, take-up levels, unemployment levels and business types and sizes.

2.10 The telephone survey covered the following topics: the business's background, how the employers found out about the YESF, what they thought of the arrangements, the level of support provided, the outcomes for the business, and the difference that the ERI made.

2.11 Employers within the sample of Local Authority areas who did not take part in the telephone survey were sent an email and invited to take part in an online survey using SurveyMonkey (www.surveymonkey.com). The online survey covered the same themes as the telephone survey. The remaining 18 Local Authorities who were not included in the sample of Local Authority areas were contacted and asked to circulate the online survey to employers who had participated in the YESF within their area. One hundred and thirty three (133) employers completed the on-line survey, and a further five employers were consulted with as part of the case study development, meaning that a total of 188 employers participated across the two surveys and the case studies.

2.12 Following the completed telephone interviews, five employer case studies were developed. They were designed to illustrate how the programme has assisted employers to provide young people with sustainable employment and/or improve their skills and qualifications. A combination of information obtained from the telephone survey and the in-depth telephone conversation was used to develop the final case studies.

Research with young people

2.13 Young people from the 12 Local Authority areas who had undertaken a YESF job were contacted to take part in a telephone survey. Forty young people participated in the telephone survey which covered topics such as background

information about the young person, how they found out about the job, what attracted them to participate, the experience they gained, the outcomes and impacts and their views on their future career and support needs.

2.14 The remaining young people within the sample of 12 Local Authority areas who had not been surveyed by telephone were emailed an online survey covering the same themes as the telephone survey. The remaining Local Authorities who were not included in the sample were contacted and requested to circulate the online survey to young people involved in the YESF in their area. A total of 74 young people responded to the on-line survey. This means that survey information was gathered from a total of 114 young people across 20 Local Authority areas representing just over 1% of the total jobs provided through YESF. Whilst it is a small percentage, the total number of 114 young people is adequate to give robust findings as part of a mixed methods approach.

2.15 Following the completed telephone interviews, five young people case studies were developed with young people of different ages, in different locations, who have completed the ERI period of the job at different types of employer by type, sector, size, etc. The purpose of the case studies is to demonstrate how the programme has assisted young people to achieve sustainable employment and/or improve their skills and qualifications.

2.16 Further insights into some of the themes identified were obtained from an online discussion group of young people. Survey respondents opted in to the discussion forum and took part in moderated discussions around key topics relating to the fund. These discussions were delivered using the online focus group platform, Liveminds (www.liveminds.co.uk).

Financial Analysis

2.17 The evaluation did not include financial analysis as the data was not available for the evaluation. The study was conducted before the programme closed and so the financial data was not final.

2.18 Whilst there is no financial analysis, we do know that Local Authorities absorbed the costs of set up, administration, compliance and delivery into existing budgets as no funding was available to cover these costs. This means that the YESF investment levered in significant additional resource however it has proved very difficult to place a figure on this given the variations in local delivery models.

Methodological challenges

2.19 The researcher faced some methodological challenges during the evaluation and worked closely with the Scottish Government and SLAED to respond to and overcome these challenges.

2.20 The YESF involved an approach to monitoring which sought to minimise the burden on Local Authorities and employers. The Scottish Government collected data

on job starts from Local Authorities throughout the programme. Local Authorities gathered data on the characteristics of the young people, the employers, the jobs and the outcomes in different ways and to varying degrees. In addition, the final phase of the YESF was not complete at the time of the research. Both of these factors mean that the detailed data on characteristics is not as comprehensive as it might be and has not been straightforward to aggregate and analyse. Whilst there are good, robust findings based on this data, it must be caveated that it is not complete.

2.21 The majority of Local Authorities were not able to provide contact details for all of the young people and the employers who had participated in the YESF in their area which reduced the total population that the survey reached. Despite this, the telephone and on-line surveys were completed by a good sample of young people and employers and provided robust data.

2.22 The intention was to conduct a programme of focus groups with young people in local areas but through the work with Local Authorities it became clear that this was not feasible within the timescales and budget. Instead, we boosted the number of young people taking part in qualitative interviews and facilitated an on-line discussion forum.

2.23 These challenges caused some delay in the study progress and meant we had to adapt our methods, they did not however detract from the robustness of the evaluation and the findings.

3 The Youth Employment Scotland Fund

Introduction

3.1 This chapter describes the policy context in which the YESF was developed, and gives an overview of the YESF including details of its purpose, target, evolution, funding and delivery.

Policy overview

3.2 The Scottish Government is committed to tackling youth unemployment as part of its wider commitment to increasing sustainable economic growth. Scotland's Economic Strategy³ states:

“Scotland's economic prosperity depends upon the strengths and talents of our people”.

3.3 Flowing from this, economic policies have been targeted to strengthen and develop the skills of Scottish people and the local economy. It specifically addresses the long term impacts which this can have on individuals and the economy. The Scottish Government, through its Youth Employment Strategy⁴ set a target to reduce youth unemployment by 40% by 2021 and increase the number of employers to 35% who are recruiting young people directly from education by 2018.

3.4 These commitments were set following the recommendations produced by the Commission for Developing Scotland's Young Workforce (the Wood Commission). This was established in January 2013, during a time of high youth unemployment levels, to consider how to achieve better connectivity and co-operation between education and the world of work, alongside the development of the intermediate vocational education and training system. The aim was to ensure young people at all levels of education understand the expectations of employers, and that employers are properly engaged. The report, published in June 2014 over a year after the YESF programme had started, produced 39 recommendations, some of which are targeted to improve Scotland's young workforce such as better preparing school leavers for the world of work and encouraging more employers to engage with education and recruit more young people. It included a recommendation on re-examining financial recruitment incentives, and carefully targeting them to secure the most benefit in providing sustainable employment for young people.

³ Scottish Government (2015) Scotland's Economic Strategy

⁴ Scottish Government (2014) Developing the Young Workforce – Scotland's Youth Employment Strategy

The YESF

Overview

3.5 Launched in June 2013, the YESF provided a £25m package of support with the aim of supporting up to 10,000 young people (aged 16-29 years) into jobs across Scotland. It contributed to the wider policy objectives described above by preparing young people for employment. YESF was introduced at a time of high youth unemployment in Scotland (almost 19%) as a response to the fact that young people, including graduates were facing particular barriers to entering employment during the recession.

3.6 The fund provided a wage incentive Employer Recruitment Incentive (ERI) to employers in the private sector and social enterprises to take on young people between the ages of 16 and 29 (initially 24). At the time, ERIs were being used in other parts of Europe to address unemployment. The YESF was later extended to also include Local Authorities providing jobs to vulnerable young people, Modern Apprentices and graduates as an interim measure, with the objective of moving them in to sustainable employment in the private sector. Our research indicated that 18 of the 32 Local Authorities provided Modern Apprenticeships, work experience or jobs to vulnerable young people through the YESF. A further two indicated that they did not provide such jobs, whilst 12 Local Authorities did not provide any information either way. Of the Local Authorities who said they provided MAs and graduate opportunities to young people through the YESF, at the time of the evaluation robust data on the numbers and proportions supported was not available.

3.7 The YESF was delivered by Local Authorities and provided ERIs to employers for a minimum of 26 weeks. It provided half of the salary costs of an employee at the National Minimum Wage (based on the relevant minimum wage for the young person employed on maximum 40 hours per week), which ensured that employers were also making an investment in the young person. Some Local Authorities also provided additional support or enhanced the offer.

3.8 The YESF was based on the premise that all jobs created by employers were to be additional and permanent. Any references in the report that suggest that either the young person or the employer did not see the period of the ERI as a permanent job may reflect some misperception and miscommunication between Local Authorities and beneficiaries.

Evolution of the Fund

3.9 The YESF funding was a co-investment between the Scottish Government and the European Social Fund. The value of the programme was enhanced by the involvement of the Local Authorities who provided front line delivery, administration and management.

Initial phase of YESF

3.10 The YESF used a co-funding model to support jobs. For Phase 1, which ran from 1st April 2013 to 31st March 2014 for job starts, 50% of each job was funded by the employer. Of the remaining half, the Scottish Government covered 60% of the cost, with the balance of 40% funded through ESF.

Subsequent phases and funding change

3.11 For Phase 2, the funding balance between Scottish Government and ESF changed to 55% and 45% respectively. This ran from 1st April 2014 to 31st December 2014 for job starts. The Local Authority paid work experience element in Phase 2 also changed, and was split 55% Scottish Government and 45% ESF.

3.12 For the Phase 2 extension (which covered job starts from 1st January 2015 to 31st March 2015) and Phase 3 (which covered job starts from 1st April 2015 to 30th June 2015), the funding arrangements changed, due to the end of the 2007-13 ESF Operational Programme. For these phases, a co-investment model between the Scottish Government (60%) and Local Authorities (40%) was adopted, and employers continued to fund 50% of each job. Here, the Local Authority paid work experience element was funded 80% by the Scottish Government, and 20% by Local Authorities.

Criteria changes

3.13 Six months from the inception of the YESF, an apparent slow uptake of jobs along with calls from stakeholders and the Wood Commission recommendations prompted a change in the eligibility criteria. This decision was taken through negotiation between the Scottish Government and SLAED. Key changes were:

- Expanding the age range from 16-24 to 16-29;
- Extending eligibility criteria to include larger employers, with an employee threshold of 400, plus further flexibility around this in rural areas;
- Introducing a flexible part-time option for vulnerable young people, plus a Paid Work Experience element at Local Authorities for vulnerable young people; and
- Giving Local Authorities the option to take on young people in graduate and Modern Apprenticeship as an interim measure, before private sector employment.

The Highlands and Islands

3.14 Because of differences in ESF arrangements in the Highlands and Islands – the Highlands and Islands have a different Operational Programme compared to the rest of Scotland (Lowlands and Uplands Operational Programme) – ESF funding was not available for YESF delivery in Highlands and Islands. Instead, the employer paid 50% of the eligible costs with Scottish Government funding the remaining 50%. As part of Moray is within the Highlands and Islands ESF Programme area, Moray delivered its YESF using separate models for each area.

Flexibility in local delivery

3.15 Local Authorities were given some flexibility in YESF delivery at a local level. Councils were able to brand the YESF in any way they saw fit, although it had to include Scottish Government and ESF logos. Local Authorities were able to decide whether to offer funding to young people from out with the area who were in jobs with employers in the area, and also for young people from the area in jobs with employers outside. They also had flexibility to use YESF alongside other schemes to offer additional support, for example local employability initiatives which employers in the study noted as being beneficial for example, help to find an appropriate young person to employ.

4 YESF outputs

Introduction

4.1 This chapter reports the performance of the YESF over the period June 2013 to June 2015. It is based on monitoring returns from all 32 Local Authorities in Scotland, and informed by relevant quantitative data on sustained employment from employer surveys where appropriate and available. As noted in Chapter 3, there were variations in the data collected and reported by Local Authorities.

Young people

4.2 In all, 9,396 young people had participated in the YESF at the time of this evaluation. This varied widely by Local Authority, as shown at Table 4.1 below, from 17% of total starts in Ayrshire and 11% in both South Lanarkshire and North Lanarkshire, to very small numbers in Shetland, Aberdeen City and Aberdeenshire. In Aberdeen and Aberdeenshire, this may reflect the fact that youth unemployment was lower than in other parts of the country. It should be noted that these starts are workplace-based, rather than residence-based.

Table 4.1: YESF Young People Starts by Local Authority

Local Authority	YP starts	% of all starts	Local Authority	YP starts	% of all starts
Ayrshire	1,643	17%	Midlothian	151	2%
South Lanarkshire	1,036	11%	Dumfries and Galloway	137	1%
North Lanarkshire	994	11%	Eilean Siar	136	1%
Falkirk	600	6%	Clackmannanshire	136	1%
Renfrewshire	555	6%	Moray	125	1%
Glasgow City	446	5%	Highland	116	1%
Dundee City	423	5%	East Dunbartonshire	109	1%
West Dunbartonshire	441	4%	Argyll and Bute	105	1%
Fife	392	4%	East Renfrewshire	79	1%
City of Edinburgh	344	4%	Stirling	60	1%
Perth and Kinross	344	4%	Orkney	54	1%
Inverclyde	276	3%	Angus	52	1%
West Lothian	235	3%	Aberdeenshire	39	Less than 1%
East Lothian	178	2%	Aberdeen City	37	Less than 1%

Local Authority	YP starts	% of all starts	Local Authority	YP starts	% of all starts
Scottish Borders	153	2%	Shetland	30	Less than 1%
Total				9,396	100%

Source: Monitoring data provided by Local Authorities for the programme period to October 2015. Recruitment was on-going

4.3 The vast majority of young people lived within the Local Authority area in which the job was provided. Less than 3% took up a YESF job outside the Local Authority area in which they lived (20 of 25 Local Authorities) where this data was available. Only Edinburgh (30%), East Renfrewshire (28%) and Stirling (27%) reported large proportions of young people taking part in YESF and living out-with the area. This data perhaps reflects commuting patterns more widely.

4.4 Despite YESF eligibility being for 16 to 29 year olds, the vast majority (98%) of participants were aged 24 and below. It is likely that this is in part explained by the fact that the original age range was 16-24, extended to 29 in July 2014. Where known, and as shown in Table 4.2, one third (33%) of young people were aged under 18 years, with similar proportions aged 18 to 20 years (35%) and 21 to 24 years (30%). This data was available from 31 of 32 Local Authorities.

Table 4.2: YESF Young People Starts by Age

Age Band	No. of YP starts	% of all starts
Under 18	2,699	33%
18-20	2,932	35%
21-24	2,473	30%
25+	164	2%
Total	8,268	100%

Source: Monitoring data provided by Local Authorities

Completion

4.5 Local Authorities reported that a total of 1,286 young people who started their YESF job did not complete it to the end of the ERI, giving a **non-completion rate of 14%**. However, again, this varies widely by area, from one third (33%) of starts in Renfrewshire and Clackmannanshire to just 1% in Eilean Siar and 3% in North Lanarkshire.

4.6 There were a number of different reasons given for non-completion. Some did not complete because they moved into another positive destination, e.g. the young person took up other employment, further education, a Modern Apprenticeship or other training which can all be counted as a positive outcome. However, the most

common reasons for non-completion were that the contract was terminated due to poor timekeeping/bad attendance or the employer closed/went into liquidation. There was a variety of other reasons for non-completion affecting a small number of beneficiaries, such as maternity, moving away from the area, personal reasons and poor attitude.

Progression

4.7 Twenty two Local Authorities provided full monitoring data on the destination of young people after their YESF job. As shown in Table 4.3 below, of the YESF young people in these areas, 69% of all starts sustained their positive destination at the end of the ERI. Of this, the majority maintained employment with the same employer, while just over one in 10 (11%) entered permanent employment with a different employer. A smaller proportion (5%) moved into another positive destination – namely into further education or training.

Table 4.3: Destination of YESF Young People

Destination	% of all starts
Positive destination	69%
Of which:	
Sustained employment with the same employer	53%
Sustained employment with a different employer	11%
Another positive destination (FE, training)	5%

Source: Monitoring data provided by Local Authorities.

Employers

4.8 Local Authorities reported that they engaged with a total of 4,631 employers. This equates to an average of just over two young people beneficiaries to every participating employer although some took many more than two and others provided just one YESF job. As we would expect, employer engagement was highest in those areas that had delivered the greatest number of young people starts – in South Lanarkshire, where nearly 800 different employers had participated, Ayrshire (three Local Authorities) with over 630 and North Lanarkshire, where around 500 had engaged.

4.9 Seven Local Authorities gave feedback on the profile of the employers that had engaged with the YESF. The vast majority of participating employers, where reported, were SMEs (over 90% of all employers). Hairdressing, engineering, construction, mechanics, leisure, window cleaning and administration were the sectors/roles most cited to have provided YESF jobs. The vast majority of employers were commercial enterprises in the private sector, with a small number of public sector/ social enterprise employers participating.

4.10 Local Authority contacts were asked the number of participating employers who were yet to claim funding at the time of reporting. Some 22 Local Authorities, representing 3,116 employers in total, provided data. In all, 444 of the 3,116 employers had not claimed, a non-claimant rate of 14%. However, some may still claim as some ERIs were on-going at the time of the research.

4.11 The proportions of non-claiming employers (in the 22 Local Authorities that provided data) ranged from zero in West Lothian, Midlothian, Orkney, Angus, Aberdeen City to West Dunbartonshire (25%, 31 employers), Dundee City (23%, 60 employers) and Renfrewshire (22%, 79 employers). In total, 542 young people were represented by these 444 non-claiming employers, a rate of 1.2 young people per employer.

4.12 At the time of reporting, the non-claiming employers had not yet claimed a total of £1,477,321 in ERI, in the 21 Local Authorities where this financial data was known. This was highest in South Lanarkshire, where almost £350,000 was yet to be claimed, Dundee City, where the figure was almost £325,000, and Renfrewshire where employers had not claimed £220,000.

Summary

4.13 In all, 9,396 young people had started on the YESF at the time of reporting (November 2015) which is almost 600 short of the original target although the number may raise as the final phase of the YESF closes and the up-to-date data becomes available. The highest number of starts was in Ayrshire⁵ (1,643, 17%), South Lanarkshire (1,036, 11%) and North Lanarkshire (994, 11%). Eligibility for the YESF is for young people aged 16 to 29 years, although nearly all (98%) of young people starts were aged 16-24.

4.14 At the time of this evaluation, an estimated 14% of young people who started their YESF job did not remain in it until the end of the ERI, and this was particularly high in some areas including Renfrewshire and Clackmannanshire (both 33%). The most common reasons for non-completion were terminated contracts due to poor time-keeping/attendance, the closure of the business, or the young person moving into a positive destination before completion.

4.15 Over 4,600 employers have been engaged with for the YESF, around one employer for every two young people. These employers tend to be SMEs in the private sector, with hairdressing, engineering and construction being particularly popular sectors.

4.16 At the time of reporting, over 400 employers were yet to claim ERI, totalling almost £1.5m. Local Authorities experiencing a lower level of take-up by young people than expected, and employers not claiming the full amount of ERI were the main reasons for recorded.

⁵ Covering North, South and East Ayrshire Local Authority areas.

5 Delivering the YESF

Introduction

5.1 This chapter examines the experiences of Local Authorities and partners in delivering the YESF. It draws on evidence from stakeholder and Local Authority consultations and the survey of employers.

Operational delivery

Setting the targets

5.2 Following an ESF call for Stage 1 ESF applications, Local Authorities were asked to submit bids for the YESF in March 2013. There was a workshop on 23 May 2013 involving a number of Local Authorities and representatives from the Scottish Local Authorities Economic Development (SLAED) group and COSLA to discuss how all partners could work together to support up to 10,000 young people in to work through YESF.

5.3 In the study it was reported that Local Authorities had no consistent method for arriving at their YESF targets. Some reported that targets were based on what they “thought they could achieve”. One Local Authority consultee stated:

“I don’t know how the target was arrived at...I think that we may have gone with the initial suggested allocation by the Scottish Government, as we hadn’t done anything like this before.”

5.4 In a number of Local Authorities operational staff were not involved in the process and decisions on setting the local targets:

“I think this was agreed by management with the Government beforehand, before I got involved with the YES Fund [sic].”

5.5 Perhaps unsurprisingly, evidence-based targets were most likely to be in Local Authorities with existing employability programmes:

“We arrived at our target through our knowledge and understanding of local youth employment support, but it was also informed by the appetite of local businesses to take on young people.”

“We already had a wage subsidy scheme in place...this partly informed expected take up by age and group.”

Marketing the YESF

5.6 The YESF was marketed at local level, with no national marketing activity although ESF and Scottish Government logos had to be used in all marketing materials. Local Authorities used a range of marketing approaches, though not all

authorities had a formal marketing campaign. Examples of marketing activities include: direct mail-outs to employers; adverts on local radio, press releases; information events web and social media advertising. Local Authorities also worked with local training providers and employability partners to promote the YESF.

5.7 Local Authorities in the study all reported that their marketing of the YESF was successful in recruiting employers and young people to the programme and noted that shaping the message to the target audience was crucial. These marketing activities were not the only source of referrals and the often supported more direct approaches. Most frequently, referrals came through Jobcentre Plus (JCP) and other partners; however, marketing did generate self-referrals and also served to reinforce the messages about the YESF.

5.8 Where Local Authorities had existing partnerships for employability support, they were used to promote the YESF for example, JCP, Business Gateway, Scottish Chambers and Federation of Small Businesses in Scotland (FSB Scotland). A number of authorities held partner events as information showcases, to a varying degree of success.

Employer engagement

5.9 Recruiting employers was most effective where the Local Authority was already working with local employers or had existing relationships. Examples include where an employer was already engaged with employability and business development initiatives:

“Our existing employment programme really helped in driving YESF forwards, giving us a good level of access to employers...and really getting things off the ground through strong existing relationships.”

“As well as [using relationships from our] current employability work, we tapped into employer consortia for key sectors, and exploited relationships with employers through existing networks.”

5.10 Word of mouth amongst employers was also a useful source of referrals (as discussed in Chapter 6). For example, in Ayrshire, in addition to the pan-Ayrshire approach to marketing, the Council actively encouraged employer peer recruitment including focusing on industrial estates and they reported this as being a successful approach.

5.11 Business Gateway proved to be a useful source of employer referrals, particularly in areas where small and micro businesses, and growth businesses were specifically targeted.

5.12 We found evidence of authorities acting as a recruitment brokerage between employers and young people. For example, one Local Authority reported that through their employability programme, they reviewed CVs and provided a short list of suitable young people to the employer. This was particularly useful for micro and

small business who may have more limited recruitment experience and also, lack capacity to review a lot of CVs for one position.

5.13 There was no evidence of unmet demand from employers i.e. where employers were looking to recruit a young person through YESF but were not able to.

Young people engagement

5.14 Similarly to engaging with employers, the evidence shows that Local Authorities promoted the YESF and recruited young people in a number of ways, including social media campaigns and web-based marketing. They also worked with JCP to source referrals, and targeted young people by working in partnership with schools, including through Careers Advisers and Guidance Teachers. One Local Authority sent letters to all school leavers to inform them of the YESF.

5.15 Where there were existing employability programmes, these provided a flow of young people in to the YESF as a key stage in the employability pipeline. In addition, in third sector organisations, young people undertaking CJS placements were frequently referred to the YESF at the end of their CJS period.

5.16 One example of an innovative approach that was highlighted in the study is a Local Authority that produced information cards to give to young people. They were the size of a bank or credit card and included key information about options, including the YESF:

“We developed a 'Golden Ticket' for young people, an initiative to engage them on positive destinations including the YESF, and also to provide information for the young people to carry to prospective employers.”

Delivering YESF

Early stages of delivery

5.17 It was widely reported that when the YESF was first launched, momentum was slow to pick up in some Local Authority areas, most notably those with no pre-existing employability initiatives. Early monitoring returns indicated that after three months, only 10% of jobs had been taken up. As a top-down initiative, introduced at relatively short notice and without a high-profile launch, the Local Authorities had to quickly get it up and running, a challenge for those with no existing employability infrastructure, connections or processes.

Supporting delivery

5.18 Where Local Authorities already had employability initiatives and infrastructure, the evidence demonstrates that YESF was easily integrated into existing activities. This was particularly noticeable where there were locally-delivered ERIs. Delivering YESF jobs was a straightforward addition to their current activities, and they could easily establish the processes, capitalise on the relationships with partners and employers and recruit young people:

“We had previously delivered our own wage subsidy scheme...so we had the necessary infrastructure, and we had momentum.”

5.19 In the areas with existing employability programmes, Local Authorities could provide wraparound support to YESF participants and integrate the YESF into their wider employability pipeline, so adding value. This included pre-employment training, through-care and aftercare which they reported helped maximise the sustainability of employment.

5.20 There are some interesting examples of localised approaches to delivery. In Renfrewshire, the YESF was packaged with wider business development support through Invest in Renfrewshire. The Council were of the view that this approach helped young people secure sustained employment beyond the ERI:

“YESF is delivered through our Invest in Renfrewshire initiative. YESF was set up as more of a business development offering, and a number of other employability initiatives are also delivered like that. We do this as we see it as being...about matching the right young person to the right job, and getting the right employee for employers.”

5.21 Two stakeholders suggested that there may be other ways of delivering employability support to young people, for example through the new Developing the Young Workforce groups, established following the Wood Commission report. Their rationale was that this would facilitate better connections between business and education than can be achieved by Local Authorities.

5.22 There was also a firm body of opinion that senior people in Local Authorities signed up to YESF without understanding the full operational details – meaning that Local Authority officers had to work out how to deliver the targets retrospectively. The lack of clarity this caused at the outset may have contributed to the sense of a slightly “muddled” start. Though Local Authorities were involved in the development of YESF through SLAED, some of the staff consulted perceived a lack of involvement at operational level – one authority suggested that a working group of Local Authority delivery staff from the outset would have been beneficial. In fact, such a group did exist and the Q&A section on the website was extensive which may indicate that not all Local Authority staff involved in YESF were fully aware of the resources and support available, an issue of internal communication.

5.23 That said, of the Local Authorities consulted with during the evaluation, the majority felt that they had started delivering effectively quite quickly and that any delays were not significant. They also felt that they had managed to recruit young people and employers within realistic timescales even though the timing of the launch (just before the school summer holidays) made this slightly problematic:

“We have exceeded our original target... Even though the YESF model was new to us, we had no difficulty in getting things up and running; the

demand was certainly there from young people and employers...there was more of a challenge in managing demand than anything else.”

5.24 At key points, for example towards the end of the first phase of YESF, Local Authorities boosted their recruitment efforts for example launching a new social media campaign, to attract more young people to participate.

Widening criteria

5.25 When the Scottish Government realised in the early stages that progress was falling short of targets, it extended the eligibility criteria as described in Chapter 3. This helped Local Authorities to widen the potential recruitment pool and make more positive progress towards achieving their targets. Evidence suggests that the key elements of this widened criteria that impacted on recruitment were that Modern Apprenticeships could be delivered through the YESF and that Local Authorities could provide jobs, including to graduates and targeted young people, as interim measures.

5.26 Whilst this helped some Local Authorities to deliver more YESF jobs, others did not believe that widening the criteria had a material impact on their ability to meet targets:

“The change in criteria didn't really help that much. [Our] YESF delivery...was skewed, focused towards younger young people anyway, largely to those aged 16-17, so with the widening of the criteria, we only picked up one or two older young people aged 25 plus.”

“Criteria widening didn't really have that much of an impact, the majority of young people engaged across the [employability] piece already fit into the original YES Fund [sic] criteria.”

5.27 Two things stand out from the provision of MAs by Local Authorities. Firstly, the ‘Modern Apprenticeships and Graduate Programmes in the Public Sector’ flexibility was intended as a pilot to provide *intermediate* employment, coupled with assistance for young people to progress to sustainable jobs in the private sector. This did not always happen as anticipated. The data shows that in a significant minority of cases, young people, particularly those on MAs, have been retained by the Local Authorities that provided the YESF job. Whilst this was not the objective of the programme it was a positive outcome for the young person. Secondly, there is some evidence that Local Authorities retrospectively applied YESF to existing MAs or other jobs. For example, one retrospectively applied the YESF to MAs as well to the graduate placements it offered, being of the view that this was within the scope of the criteria following the change.

Partnership approaches

5.28 Local Authorities successfully employed a number of partnership approaches to delivery. In Glasgow, Jobs and Business Glasgow (JBG) were responsible for

delivering the YESF on behalf of Glasgow City Council. JBG already delivers a range of employment initiatives for Glasgow City Council, and so had the capacity to deliver YESF and the ability to integrate YESF into its wider offer.

5.29 Across Scotland the SCVO engaged third sector organisations to provide YESF jobs, which was a result of its existing management of the Community Jobs Scotland (CJS) Fund nationally. This allowed for an easy progression of young people from the job training opportunity provided through CJS to the YESF job. This progression from CJS to YESF was a key part of the employability pipeline, targeting young people who are furthest from the labour market.

5.30 As part of the YESF, additional ERI payments of £1,500 were made available to employers who employed a targeted young person (TYP), along with support from expert agencies such as Barnardo's. As an example, Dundee City Council worked closely with Barnardo's to support TYP and provide jobs. Barnardo's Works Tayside & North East Service acted as a delivery partner for the Council for the YESF more widely, and managed the TYP element, focusing on disabled young people, young carers, care leavers and young ex-offenders. It also offered a small, flexible fund to cover equipment and training costs.

Administration of the YESF

5.31 As discussed, many Local Authorities combined YESF delivery with existing employability initiatives. Having processes in place already helped them to administer and deliver the programme. Nonetheless, the administration of the YESF was reasonably resource intensive and Local Authorities in the study noted that there was no provision built in to the funding to cover set up or administration costs and these were absorbed within existing council budgets. Administration challenges identified in the study are detailed in the following sections.

Monitoring

5.32 Monitoring of the YESF falls in to two strands. High level monitoring recorded the number of young people starting the YESF. The second level provided more detailed data on the characteristics of the young people taking up YESF jobs. National level monitoring of the YESF was light touch and Local Authorities reported that monitoring data was not requested in any specific format, or for the duration of the YESF, at specific times.

5.33 Financial claims were initially required on a quarterly basis. However, following feedback from Local Authorities, the Scottish Government sought to reduce the burden of this claims process and introduced a more flexible approach. To ensure that the Scottish Government was able to monitor the overall number of young people supported by the programme, Local Authorities were also regularly asked to provide updates on their area. This allowed the Scottish Government to discuss the reallocation of places with Local Authorities and to manage the numbers participating in the programme in order to deliver the 10,000 places.

5.34 With regard to the monitoring of the characteristics of the young people and businesses involved in the YESF a number of authorities reported working to their own methods to collect monitoring data, often tying in with how they gathered monitoring data for other employability initiatives:

“[Monitoring] reports were sometimes asked for, but this was not frequent or regular. We did have our own system that we used, this helped us with reporting; it met needs.”

5.35 This has had an impact on Local Authorities’ monitoring data and the availability of consistent, accurate statistics to assess the outcomes and impacts.

Guidance

5.36 Many Local Authorities commented that overall, the help and guidance received from the Employability and Skills team at the Scottish Government was very helpful. The team was responsive to ad hoc requests for guidance and support which was highly valued as were the regular FAQ updates on the website. However, there was a feeling that updates could also have been circulated rather than relying on Local Authorities and others to check the website. It was also reported that some of the guidance was inconsistent, such as the change of format for the transaction list between claims for Phase 1 and Phase 2:

“The changing interpretation of monitoring requirements is problematic, particularly the drill down for satisfying ESF.”

5.37 Some authorities also considered that much of the guidance was left to local interpretation, such as the progression from CJS to YESF, or whether retrospective application was within scope. As one commented:

“There seemed to be a situation where there were 32 Local Authorities with 32 different sets of rules, and at least 32 different interpretations. A uniform system or structure would have been good...there was far too much deferring to Local Authorities.”

5.38 Local Authorities also noted some inconsistencies in the messages from different departments at the Scottish Government. This was particularly the case regarding compliance requirements, where initial messages regarding monitoring and compliance being light touch were in contradiction with more detailed information provided at a later date on the level of rigour required to satisfy claims. For example:

“[We were] told...that things were light touch, for example the rigour of claims and evidence requirements, when it turned out that that was not the case.”

5.39 However, some of these issues are a feature of the YESF’s evolution and were largely unavoidable, although perhaps could have been articulated more timeously and clearly.

Compliance

5.40 Compliance for the majority of Local Authorities has been the single biggest challenge in delivering the YESF and it was specifically down to the compliance demands of ESF funding. The complexity of the compliance requirements was exacerbated by the perceived inconsistencies in the guidance and advice:

“ [We weren’t] impressed with the advice... the compliance grew arms and legs throughout YESF delivery... Fortunately, we got a clean bill of health at audit, due to our own rigorous compliance procedures already in place.”

5.41 However, from the outset all parties involved in the delivery of the YESF were aware of the need for the programme to fit with existing ESF rules and compliance requirements. The Scottish Government provided Local Authorities with guidance notes on ESF related compliance requirements. Although everyone in government was aware of ESF compliance procedures in practice it was perceived to be technically more difficult to undertake due to the audit requirement of a wage incentive scheme that supported a large number of employers and individuals, not all of whom were familiar with EU rules.

5.42 Local Authorities, particularly those with no previous ESF experience, were surprised by the level of detail required to make claims:

“The governance is forensic, and way beyond reason. It’s not like [we] don’t have governance in place for existing delivery; but the real surprise was the extreme level of drill down. In many cases [it] was difficult to audit, and determine eligibility.”

5.43 Local Authorities found that the administrative burden in terms of officer time was significant and whilst the general administration demanded considerable time, they also needed to commit significant resource to help employers claim the ERI. One Local Authority estimated that their employability team were spending in excess of 50% of their time solely on YESF delivery for significant periods of time. Anecdotally, micro and small businesses required the most support, and these were frequently the types of employers targeted through the YESF.

5.44 Where Local Authorities supported employers to make their claims, it resulted in lower rates of non-claimant employers however the cost of doing so, in resource terms, was significant, albeit it difficult to quantify:

“There has been a challenge in not only trying to assess what happens if or when the funding is not in place, the counterfactual, from an employer perspective, but also in assessing the true costs of delivery since the funding didn’t cover any of the administration.”

5.45 One Local Authority reported that non-claimant employers were removed from YESF monitoring, and the ERI notionally allocated to them was redirected to fund other YESF jobs.

5.46 YESF was delivered without ESF funding in the Highlands and Islands, and was co-funded by the authorities themselves. Evidence in the study suggests that Highlands and Islands Local Authorities found compliance less onerous as a result, because ESF was not part of the equation:

“[We have] not [had] much of an issue with non-claiming, just some difficulty with getting invoices sent in first instance.”

5.47 This was particularly clear in Moray, which had both Highland and Lowland delivery and so could compare the two:

“Lowland Moray got ESF, Highland didn't. We found the ESF requirement much more strict [sic]. We had no real problems though, [it] was just more time-consuming...More ESF compliance guidance would have been helpful.”

5.48 There is no doubt that the compliance issue was largely a result of the requirements of ESF funding. Some Local Authorities suggested that the delivery model may have been incompatible with ESF compliance processes and one authority questioned whether such an approach at scale was valid:

“A high-volume programme like does not fit the funding requirements [of ESF].”

Performance and impacts

5.49 Despite some of the issues around compliance and administration of the YESF, Local Authorities believe that the YESF has been successful, and they valued it highly. In many cases, Local Authorities see additional jobs that have been created, and a relatively high rate of job sustainment (this is discussed in Chapter 6). Monitoring data indicates that whilst some areas have exceeded their agreed targets, the overall target for Scotland has not been reached, at the time of evaluation, although the final figure may be higher as the final phase comes to an end.

5.50 It is worth noting that in the case of Ayrshire⁶, Dumfries & Galloway and Eilean Siar, three of the 12 Local Authorities consulted with in depth, the performance figures reported in Table 5.1 include **anticipated beneficiaries** to the end of the programme. This boosts the figure to 9,940 from the 9,396 figure in Chapter 4 (Table 4.1) which is based on **actual starts** reported at the time of the research. It is possible that a similar increase may be expected in a proportion of the authority areas not consulted, in which case the national target may well be reached by the end of delivery.

5.51 At the time of evaluation Local Authorities overall have seen a reduction in youth unemployment in their areas, and in a small number of instances have been able to draw parallels between YESF participation rates and an equivalent drop in

⁶ This is East, North and South Ayrshire combined

youth unemployment. Having said that, establishing a causal link and attributing falling youth unemployment to YESF is very difficult given the changes that we have seen in the labour market and economic context and the other initiatives that may have impacted. However, the following comment indicates the potential link to the YESF:

“YESF has certainly helped [address] youth unemployment. Year on year figures for youth unemployment for those aged 16-24 have dropped by almost exactly the same amount of YESF jobs; it is almost bang on.”

Table 5.1: Local Authority YESF delivery to date against targets (number of young people to have participated in the YESF), including anticipated performance to Programme end

Local Authority	Target	Performance to date	Local Authority	Target	Performance to date
Aberdeen City	195	37	Glasgow	455	446
Aberdeenshire	39	39	Highland	113	116
Angus	51	52	Inverclyde	281	276
Argyll & Bute	105	105	Midlothian	151	151
Ayrshire*	1,924	1,893	Moray	141	125
Clackmannanshire	140	136	North Lanarkshire	892	994
Dumfries & Galloway	416	407	Orkney	50	54
Dundee	447	423	Perth & Kinross	355	344
East Dunbartonshire	106	109	Renfrewshire	520	555
East Lothian	176	178	Scottish Borders	174	153
East Renfrewshire	89	79	Shetland	52	30
Edinburgh	373	344	Stirling	61	60
Eilean Siar	135	160	South Lanarkshire	964	1,036
Falkirk	591	600	West Dunbartonshire	454	411
Fife	577	392	West Lothian	420	235
Total				10,447	9,940⁷

Source: Monitoring data provided by Local Authorities and includes anticipated beneficiaries to the end of the programme

* This covers North, East and South Ayrshire Local Authority areas.

⁷ This figure differs from the 9,396 given in Chapter 4 as the 9,396 reports the number of starts and the 9,940 includes anticipated participation of young people to the end of the Programme for Local Authorities who provided projections to the end of the final phase.

5.52 YESF has also brought a range of benefits to the Local Authorities themselves. For many, the main benefit has been the volume of young people that they have been able to put through any type of employability scheme and into employment, therefore contributing to local strategic objectives on youth unemployment. Others reported an increase in and better engagement with employers which has enhanced their employability work and benefitted other functions such as economic development.

“It is one of the best programmes I have been involved in, certainly most successful. I’m disappointed to see it finish.”

“We see YESF as being very successful. It has also allowed us to broaden our own wage subsidy programme, [and it has] worked well in tandem with our business grants too...The added value is the scaling up of our own scheme, being able to get more numbers through.”

Summary

5.53 Overwhelmingly, Local Authorities have valued the YESF as an effective tool for assisting young people in to employment and addressing youth unemployment. In particular the additional financial resource at a time of challenging budget pressures.

5.54 The YESF complemented existing schemes in Local Authority areas. It reinforced them rather than duplicating any local or national efforts. Where existing programmes and infrastructure were already in place, it enabled Local Authorities to gain momentum at the start of the delivery and it made engagement and delivery more straightforward. However, Local Authorities who came from a standing start in terms of employability worked hard to get YESF up and running and there are many examples of where neighbouring councils worked together to maximise the benefits to young people.

5.55 Widening of the YESF criteria had a limited impact for some authorities, but allowed others to more easily deliver against targets. A downside is that it resulted in the criteria not always being applied as intended.

5.56 There is no doubt that the formative approach of the YESF had many strengths as it allowed for issues to be identified and address by flexing the Programme. It led to some issues including where guidance was revised but not necessarily communicated clearly although the strengths far outweigh these downsides. Local delivery was also a key strength of the YESF and it is an approach that should be retained for future, similar programmes.

5.57 The light-touch approach to monitoring resulted in variations in the data collected by Local Authorities and the quality. This has impacted on record-keeping and reporting, and subsequently on the ability to assess impacts at a national level.

6 Employers providing YESF jobs

Introduction

6.1 This chapter sets out the analysis of employers' experiences of providing YESF jobs. Drawing on the results of the survey, employer case studies and findings from the Local Authority and stakeholder consultations, it considers the jobs provided and how employers engaged with the YESF. It goes on to examine the experience of employers and the outcomes of participating in YESF.

Employer respondent profile

6.2 A total of 183 employers responded to the YESF survey, either by telephone or online. 78% of these were private businesses, 16% were social enterprises or voluntary organisations and the rest described themselves as either public sector or other.

6.3 The highest number of respondents were from Glasgow (13% of the total) and Inverclyde (10%). There were no respondents from nine Local Authority areas.⁸ The most represented sectors in the survey were construction (15%), food and drink (10%) and manufacturing (9%). Respondents were most likely to be micro and small SMEs (90%). Medium size employers accounted for 8% and a small number were large enterprises (around 2%).

YESF jobs provided

6.4 Respondents to the survey provided a total of 353 YESF jobs. Table 6.1 sets out the number provided by type of job and size of employer within this sample. It shows that the majority of jobs were full-time (57%), with MAs constituting almost another third. The average number of jobs provided per employer was 1.93. Micro businesses (0-10 employees) provided 48% of job at an average of 1.68 job per employer, with small enterprises (11-49 employees) providing a further 35%, at an average of 1.89 jobs. Medium-sized enterprises provided a smaller proportion because there are fewer businesses of this size, but at a higher average of 3.53 jobs per employer. Where employers provided multiple YESF jobs, the majority (71%) did so in a phased way rather than starting them all at the same time.

⁸ Aberdeen City, Angus, Edinburgh, Midlothian, North Ayrshire, Orkney, Shetland, Scottish Borders, West Lothian

Table 6.1: Total jobs by size of employer based on a sample (n=183)

(n=183) Employer size	Full-time	Part-time	MA	Total Jobs	Average Jobs
0-10 employees	104	27	39	170	1.68
11-49 employees	65	14	40	115	1.89
50-249 employees	24	0	29	53	3.53
250+ employees	3	0	2	5	1.67
Not specified	7	0	3	10	3.33
Total	203 (57%)	41 (12%)	113 (32%)	353	1.93

Additionality of YESF jobs

6.5 This section examines the evidence of additionality, deadweight, displacement and added value of the YESF.

Additionality

6.6 Whilst the YESF was very clearly about additional job creation, some employers participating in the evaluation seemed to view it as a trial period during which they could assess whether they wanted to keep the young person on, even though the young person was given a permanent contract from the outset. This perception may mean that a clearer message was required to be given to employers by Local Authorities.

6.7 Having said that, the research shows that the YESF fund helped to create additional jobs and sustained employment for young people in Scotland (sustainable employment is discussed below). More than one third of YESF job providers who answered this question indicated that the jobs were additional – i.e. they created a new post within the organisation. A further 15% said that the YESF brought recruitment forward (time additionality).

Table 6.2: Impact of YESF on job creation and recruitment

Job creation and recruitment (n=177)	No. of employers	%
It created a new job	60	34%
It brought recruitment forward	26	15%
We had a vacancy to fill	91	51%

6.8 The additionality of jobs is substantiated by views and evidence from stakeholder and Local Authority consultees. There is a strong view that the YESF encouraged employers to employ a young person as the ERI made it less of a financial risk to them, effectively enabling them to “take a chance”. This reduced risk

led to the creation of a variety of employment opportunities and is seen by many Local Authorities as the real added value of the programme.

6.9 Evidence from the survey suggests that the YESF has enabled businesses to offer jobs and take on young people, when they otherwise wouldn't have. 69% of employers either wouldn't have provided the job or were unsure if they would have or not. This backs up Local Authority opinions that there are now young people in employment that wouldn't be in a job without YESF.

6.10 The additionality was boosted by the existing relationships between Local Authorities and employers and the 'contracting' approach taken by some Local Authorities, where they developed contracts with employers, setting out terms and conditions stipulating that the job must be guaranteed and treated as a permanent job beyond the ERI.

6.11 Feedback from voluntary sector stakeholders indicates that third sector organisations were very unlikely to have been able to take on a new person without the YESF ERI. The survey supports this with only one of the 29 third sector organisations responding to the survey stating that they would have taken on a young person without the YESF.

Deadweight

6.12 Deadweight is the extent to which an intended outcome would have occurred anyway without an intervention. There is some evidence of deadweight from the survey findings and some Local Authorities reported a degree of deadweight (i.e. employers providing jobs where they would have taken on a young person anyway). In the survey, 31% of employers stated that would have taken on a young person without the YESF ERI but the figure for micro businesses is lower at 28%, though both are relatively low.

Case study EM1:

Engaging with YESF to maximise apprenticeship opportunities

Western Isles | Construction | 10-49 employees

EM1 is a leading construction company based in Stornoway, Western Isles, specialising in roofing and historic building repairs. They have been trading for over 25 years, and undertake a range of public and private works.

Most recently, they have provided jobs through the YESF, but the company has provided others before, through a variety of schemes, all builder apprenticeships. Generally they try and keep the young people on as employees. Some in the past have gone on to do other things – attending college full time, or working elsewhere. Those with them currently are doing well, and are also gaining qualifications part time at college.

Experience of the YESF

The company first got involved a couple of years ago when they initially found out about the YESF. They learned about it through the Council's apprenticeships officer, with whom they have an ongoing relationship. They always try and provide apprenticeships, and take on a batch of apprentices every year. Whilst the YESF-supported jobs that they provide, and the apprenticeships that they provide more generally, give the company extra capacity to take on jobs, they see them more as benefitting the young people, so in that sense taking them on is very much part of a company/corporate social responsibility.

They found the application and claims process fine, and not much different from what they were used in taking on apprentices through other schemes or channels. The YESF jobs have just helped with numbers, and they have been able to help more apprentices, and get more doing their CITB qualifications.

Benefits and impacts

The young people taken on they found to be brilliant. Some are still undertaking their apprenticeship now. At the moment, they are all staying on, and they fit in well to the company. They didn't bring any particular skills as they were just out of school, but they do bring enthusiasm and ability, and they have allowed the company to take on more work that they otherwise wouldn't have had the capacity for.

Taking on the young people through the YESF has also allowed the company to take on a couple of slightly older Modern Apprentices, too. The additional funding has freed up other resource within the company to take them on, countering any potential displacement effect.

Challenges

The company sees providing jobs to young people a worthwhile activity in general, and it is something they always try to do. In that sense, providing jobs through YESF is no different. They haven't faced any challenges as such, only in being a little constrained in how many they could take on; but this is a reflection of company resource rather than YESF.

Future outlook

They will always look to offer apprenticeships. YESF has really helped them to do this, and the company consider it a shame that it is finishing. They hadn't really heard about the Scotland Employer Recruitment Incentive (SERI), but are keen to know more, and would consider providing a job through it.

Displacement

6.13 Displacement is the extent to which benefits for intervention beneficiaries are offset by a reduction in activity/benefits for non-beneficiaries. Over half of respondent employers reported that they had an existing vacancy to fill and took on a young person for the role. Whilst this can be considered deadweight (they may have taken on a young person for the role without the ERI), a proportion of this will actually be displacement, since the YESF ERI meant that they perhaps took on a young person in place of another worker. However, this is again likely to be a relatively low rate.

6.14 More than three quarters of respondents (75%) stated that taking on young people did not displace other potential employees. This may have been influenced by the targeting of YESF jobs. For example in Dundee, YESF delivery was specifically targeted at entry level positions, the expectation being that older unemployed people would be looking for posts that required more experience rather than entry level jobs.

6.15 In the survey, 21% of employers said that the YESF meant that they took on a young person in place of recruiting a different employee, so displacing them. Local Authorities also observed that as a result of the YESF, some employers recruited a young person at entry level, whilst their original intention had been to recruit someone with experience which represents a degree of displacement. In West Dunbartonshire, when the YESF was introduced, the number of people securing employment through the Local Authority's 30+ grant scheme dropped and the council believes that this was because the YESF encouraged employers to take on young people rather than people aged 30 and over.

6.16 Some Local Authorities changed other employability support programmes as a result of the YESF in a bid to address the potential for displacement. When the YESF criteria were broadened to include those aged 25-29, Dumfries and Galloway

Council altered its local 25+ employability scheme by changing the age range to start at people aged 30, rather than 25.

Additional training

6.17 The findings show that the YESF ERI enabled employers to provide support to the young person that they would not have been able to provide without it. Almost a third (30%) of employers in the survey indicated that they were able to provide training to the young person that otherwise would not have been possible. This is a very positive outcome and one that could be built on in future ERI programmes.

Engaging with the YESF

6.18 The main source of information and employer referral to the YESF was through the Local Authority with 41% of respondents hearing about it either directly from the Local Authority (22% of respondents), or through the Local Authority website (19%).

6.19 Over one quarter of employer respondents (27%) were referred to the YESF by other organisations such as SCVO and training providers. As one social enterprise stated:

"We first heard of the YESF through the Community Jobs Scotland Programme, which we already had some job placements through. We were directed towards the Local Authorities, and we got in touch with two Councils regarding jobs for young people."

6.20 A further 24% of employers in the survey found out about the YESF through word of mouth and Local Authorities also reported that peer recruitment/word of mouth was an important source of referrals. For example, the three Ayrshire councils stated that 'industrial estate word of mouth' was very useful in attracting employers to the YESF and in Dumfries and Galloway it is estimated that more than half of referrals came through word of mouth.

Case study EM2:

De-risking recruitment and lowering the cost

Clackmannanshire | Construction merchant/retailer | 100-249 employees

EM2 is a building supplies company based in Clackmannanshire, with stores across eastern Central Scotland. It has been trading for almost 50 years, and recently opened a specialist roofing division. The company provided two YESF-funded jobs, and have previously engaged in various youth employment funds. One young person was offered a permanent position.

Experience of the YESF

The company heard about the YESF from the training provider that they had used for around three or four years previously, who facilitate SVQ training. They approached the training provider to source new employees for their new e-commerce business venture. The company have engaged with a number of similar funds over the years in various parts of the business and provided various employment opportunities for young people. They have done so as they see important to continue training young people so they become long-term members of the team, as in the construction industry there is a limited supply of experienced workers. Providing jobs and full-time positions to young people is a cost-effective method of achieving continuity.

The main motivation for getting involved the YESF was the launch of a new e-commerce business venture. They believed that having young, enthusiastic employees would bring the right skills and experience to this venture, for example knowledge of social media outlets, which older employees may not have. As the venture was new, it was important to keep costs to a minimum and the YESF provided financial support to do this. This influenced the company's decision about who they were going to take on as it substantially reduced the cost. The YESF funding allowed the company to provide SVQ Level 2 and parts of level 3 training to the two young people that the company took on. The company also provided additional training through their own resources.

Benefits and Impacts

The recruited young people made a positive impact within the company. They undertook general e-commerce assistant positions – dealing with orders, supplier administration, order fulfilment and web/social media publishing, etc. The company feel that they brought a youthful perspective and fresh outlook to the new venture.

After the ERI subsidy came to an end, one of the young people were offered a permanent position, has progressed into the main sales team and are hoping to continue through the company's management training scheme. The other young person was offered a permanent position but then let go due to continued

poor performance. They are now working for a competitor.

Challenges

The company did not face any particular challenges when providing the jobs, they just believe that the young people required the correct training. The young person who was offered a permanent position had a great attitude and skills learning ability but a learning environment such as school and college was not appropriate for them.

Future outlook

Their YESF experience was positive, and the company will continue to offer jobs for young people. They have recently tried to provide a new e-commerce scheme for young people; however they could not recruit suitable candidates in the timescale. They have since developed an internal training regime for young people which aims to guide and allow them to develop from apprenticeship to management and director levels.

6.21 Clarity of communication and information is critical in recruiting participants to a programme and overwhelmingly, employers (97%) found the YESF information provided by Local Authorities to be helpful and within that, 60% found it very helpful.

Motivations to engage

6.22 A sense of social and community responsibility was an important driver in motivating employers to engage with the YESF. Fifty-nine percent of survey respondents were motivated to provide YESF jobs because they wanted to help local young people in their area to find employment.

6.23 Gaining additional workforce capacity was also a key factor with 31% of employers in the survey indicating that the YESF helped them to increase their capacity at a busy time (10 of these were third sector and voluntary organisations). Almost half of employers (48%) reported that they were going to recruit anyway, and the ERI influenced the decision to take on a young person to fill the post. As one employer stated:

“The main motivation for getting involved with Youth Employment Scotland Fund was the launch of a new ecommerce business venture. [We thought] that having young enthusiastic employees would bring the right skills and experience to this venture, for example, knowledge of social media outlets which older employees may not have... as the venture was new, it was important to keep costs to a minimum and the YES Fund [sic] would provide the financial support to do this.”

6.24 In one area, the Local Authority found that a small number of employers used the YESF to increase capacity with no intention of retaining the young person at the end of the ERI. Having terminated the contract with the YESF young person, these employers then looked to recruit another young person through the YESF. The council introduced contracting processes to stop employers doing this.

Employing young people

Experience during the YESF job

6.25 Employers reported a generally positive experience of employing young people through the YESF. Eighty-three percent of employers found that the young people they employed were willing to learn, with 77% also reporting that they were enthusiastic. Sixty-six percent of employers stated that the young person worked well as part of a team, and 61% considered that the young person had a good level of ability. In total, almost 40% of employers reported that young people in the YESF jobs had **all** the qualities as illustrated in Table 6.3.

Table 6.3: Skills and abilities of the young people

Skills and abilities n=(173)	No. of employers	%of employers
Enthusiastic	134	77.5%
Good level of ability	105	60.7%
Willing to learn	144	83.2%
Works well as part of a team	115	66.5%
Good at time-keeping	112	64.7%
Very committed to the job	96	55.5%
All skills and abilities	69	39.9%

Case study EM3:

Social enterprise development and capacity-building

Glasgow | Community Interest Company/Social Enterprise | 10-49 employees

Business overview

EM3 are a social enterprise/community interest company that was set up in 2011. It promotes local food growing and cookery, and operate a shop and community hub in the South of Glasgow, having recently moved from their original premises. The company structure consists of four directors and a number of food growers, drivers, cooks, and shop staff. They also deliver a number of sustainable food projects.

The company provided three jobs in total; these followed a number of placements provided through the Community Jobs Scotland (CJS) initiative.

Experience of the YESF

EM3 first heard of the YESF as a result of their involvement in the Community Jobs Scotland (CJS) Programme. They got in touch with officers from two different councils, Glasgow City Council and East Renfrewshire Council, who then co-ordinated the provision of their jobs.

They are growing pretty quickly as an organisation, and needed to increase their capacity and meet demand. The YESF money helped them to take on staff to fulfil roles that initially would not have been covering costs. It also helped them ease off CJS funding and test the water for full employment for some posts. It also helped the young people to develop, and the positions to become financially viable.

The organisation found the application and claims process manageable, though not necessarily easy. Compliance was a little awkward, but the only thing that they found difficult was the payment in arrears. For a social enterprise of their size, cash flow is always a challenge, so they felt that at least some payment up front really would have beneficial.

Benefits and Impacts

The young people they took on through the YESF have fit into the organisation well. They progressed from the CJS Programme on to YESF-supported jobs, and have done very well. Two of the three that EM3 took on are still with them, and have permanent roles.

As well as developing individually, they think that the young people have contributed to the development of the company. It has also given them a degree of continuity and stability in delivering their sustainable food projects, as well as their teaching activity (they also teach a range of food and cooking skills to local

people).

Challenges

There were no challenges in providing jobs through the YESF as such, they just needed to make sure that following the end of the YESF subsidy, the new permanent posts created were meeting costs and contributing to the business.

Future outlook

The company have had a positive experience through the YESF, and given plans to continue developing and meet the needs and demands of their service users, they would absolutely do the same again.

Sustained employment

6.26 Overall there is a positive level of job sustainment amongst respondent employers, although this *might*, to some extent, reflect the fact that employers who retained the young person may be more likely to participate in the evaluation. Seventy-two percent of employers in the survey indicated that they retained the young person once the ERI had finished which fairly closely reflects Local Authorities' estimates of a likely rate of sustained employment (by the end of the final phase) in the region of 60-75%. One Local Authority commented that:

“It isn't just a case of employers acting for the cash, as it is limited; the young people are proving to be assets, and the risks taken are paying off.”

6.27 Table 6.4 shows that the key reasons given by employers for retaining young people were that the young person had a positive work attitude (66% of employers), and 63% said they kept the on because they had proved to be hard working. Sixty percent of employers said that they kept the young person on as they demonstrated good team-working and 57% reported that the young person was kept on as they had contributed to the business, whilst almost half said that the young person had the required skills. However, survey results indicate that the job sustainment rate for voluntary organisations and social enterprises was lower, at 65%.

6.28 Very positively, 28% (37) of employers in the survey who had kept a young person on indicated that they had created a job for the young person because of the skills and abilities they had demonstrated. This is a clear signal that the YESF has led to new job creation for young people.

Table 6.4: Reasons for retaining young people

Reasons for retaining young person n=(131)	No. of employers	% of employers
We had a permanent position to fill	70	53.4%
We created a job for them	37	28.2%
They have the skills we need	65	49.6%
They are hard working	82	62.6%
They have a positive work attitude	86	65.6%
They have contributed to the business	74	56.5%
They are good team workers	79	60.3%
Other	8	6.1%
All reasons for retaining	3	2.3%

6.29 Where a young person was not maintained in employment following the end of the ERI (27 employers reported this), nine of these employers indicated that it was because the young person had not demonstrated the right attitude to work. However, 72% of this 27 (23) stated that they were still able to recommend the young person to another employer. Young people from 24 of these 27 employers who were not offered a post were able to get a job with another employer.

Outcomes for employers

6.30 The study evidence shows that the YESF delivered a range of positive outcomes for employers as illustrated in Table 6.5. Fifty-nine percent of employers agreed that they were able to give a new employee a trial before offering them a permanent job, whilst 41% stated that the funding diminished the risk of taking on a young person.

Case study EM4:

Young people not performing in their role

Dundee | Property Management | 1-10 employees

EM4 is a residential lettings agency and property management company based in Dundee. They offer a full range of letting and property management services, including accommodation search for professionals relocating to the Dundee area.

Through the YESF, the company provided one job. The young person taken on did not complete their six months in post; they were let go after five and a half months.

Experience of the YESF

The company were looking to employ a trainee business administrator full time, without previous experience, as they thought it would be easier to train someone from scratch. This informed the decision to look for a young person. They contacted Discover Opportunities in Dundee who shortlisted four people for interview. She did not have a relationship with Discover Opportunities in Dundee prior to this.

They had not employed a young person before participating in the YESF, but had wanted to employ someone. The company had found it difficult to join similar schemes in the past due to processes being very complicated, and the YESF was no different. Though no additional income for training was available, the financial incentive of the Fund persuaded them to recruit a young person.

Challenges and Impacts

The young person that they took on had a variety of office-based administrative tasks – data input, diary management, dealing with client requests, etc. – and was initially very good, displaying a good attitude towards undertaking work. However, after a number of weeks, their attitude changed and they brought personal problems into the workplace and demanded a lot of attention. The young person also lacked commercial awareness for data protection which also caused the employer issues.

The employer had to let the young person go after five and a half months. The employer's attitude is the same after this experience as it was before hiring the young person. They do believe that young people are generally not prepared for the working world in the way that they should be, mainly because of the nature of the education they receive.

Future outlook

They would use a similar scheme in future as they have seen some positive

experiences in the YESF. They do believe it is useful for small employers but believe that the young people should be enrolled on a course before the job begins to prepare them for working life.

The biggest benefit from the YESF is the financial incentive which is provided, particularly for small businesses. It also saves time for the business in terms of having to engage in a lengthy recruitment process. They still however feel that young people are not ready to enter the workplace.

Table 6.5: Benefits to employers

Benefits n=(173)	No of employers	% of employers
We got to try a new employee before offering them a permanent job	102	59.0%
The ERI reduced the risk of taking on a young person	70	40.5%
We employed the young person at the end of the ERI and gained and retained a valuable member of staff	102	59.0%
The young person brought new skills to the business	26	15.0%
The funding meant we could take on an extra person for 6 months to increase capacity	84	48.6%
Taking on a young person helped to grow the business	80	46.2%
We have developed good links with the Local Authority	64	37.0%
We are now more likely to recruit young people	83	48.0%
Other	8	4.6%

6.31 Fifty-nine percent of employers stated that they retained the young person at the end of the ERI and gained a valuable member of staff. Forty-eight percent agree that having provided a YESF job, they are now more likely to recruit young people in the future. This is a very positive outcome for young people and also for employers as it has widened the pool they are likely to recruit from. They believe that employing young people changes the profile of the workforce and brings in fresh ideas, new outlooks, and different skills and abilities. This "new blood" has proved to be a positive for many businesses and has freshened and diversified the workforce as many employers had not recruited due to the recession so had an ageing workforce. Demonstrating both the value of the young person and the impact of new ideas, one engineering company stated:

"The majority of young people taken on have flourished, and have progressed quickly. They have brought exuberance and good ideas to the company, and in one case in particular, they have proved themselves to be a huge asset."

6.32 YESF jobs enabled almost half (46%) of the employers in the survey to grow. Local Authorities reported that the YESF was particularly useful to micro and small businesses as it helped them to boost capacity and grow, although this business development was not the principal aim of the YESF. Of the employers that were able to grow, 63% were micro businesses (a greater proportion than micro businesses in the survey sample – 55%). As one construction company said:

"YESF enabled us to increase capacity and deliver more work...we take on apprentices anyway, but this has enabled us to take on more, and also take on more jobs and a bigger workload."

6.33 In many cases the YESF has provided the resource to allow the creation of additional posts that otherwise would not have existed. Employers have been given the opportunity to change business structures or staffing arrangements within their business, take on additional young people and meet changing business needs.

6.34 Social enterprises and voluntary organisations were able to increase capacity through the YESF. Nearly two thirds of the 29 social enterprises and voluntary organisations in total that responded reported that they were able to increase capacity, whilst almost half were able to grow the business. This increased capacity in social enterprises can be particularly important during a period of budget cuts where ability to deliver may decline and at the same time, demand for services increase. Stakeholders stated that Community Jobs Scotland (CJS) helped third sector organisations sustain or increase capacity and following through, the YESF sustained this boosted capacity and enabled needs to be met more fully.

Case study EM5:

Benefits of employing young people

Falkirk | Manufacturing/engineering | 100-249 employees

EM5 is part of an international group of companies that specialise in the manufacture and supply of steel/alloy piping products, serving the oil, gas, shipbuilding and energy markets. Originally established over 35 years ago, they have c.50 employees on site, and operate at other locations in the UK.

Having taken on a number of young people through the YESF in addition to the trainees they take on more generally, those that have flourished have been kept on, and have progressed quite quickly within the company. Some others have not, but that is down to work attitude.

Experience of the YESF

They heard about the business through Falkirk Council, who they have regular contact with for sourcing trainees for the business. The company is always looking to take young people on, and then promote internally. They provide a thorough training programme, and give young people and new recruits the opportunity to grow within the business.

They used YESF as another means to get access to trainees, but with the intention to fill vacancies and give young people a permanent post, guaranteed beyond the end of the YESF ERI. As a relatively large company, they often need to recruit new young people.

The company did receive some assistance from the Council, but didn't have any real issues with the application and claims process.

Benefits and impacts

The majority of the young people that the company has taken on through YESF have fitted in fine. Some don't, and this is almost entirely down to attitude – some young people have difficulty adjusting to a work environment, and given the engineering and sometimes heavy industrial processes involved in their business, young people sometimes lack understanding of health and safety, and responsibility in the work place.

However, this is the same for trainees in general, and most flourish within the company. These young people bring an exuberance and energy, and actually bring a lot of good ideas into the company. Those with the right attitude really do well. One young person in particular has gained a lot of skills, and has achieved a lot in the short space of time that they been in employment. They have also made a range of identifiable cost savings, and are considered a huge asset to the company. Another has made a valuable contribution to the work of

the finance team since starting their job.

Challenges

The challenges that the company faced in providing YESF-supported jobs are the ones they face in giving jobs to trainees generally. They think that very often young people are not prepared for work life, and the responsibility and discipline that is required, especially in a manufacturing and engineering company.

Future outlook

Their YESF experience hasn't really changed their approach to trainees or employing young people, it is something that they will always do.

6.35 One social enterprise in the study reported that the YESF had helped them employ staff in roles that weren't initially financially viable, but gave the organisation and staff development time to reach the point where the roles were making a contribution to revenue generation:

"The YESF helped us financially, in that it gave us the opportunity to take on staff to do jobs that weren't covering costs initially, but it gave the young people the space to grow into the job, which they have done, and have become financially worthwhile."

6.36 The YESF also enabled employers to provide MAs where they wouldn't otherwise have been able to do so, benefiting the employer and widening opportunities for young people. This has been particularly evident amongst micro and small businesses that wouldn't necessarily have had the resources to offer MAs without participating in the YESF.

Barriers and challenges

Recruiting and employing young people

6.37 Whilst employers were generally satisfied with the young people taking up the jobs, 70% reported that it was not easy to find the right young person to fulfil the role. Fifty-five percent of those who reported difficulty said that the young person didn't perform as well as they hoped, whilst 45% indicated that they needed more training and support than anticipated.

6.38 Recognising these issues, Local Authorities sought to manage employer expectations on the experience and abilities of young people pre-employment and in a number of areas, some young people had received employability support before they started their YESF job.

Process and administrative challenges

Localised delivery

6.39 Whilst the YESF was a national programme, it had the flexibility to allow Local Authorities to deliver it in different ways to fit with local circumstance and existing initiatives. Whilst this was seen as a strength, it presented some challenges particularly for employers who provided YESF jobs in more than one Local Authority area. They reported that it caused confusion and difficulty, with employers having to deal with different processes and systems and inconsistency in the terms, conditions and wraparound employability support.

Administration and compliance

6.40 The administrative aspect of the YESF caused some difficulties with Local Authorities and stakeholders commenting that the compliance and claims process was over-onerous and complex. Employers also noted some difficulty with the claims process, but not to the same degree.

6.41 Seventy-four per cent of respondent employers said that they had claimed the funding for all jobs that they provided, with a further 16% reporting that they had not come to the end of the ERI period and so were yet to claim. The remaining 10% have not claimed.

6.42 Of those who had claimed the funding due, only 13% reported any degree of difficulty with the claims process (rating either '1' or '2' on a scale of difficulty from 1 (very difficult) to 5 (very easy)). Almost three quarters (73%) saw the process as easy (Scoring '4' or '5'). This may be explained by the substantial support from Local Authorities received by employers to help them prepare and submit their claims, thus mitigating any difficulty or complexity.

6.43 The compliance issues were mostly due to the complexity of paperwork and the evidence required. The requirement for providing payslips for every young person employed through YESF (with eligible wages/salaries identified as distinct from extra hours, payment over the eligible hourly rate, or holiday/sickness pay), as well as the employer's bank statements detailing individual payments was time consuming and difficult. The extent to which employers found this difficult often depended on how they paid the wage to the individual for example, by cash, through BACS etc. In some, staff payroll runs were grouped all salary costs together as one payment, so it was hard for employers to demonstrate a payment to the specific YESF young person on their bank statement.

6.44 There is a perception that YESF is most suitable for employers with PAYE systems and who are therefore able to provide evidence more easily. The compliance burden was particularly difficult for small and micro businesses, but also for those who outsource their payroll. Some employers incurred a cost because their payroll provider charged them for copies of pay slips. Delays in payments as a result of satisfying compliance requirements also impacted on cash flow for some

businesses, and had a particularly negative impact on small and micro employers who made up the majority of YESF employers.

Non-claimants

6.45 In the survey, 10% of the employers had not claimed the ERI and for some, the barrier to claiming was the compliance process. The corresponding rate reported in Local Authority monitoring data is 14% though the rate in some areas is as high as 25%. Of the 21 employers who gave a reason for not claiming, four said it was because of a lack of guidance whilst seven said they had not got around to it yet. A variety of other reasons were also offered for not claiming, including one employer who noted that continual procedural changes between phases, the delays to applications meant that they could not wait any longer – and so missed out on being able to claim the ERI. It is worth noting that 10% of survey respondents stated that the young person is a valuable team member so they were less inclined to claim.

Wider support needs of employers

6.46 It is clear from the survey results that the YESF ERI only went so far in meeting employers' needs with 62% of surveyed employers reporting that ERI did not meet enough of the employment costs. Perhaps unsurprisingly, 61% reported that a greater amount of funding would be more effective in encouraging them to provide a job to a young person. Fifty-nine percent reported that access to additional funding to provide training to the young person would be a benefit and encourage them to provide jobs.

6.47 One third think that aligning the funding to external training provision, e.g. at FE college, would also be beneficial. A number of employers identified a need for additional support to employ vulnerable groups, and young people with disabilities. This is echoed by stakeholders and Local Authorities, who suggest that supported training to align with the YESF and funding to provide equipment or training would be helpful. This alignment took place in many LA areas where YESF was aligned with Employability Fund and local provision. The finding suggests that some employers did not know that there was alignment and also that some LAs provided wrap around support and others not, reflecting local flexibility.

6.48 Many of the employers participating in YESF were micro businesses and may have limited experience of employing staff and in particular young people. Sixteen percent of employers responding to the survey indicated that they lacked supervisory experience which made it difficult for them to properly support the young person in the job.

Summary

6.49 Providing YESF jobs to young people has brought a number of benefits to employers including additional jobs, increased capacity, a refreshed workforce and for many employers, valuable members of staff. It is clear that, from the impacts reported by businesses, coupled with evidence and anecdotal accounts from Local

Authorities and stakeholders, small and micro businesses, as well as third sector organisations, seem to have benefitted greatly from the YESF.

6.50 Interventions such as the YESF therefore need to be targeted to ensure maximum impact. This seems to be particularly the case for those small businesses who wish/need to take on young people for additional capacity, but do not have the capability to recruit or set up processes for dealing with additional new employees.

6.51 ERI funding such as the YESF is perceived by employers to be an effective means of providing jobs (96% agree). The overwhelming majority of employers surveyed said that they would employ a young person again in future if funding was available (98%), and that they would recommend ERI funded jobs to other businesses (97%).

6.52 The compliance process for YESF is considered to be overly onerous, and for some employers has acted as a barrier to claiming. For many employers, this issue was overcome through a significant effort on the part of Local Authorities to provide support to employers to meet compliance requirements and process claims. Nevertheless this has resulted in additional costs, delayed payments or non-claiming, with some employers choosing not to engage with the Programme.

7 Young people participating in the YESF

Introduction

7.1 This chapter provides the analysis of the young peoples' experience of participating in the YESF. It sets out the findings relating to their reasons for participating, their experience of the YESF job, details about non-completion, impacts and outcomes generated and the wider support needs of young people. The analysis is drawn from the online and telephone surveys, the *Liveminds* online discussion and follow up consultations with the young people. It also draws on findings of consultations with Local Authorities and stakeholders.

Profile of surveyed young people

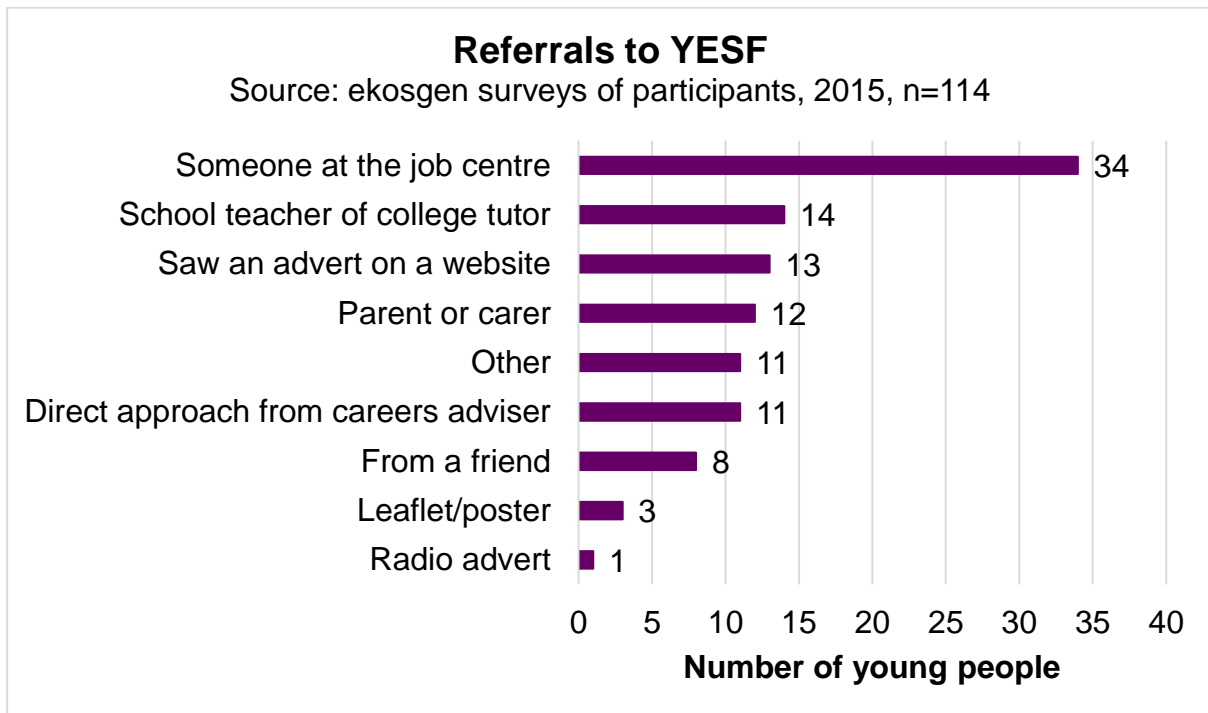
7.2 There were 114 valid responses received from young people through the online and telephone surveys. They were between 16 and 29 years of age, with the highest proportion of respondents between 18 and 20 years old (53%). Respondents came from 11 of the 32 Local Authority areas in Scotland representing a mix of rural, urban and Highland/Island areas. The highest percentage of responses (23%) were from Inverclyde. The young people were at different stages with 78% having completed their jobs, 15% still undertaking their jobs and 7% had left their YESF job without completing it. Prior to starting the YESF job, the majority of young people surveyed were not working and were looking for a job (52%), 16% of respondents at college and 15% were at school before they started their YESF job.

7.3 A sample of young people were interviewed for more in-depth, qualitative research to supplement the surveys and prepare case studies. These young people were from five Local Authority areas (Fife, Glasgow, Clackmannanshire, South Lanarkshire and Falkirk).

YESF awareness

7.4 Figure 7.1 illustrates that almost a third (32%, 34 respondents) of young people found out about YESF jobs from Jobcentre Plus (JCP). Over 10% of the young people reported that a school teacher or college tutor told them about the YESF opportunities (13%, 14 respondents) and 12% of respondents found out about the YESF opportunities from an online advert (13 respondents). A further 11% (12 respondents) found out about the YESF opportunities from a parent or carer.

Figure 7.1: Source of referrals to YESF



Case study YP1:

Gaining qualifications through a YESF-supported job

YP1 is a 21 year old male from Fife. His job was a scaffolding Modern Apprenticeship with a scaffolding company in Fife. YP1 has completed his six months with the company and has been kept on because of his good performance. He now has a permanent position with the company and is completing all of his apprenticeship qualifications.

Engagement with YESF

Prior to starting the job, YP1 was unemployed. He had previous experience in scaffolding, but he had not received training opportunities during this previous position. He left this position as he knew that in order to become a scaffolder and progress, he would have to complete his scaffolding qualifications. The job provided the opportunity to gain these qualifications, provide further work experience opportunities and he also hoped it would lead to a permanent job.

His employer's website had an advertisement regarding jobs, and he also found out more details about the YESF on the website. It was his employer that then explained the role of the YESF and how this would be involved in his apprenticeship.

Views on their job

He spent the first four months of his job in the yard learning skills before applying these skills on site. His apprenticeship has involved helping the other scaffolders on jobs by fetching equipment and learning skills from his work colleagues. It was challenging to an extent, but he had previous scaffolding experience which made it more manageable and he was also continuously learning on the job, which was rewarding. Despite some of the challenges he did face, he felt "really welcomed and like he was part of the team". His employers made him feel like he was a permanent addition to the company by placing a welcome message and picture of him on the company website.

Benefits and outcomes

He has completed the first part of his scaffolding qualifications at college and is due to complete the second part in 2016. His time at college allows him to learn skills which he then puts into practice at work. The job was better than he thought it would be as it was a guaranteed CITB Apprenticeship which ensures he will have the opportunity to complete all of the required CITB training (although this is decided by the College rather than the employer).

He loves his job which, helps with the college work as he feels like he can bring

his work experience to the classroom. He finds it easier to study for something which he enjoys and loves the subject.

Future outlook

YP1 wants to be a scaffolder and wants to remain at the company because it is a family based company with nice people who have made him feel welcome. He aims to continue working with them and is happy they kept him on after the duration of the YESF subsidy, once the funding had ended.

7.5 Other organisations that young people found out about the YESF from include Skills Development Scotland, Inverclyde Community Development Trust and at Local Authority events. Another key source of referral was through employability programmes such as Discover Opportunities in Dundee and Routes to Work in Lanarkshire.

7.6 The large number of young people who found out about the YESF job from JCP can be explained by the high volume of young people who were not working but looking for a job prior to starting the YESF job (52% of the respondents). Some of the young people were not aware of the YESF before they started working, as one stated:

“I had been in the job for a short time when my employer learned they could turn my role into a YESF job”

7.7 We understand that already being in employment would have made this young person ineligible for a YESF job but the evaluation highlighted a number of examples where this occurred.

Securing a YESF job

7.8 In line with how the young people learned about the availability of YESF jobs, 30% of young people *secured* the job with help from JCP. A further 22% were referred by someone, for example, a Careers Adviser and 21% saw the job advertised. Only 6% of the young people contacted an employer directly to enquire about the availability of a position and from there, went on to secure a YESF job.

7.9 The respondents rated how easy it was to find a job, on a scale of 1 (very difficult) to 5 (very easy). The highest number of young people rated it as a 4 or 5 (32% at 5 and 38% at 4). Only 1% of the young people rated finding a job as very difficult and comments included:

“It’s an easy application.”

7.10 Young people were often provided with support to apply for a job:

“The Job Centre (sic) were helpful in signposting me towards an opportunity and my friends and family were a great support network.”

“I got help from my family, friends and college tutors at the time. All three were keen for me to do the apprenticeship.”

7.11 Others received support to find a job from employability programmes and JCP, for example, to prepare their CV and application. One young person explained that JCP helped her to assess her career options when deciding whether to apply for a YESF job or undertake a college course. Another young person explained that the employability programme he was involved in provided support such as the safety boots he would need for his job as a warehouse assistant, as well as the travel expenses to attend his interview.

Motivation to participate

7.12 Eighty-three percent of respondents said that they wanted to take part in the YESF as they were looking for sustained employment. Additionally, 62% of respondents said it was a chance to get some work experience and 52% said that they wanted to earn money. Half of the young people in the survey indicated that they wanted to learn new skills. Some comments from young people include:

“I wanted the experience in my field of interest and a job at the time, I didn’t like sitting in the house doing nothing.”

“My reasons for undergoing (it) is because I wanted the experience, the qualification (Modern Apprentice) and hopefully [it would] lead me to a permanent job.”

7.13 The survey asked young people to indicate their primary reason for participating and over half (54%) said that gaining a permanent job was the main motivation.

Profile of YESF jobs

7.14 The majority of the young people in the study had been in (or were currently in) a full time YESF job (64%) and a substantial proportion were completing a full time or part time Modern Apprenticeship (30%). Five percent of young people in the survey had had part time YESF jobs.

7.15 The young people participated in a diverse range of jobs in companies in a variety of different sectors such as construction, hospitality, retail and business and administration. Their positions ranged from administrative assistants, receptionists, tyre fitters, youth workers and nursery nurses. The jobs involved a range of activities and responsibilities depending on the setting including building timber housing frames, providing IT services for schools and universities, assisting with patient enquiries in an osteopath’s clinic and carrying out personal care duties in a nursery.

Non-completion

7.16 Of the young people who completed the survey, 78% had come to the end of the ERI and 22% had not. This included 15% of YESF participants who were still in the job, and 7% of whom left the job before the end of the ERI.

7.17 Of the eight young people who had left before the end of the ERI, three had left to move in to another permanent job with an alternative employer and two said they left for other reasons. Reasons for leaving early included starting a Modern Apprenticeship programme, going travelling and because the YESF job wasn't meeting their expectations.

Impacts and outcomes

7.18 The young people who responded to the survey provided their views on what they expected from their YESF job, the benefits they actually gained and reasons as to why their expectations were not met.

Expectations

7.19 Table 7.1 sets out the benefits that young people expected to gain from the YESF job against those that they reported resulted from their participation.

7.20 The young people expressed their expectations of the YESF jobs in terms of developing hard and soft skills and future career progression. A key benefit which the majority expected was paid employment, either as part of or after the ERI was finished (86%). Just over half expected the job to be a quality job with training opportunities (55%).

7.21 The majority of young people said that they expected to gain hard skills in the form of new skills (75%), with some individuals noting that they wanted to develop specific skills such as in engineering and childcare. The main soft skills which the young people expected to develop were a better understanding of what it is like to work (75%), learning to work as part of a team (68%) and better communication skills (57%).

7.22 In terms of career progression, 68% of young people thought it would lead to sustained employment with the employer following the end of the ERI, 63% thought it would help them with their general future career progression and 40% believed it would help them to get a permanent job with another employer. Some of the young peoples' career progression expectations were as follows:

Case study YP2:

Developing trade skills

YP2 is 23 and is from South Lanarkshire. He began his position funded by the YESF when he was 21. The position is a joiner for one of Scotland's largest construction and manufacturing organisations.

Engagement with YESF

Prior to undertaking the position, YP2 was unemployed for around five months and on Jobseeker's Allowance. He had completed his joinery apprenticeship and had undertaken some temporary casual work but was looking for a permanent full time job.

A Jobcentre Plus adviser put him in touch with Routes to Work South, a charity based in South Lanarkshire that supports those unemployed in the area into further education, training and sustained employment. He found out about the position, which received YESF support, from Routes to Work South. He did not receive any further details from his employers in regards to the details of how the Fund was involved in the position.

Views on their job

He works in a manufacturing warehouse where timber frames and panelling are built for new build housing kits. This was different from his previous apprenticeship, as it had involved finishing joinery in customers' houses, where he carried out tasks such as fitting new kitchens. He enjoys his current job and prefers the working hours to his previous apprenticeship, as he has set working times and breaks. He also really likes his work colleagues and gets on well with them at work.

Benefits and outcomes

He has gained new skills from this position including both hard and soft skills. He has expanded his joinery skill set as now he has experience and knowledge in joinery at the beginning stages of construction (e.g. building roofs and housing structures). This complements his existing knowledge of finishing joinery (e.g. fitting kitchens and households), gained through his apprenticeship. In terms of soft skills, he now has the confidence when moving forward in his joinery career as he feels like he has a more comprehensive knowledge of joinery. He now considers that he is in the position where he is able to apply for a wider range of jobs if he wanted to move in the future, as he is a more attractive, experienced and skilled employee.

The job is what he thought it would be as he expected it to be stricter and more structured than his previous positions due to the nature of working in a warehouse setting. Although the position involved a different stage of joinery

than that in which he completed his apprenticeship, he felt like he had relevant transferable skills which he has been able to apply and develop in the job.

Future outlook

He has enjoyed his job and has been there for 18 months to date. He would like to continue working for the organisation as he enjoys the work and there are also opportunities for him to progress and undertake a variety of different roles.

“I hoped (it) would give me the experience needed to move on to another permanent job afterwards or use my skills which I had learned to find a job elsewhere.”

“I wouldn’t say I went into the position with the hopes of keeping the job as an outcome from that company, but I hoped the experience would set me up in the right direction.”

Benefits of the YESF job

7.23 Table 7.1 shows that the highest number of young people noted that a benefit gained from the YESF was paid employment, either as part of or after the ERI (75%). Many of the young people reported that the YESF allowed them to feel more confident (67%), a higher percentage than those who expected this to be a benefit (54%). This is supported by Local Authorities and stakeholders who view the YESF jobs as a chance for young people to develop confidence and other soft skills such as discipline and motivation. Similarly, respondents recognised the job as having developed their soft skills, with 51% stating that it made them feel better about themselves, higher than the 42% who noted this as an expected benefit. Some of the young people elaborated on the soft skills which they gained:

“I developed better organisation skills which I have utilised outside of work and have more confidence and experience of dealing with difficult or different personalities.”

“I would also say that the development opportunities of my skills were extraordinary in terms of training offered on soft skills...confidence workshops, team building workshops, etc.”

“I have more task specific skills now than before.”

Table 7.1: Benefits and Expectations of YESF

Benefits	Expected Benefits (%) (n=98)	Benefits Gained (%) (n=95)
Paid employment, either as part of or after the YESF job	86%	75%
Learn new skills	74%	62%
Better understanding of what it is like to work	74%	67%
Learning to work as part of a team	68%	61%
It would lead to sustained employment with this employer	68%	53%
It would help with my future career progression	63%	43%
Better communication skills	57%	53%
It was a quality job with training	55%	47%
Feel more confident	54%	67%
Access to a Modern Apprenticeship	43%	33%
Feel better about myself	42%	51%
It would help me get a job with another employer	40%	23%
I would learn how to find and apply for a job	38%	24%
Other	6%	4%

7.24 Benefits gained fell short of expectations in relation to employment, with 53% noting that it led to a permanent job with the employer after the ERI, lower than the 68% of respondents who expected this to be an outcome. Only 43% said that it has helped with their future career progression, compared to 63% who expected this to be a benefit. Comments illustrating this include:

“I did not get a job at the end even though I [did] well during my apprenticeship and had a lot of knowledge. I was disappointed.”

“Eventually after being with the organisation and knowing about the ins and outs, I feel that it isn’t the best to work for as I am not guaranteed a job at the end and I could be dropped whenever they feel that they can’t carry on paying me.”

7.25 Other expected benefits that fell short of expectations include learning new skills (62% compared to 75%), gaining a better understanding of what it is like to work (67% compared to 75%) and accessing a Modern Apprenticeship (43% compared to 33%). Only 47% of respondents stated that the YESF job was a quality job with training opportunities, although 55% of the respondents expected this to be a benefit. Some of the young people described why their expectations were not met from their YESF jobs in terms of developing skills. One young person stated:

“[The] training wasn’t as good as they made [it] out to be.”

7.26 Whilst expectations were not always met, the data clearly shows that young people benefited from the YESF fund in a variety of ways, learning new skills, gaining employment, accessing Modern Apprenticeships, job search skills and learning what it is like to work.

Employment impacts

7.27 Of those who had completed their YESF job, over half of these were in a permanent job with the same employer, following the end of the ERI (57%, 46 respondents). Of the remaining 43% (35 respondents) who were not in a permanent job with the same employer, the largest number of survey respondents were in full time work with another employer (56%, 20 respondents). The remainder included 19% who were considering their options (seven respondents), 11% who were at college or university (four respondents), 8% in part-time work (three respondents) and one respondent each was doing a Modern Apprenticeship or was on a different training programme.

7.28 Of the 69 young people in the survey who reported that they moved in to employment following the end of the ERI, 30% said that the YESF job gave them the skills they needed for their current job and 26% said they felt more confident to apply for jobs as a result of the YESF job. Over a fifth of the young people said that the reference they received from their YESF employer (22%) helped with their current position. Local Authority representatives and stakeholders noted the benefits young people gained by the YESF jobs for their future career progression by receiving support from employers during the period of the ERI and references from employers for when applying for subsequent positions. However, of those who are now employed, 9% said that the YESF job did not help at all with their current job:

“I had already gained [the] skills in previous jobs.”

7.29 For those who still have not reached the end of the ERI, 68% hope to get sustained employment with the employer who is providing the YESF job. A further 9% would like to get a permanent job with another employer and 9% would like to pursue further education at college or university.

7.30 A higher percentage of the young people said that the YESF job has not influenced what they would do next. Fifty-five per cent of respondents stated that they would have pursued their desired career path despite undertaking the YESF job. Additionally, 40% said that the job had not helped to identify any career goals. However a third of young people (36%) said that the YESF job influenced their decision as to what they would like to do next, and typical comments include:

“It has opened my eyes to other possible career paths.”

“[I] never thought I would ever have a career in business and administration before but now I love it.”

Case study YP3:

Career progression for a young person

YP3 is a 19 year old male from Glasgow. He began his job when he was 18 as a trainee youth worker at a youth charity in the East of Glasgow, providing services such as formal and informal learning opportunities and sessions to discuss important issues in young peoples' lives. The charity's aim is to help build the confidence, social and employability skills of the young people. YP3 completed his funded six month period and was retained in his job with the charity because of his successful performance. He has since obtained a different position with an established UK wide charity which helps young people across the UK.

Engagement with YESF

Prior to the job, YP3 was unemployed for about two weeks. Before this, he had been undertaking casual youth work. He found out about the job and the YESF at the job centre because he had expressed an interest in youth work as he was specifically looking for a position in that sector. He wanted to undertake the job because "he hoped it would lead to an opportunity for a permanent job in youth work".

Views on their job

His job involved working with young people during the drop in youth sessions that the charity offered. He chatted to the young people and helped them with issues which they were facing and supported them in developing a plan in how to tackle these. As the sessions were drop in, anyone could attend and often it was those from the East of Glasgow, which suffers from high levels of deprivation, who attended. There were challenging aspects of the role. For example, the role often involved dealing with some of the complex issues the young people may have been facing, such as homelessness or abusive parents. However, he felt like he was part of the team and supported by his colleagues which made dealing with these challenges a lot easier.

Benefits and outcomes

Throughout the initial six months, YP3 developed youth working skills and gained confidence from the role. In particular he developed team working skills as his team would discuss the different options which were available to help the young people and collectively agreed the most suitable way in which to handle these. He was also referred by his employer to a night class where he gained youth work qualifications. The job was not what he thought it would be, as "he just thought it would be a job where he turned up every day, completed his tasks and went home". However, things were constantly changing and it was a complex environment where no two days were the same.

After the YESF subsidy came to an end, he was offered a permanent position with the charity. After a short period working with the charity, he left the organisation to join a UK-wide charity because it will allow him to progress and meet his future career goals.

Future outlook

The job reconfirmed that he wanted to work with young people and gave him a better idea of the specialisation in youth work which he wanted to take. The team work really helped him reaffirm his career goals, as learned a lot from his colleagues.

It cemented in me that I want to progress in communications (rather than the web-officer style position I am in now).”

“I now know that nursery work isn’t for me and I’m now happy with the course I have.”

7.31 It was a relatively even split between young people who feel that the YESF job has helped them to identify their long-term career goals with 38% stating that it has and 40% stating that it has not.

7.32 Local Authority representatives and stakeholders on the whole expressed the positive impact which YESF jobs has had on youth unemployment. There is a feeling that young people are now in employment because of the YESF when they otherwise would not have been, and that decreasing youth unemployment rates are linked to the introduction of the YESF ERI. Local Authority representatives and stakeholders also reported the softer benefits that young people have gained, such as increased confidence and self-esteem, as well as the work skills and experience that they have gained.

Wider benefits to young people

7.33 The evaluation explored whether the YESF job helped young people outside of the workplace such as at home or in their personal life. Participants reported how having a steady income has allowed them to support their family commitments and have less financial worries, for example:

“I now have less sleepless nights worrying about money.”

7.34 Young people also noted that it helped to reduce family pressures with young people stating that their family is proud of their progress:

“My family and friends are so supportive and update me on how proud they are of me to be doing an apprenticeship.”

7.35 The YESF participants also reported how it has helped their social lives, by having a routine and being able to maintain friendships outside of work due to having a balanced day and a steady income.

YESF job reflections

7.36 On the whole, there was a high satisfaction rate amongst young people, with 94% stating that they would recommend YESF to other young people. Only three said they would not, the main reason being that it had not led to a permanent job and that the wage they received was too low:

“Working a 25 hour week is not ideal, as the money from it [is] not enough to support me, and due to the fact that it was longer than [a] 20 hour week, I could not get a second job while doing this one.”

7.37 The young people were asked to rate their job on a scale of 1 to 5, with 1 being not at all useful and 5 being very useful. The largest proportion of young people ranked the job as being very useful (55%), with a further 32% ranking it as 4 on the scale. Only 1% of respondents rated it as not at all useful.

7.38 In respondents' reflections on their job, 82% said they would do a similar job in the future. The remainder said they would not do so, mainly due to feelings of job instability, low wages and the need to progress their career in sustained employment:

"I have already received the benefits."

"I have done one, now it is time to get on with the main career."

"I have moved on from my apprenticeship and would like to keep moving forward."

Case study YP4:

Changing career path and gaining new skills

YP4 is a 19 year old female from the Clackmannanshire region. She was 18 when she started her apprenticeship as a nursery nurse. She is currently still undertaking her job supported by the YESF, and is due to complete her apprenticeship in early 2016.

Engagement with YESF

She found out about the possibility of a funded job through the YESF after phoning the nursery directly, and enquiring whether they had any opportunities available. As a result of contacting the nursery, she was invited to an interview. She found out further information about the YESF at her interview by discussing the Fund and the opportunity in detail with her employer.

Views on their job

Prior to starting the apprenticeship, YP4 had been working at a hairdressers' salon for around a year and a half after leaving school. However, she really wanted to work with children. This led to her enquiring about the availability of apprenticeship opportunities at the nursery. She had no training before her apprenticeship, and she hoped that she would gain further experience and qualifications from the apprenticeship.

Benefits and outcomes

Her nursery apprenticeship has involved duties such as planning activities for children, carrying out individual personal care for children, general supervision and preparing snacks. She also attends college every two weeks and completes assignments which are helping her towards achieving her apprenticeship qualifications.

Some parts of the apprenticeship are challenging for YP4 as "certain parts of the job are harder than she thought they would be", but she feels like she is part of the team and the support she is given by her employer and her colleagues has helped her to fully overcome these challenges.

Overall the apprenticeship is more difficult and challenging than she thought it would be. However, she has learned new skills and now she is confident that she knows what she is doing in her role.

She has also developed good communication skills, and a better understanding of what it is like to work and learning to work as part of a team. Her self-confidence has also improved considerably as a result of undertaking her apprenticeship through the YESF.

Future outlook

She has enjoyed her apprenticeship so far, and has found it a fulfilling experience. YP5 hopes to continue working at her current nursery and further her career as a nursery nurse after she completes her apprenticeship.

“The wage is far too little to live off.”

“It’s not very rewarding and I can’t feel comfortable with the job as it is not stable.”

Summary

7.39 A key motivator for young people was to gain sustained employment and valuable skills through the YESF job. They were referred through a number of routes including JCP, employability support services and education institutions and benefited from assistance during the application process although they generally found the process straightforward.

7.40 Although young people sought hard employment outcomes through participating in the YESF, it brought wider impacts including gaining new soft skills such as increased confidence and communication skills and hard skills such as qualifications. It also provided clarity and direction for some young people who were unclear on the career path they would like to follow.

7.41 For many young people, there was a difference between their expectations regarding skills and benefits gained, and what they actually realised. Nevertheless, 75% of respondent young people did gain paid, permanent employment at the end of the ERI, which reinforces findings elsewhere in the study.

Case study YP5:

Discovering and pursuing career aspirations

YP5 is 22 and from Falkirk. She began her Modern Apprenticeship in business administration when she was 21 in an osteopath's clinic. She successfully completed her apprenticeship and although she was offered a permanent job with the clinic, she decided to go to college to continue further study.

Engagement with YESF

Before starting the position, YP5 was undertaking a six month Pathfinder college course to explore what she wanted to do with her future career. This course inspired her to apply to study business and administration at college. Jobcentre Plus advised her to apply for this YESF-supported opportunity. She believed it would be more beneficial to gain work experience in addition to college qualifications, as she only had one month of previous work experience, in a factory.

Views on their job

She undertook the role as a receptionist in her apprenticeship which involved a range of office administration, handling cash and maintaining the appearance of the clinic's reception area. She had a lot of responsibility and enjoyed the challenge of learning new skills.

Although she had a good working relationship with her manager and the team, she also completed a lot of tasks individually using her initiative which increased her confidence. The biggest challenge which she faced when she started the job was her English skills. As she is originally from Lithuania, her understanding and use of English was quite limited when she started the apprenticeship. However, she received a great deal of help from her manager and her colleagues to develop her spoken and written English, and provided guidance as and when necessary.

Benefits and outcomes

She gained her SVQ Level 1 from her Modern Apprenticeship and some SVQ Level 2 qualifications, but did not receive enough experience from the work she was undertaking to gain the entire SVQ Level 2. Apart from improving her English skills, the apprenticeship also developed her communication skills, her IT skills, and experience of dealing with a variety of customer enquiries:

“I feel like I have developed a good skill set and groundwork to take forward to a diverse range of jobs and I feel that the apprenticeship has allowed me to develop skills to deal with unfamiliar tasks and information in a new workplace”.

Future outlook

The modern apprenticeship helped YP5 to decide her future career progression. Although she got offered a permanent position at the clinic, she decided to continue her studies at College. She is studying digital media as during her apprenticeship she discovered she really enjoyed the marketing and design aspects of the business that she was exposed to. She decided to enrol in college to further her knowledge in business marketing and digital media. YP5 is also working part time as a membership advisor for a sports club in Edinburgh and she thinks that her job experience has made this position easier, particularly when communicating with clients and her team mates. She plans to specialise in game design at college by completing her HND and then going on to university.

8 Employer Recruitment Incentives

Introduction

8.1 This chapter examines the effectiveness of a wage incentive Employer Recruitment Incentive (ERI) in helping young people into sustained employment. It draws on the findings gathered through the research with employers, Local Authorities and strategic stakeholders.

8.2 The YESF ERI paid half of the young person's pay for six months, based on the national minimum wage (the financial support to employers covers a minimum of half the salary costs based on NMW for a period of at least 26 weeks).

Effectiveness of ERIs

8.3 There was overwhelming support for Employer Recruitment Incentives as an effective mechanism for assisting young people to move in to a job and from there, sustained employment. As reported in Chapter 6, 96% of employers responding to the survey reported that ERIs are effective and this reflects the views of both the Local Authority consultees and the stakeholders.

8.4 There was a view amongst stakeholders and Local Authorities that ERIs are particularly effective during periods of recession and that they encourage and enable employers to take on someone when, without the ERI, they may not do so. Supporting this view, 31% of employers in the survey said that they definitely would not have provided the job without the ERI, which when scaled up (based on the data available) means that over 3,000 young people would not have secured a job through the YESF without the ERI. A further 38% of employers said they may not have provided a job and the remaining 31% said they would have provided the job, even without the ERI.

8.5 Three stakeholders commented that ERIs could be more effective in helping young people in to sustained employment if training provision was wrapped around it. This would mean that the young person was combining work experience with skills-based training and so further enhancing their employability. A number of Local Authorities reported that this wrap-around provision was already in place in their area. Having said that, 30% of the employers reported that the ERI meant that they could provide training, which is a positive outcome, and others provided training as part of their usual working practices.

8.6 The point was also made that to maximise their effectiveness, ERIs should be more than a simple wage subsidy and as well as training, should be provided alongside other support, particularly for young people who are further from the labour market and face particular barriers. This includes pre-employment training, in-work employability support, through-care and where relevant aftercare to help young people make successful transitions at key points e.g. from unemployment to work.

8.7 The stakeholders broadly agreed that ERIs are particularly useful in encouraging micro and small businesses to provide a job to a young person as it reduces the risk of recruiting someone and makes it more affordable in the first six months. That is not to say that these benefits are not felt by larger businesses, but it was felt that due to scale, ERIs are most successful in reducing barriers amongst these smaller employers.

8.8 A representative of the third sector noted that ERIs are very useful for third sector organisations, particularly when budgets are being squeezed as it increases their capacity but at a reduced cost to them. Whilst this is not the main aim of the YESF, it is a valuable outcome for voluntary organisations. However, two stakeholders raised the fact that the YESF ERIs were sometimes viewed as a benefit to employers (including third sector employers) as the funding is linked to the job rather than the young person. They pointed out that ERIs should not be viewed as a business development tool, rather, they are a young peoples' support measure. They strongly believe that they must be focused on the needs and outcomes of young people rather than the needs and outcomes for employers.

Fit with other initiatives

8.9 Overall, there was agreement that ERIs fit well with other local and national initiatives. At local level, the ERIs provided through the YESF were used in conjunction with Employability Fund activities by helping to provide jobs and in-work employability support with the aim of leading to sustained employment. Some Local Authorities in the study reported that they provided ERIs following the YESF ERI to extend the job with the aim of giving the young person more work experience, more chance to develop skills and enhance the likelihood of sustained employment.

8.10 The effectiveness of the YESF ERIs meant that many young people were able to access Modern Apprenticeships and so gain a qualification but in the absence of the ERI, they would not have had this opportunity.

8.11 It also complemented Community Jobs Scotland as it allowed young people with a CJS placement to move in to a YESF job and so further enhance their employability. In total, 64 young people in Scotland moved from CJS to YESF whilst staying with the same third sector employer. It was reported during the study that of these 64, 51 are in sustained employment (80%) and out of this 51, 31 are in sustained employment with the employer who provided the YESF job. Anecdotally, it was reported that without the additional ERI provided through the YESF, a sizeable proportion of these young people would not have been in such a strong position to move in to sustained employment.

9 Conclusions and Recommendations

Introduction

9.1 This chapter draws out the main conclusions arising from the evaluation highlighting key learning points for the Scottish Government and partners. It then goes on to set out recommendations for the future support to employers to provide jobs leading to sustained employment for young people.

Conclusions

9.2 The YESF was introduced at a time of high youth unemployment in Scotland, when entry to the labour market was difficult and being young was a significant barrier, even for graduates. It was responsive to the circumstances at the time and getting it up and running nationally and locally within the timescales was a key achievement. This was possible through the close partnership working within and between the Scottish Government and Local Authorities.

9.3 The YESF has been successful in providing jobs to young people across Scotland. At the time of the evaluation, almost 9,500 young people (based on Local Authority data) had participated in YESF jobs and this number is likely to increase as the Fund reaches the end of its final phase.

9.4 Young people have benefited in a number of ways. They have developed hard skills related to their job; they have gained qualifications for example through MAs; they have gained and been able to demonstrate soft skills such as time keeping, team working and motivation and they have improved their employment prospects and future career progression. Young people also reported that it had positively impacted on their confidence, career aspirations and widened their networks.

9.5 The key aim of the YESF was to help young people into sustained employment and the evidence clearly demonstrates that it has been successful in achieving this, with monitoring data showing that 64% of the young people who started YESF maintained sustained employment at the end of the ERI. A further 5% moved on to another positive destination such as FE or training.

9.6 Employers have also benefited from providing YESF jobs. They were able to increase their capacity for the period of the ERI at a lower cost to the business, bring in new, fresh ideas and attitudes and address issue of an ageing and sometimes stagnating workforce. Many businesses also perceived that they could assess a young person's suitability for the role before committing to employing them permanently although the young person was provided with a permanent contract from the outset. The YESF ERI encouraged some employers to recruit a young person in place of recruiting a more experienced worker and in many cases the creation of a new post for the young person was possible, directly as a result of the financial support available.

9.7 Local Authorities have also benefited from the YESF, by moving young people in to employment, it has contributed to achieving their youth employment strategic objectives. It has also helped them to engage more effectively with employers and build positive working relationships which has enhanced local employability work and benefitted other functions such as economic development.

9.8 The YESF presented some challenges although there is no evidence to suggest that these detracted from the impacts over the life of the programme. Local Authorities with existing employability initiatives successfully integrated the YESF into the provision and tended to find it less challenging to implement the Fund than authorities with no existing provision.

9.9 Compliance was an issue both for Local Authorities who found it to be resource-intensive and for employers who were required to provide very detailed information to make a claim. Anecdotal evidence suggests that some employers did not claim the ERI due to the compliance requirements, again, this does not appear to have been a significant issue.

9.10 There is overwhelming agreement that ERIs are an effective means of encouraging employers to provide a job to young people with a view to offering sustained employment at the end of the period. It reduces the risk to the employers and can encourage them to take on a young person as opposed to a more experienced worker. However, employers, Local Authorities and stakeholders believe that the value of the ERI is enhanced for some where pre-employment training is provided, for example through employability initiatives. Employers also noted that they may need additional support, including practical support to provide a job to a targeted young person for example someone with a disability.

9.11 Some aspects of the guidance from the Scottish Government was open to interpretation which led to a degree of inconsistency between Local Authority areas. Whilst this was not necessarily an issue, and flexibility at local level was a deliberate feature of the Fund, it led to some confusion, particularly for employers and partners working in more than one area. It also meant that how, and the extent to which, Local Authorities monitored the Fund and assessed the impacts varied which was a challenge for the evaluation.

9.12 There is evidence that some of the YESF young people were already in employment (perhaps only having just started) and at that point, the job was converted to a YESF job to enable the employer to access the ERI. Where this occurred, the Local Authorities believed this met eligibility criteria, whilst in other areas, the Local Authorities did not consider young people already in employment to be eligible. This highlights the importance of clear guidance and information.

9.13 Despite these issues, on the whole, the localised approach to delivery was a strength of the Fund. It allowed Local Authorities to align the YESF ERI with local employability activities and add significant value.

Recommendations

9.14 Although the YESF is coming to an end (at the time of writing) and delivery of Scotland's Employer Recruitment Incentive (SERI) has commenced⁹, there are some recommendations for the Scottish Government and partners to consider for the future.

Recommendation 1: Communication. There should be clear, consistent and timely guidance at the start of the programme. Mechanisms for on-going communication should be reviewed regularly to ensure that important updates and messages are being effectively communicated and are reaching the target audience.

Recommendation 2: Coherence across partners. Funding partners must work closely together before launching a programme, and on an on-going basis to present a coherent offer to delivery partners that meets a minimum national standard but takes account of local initiatives and circumstance.

Recommendation 3: Marketing. Peer recruitment should be a key strand of a programme's engagement strategy, using case studies, advocacy and providing opinion leaders with information to help engage employers and young people. Social media campaigns are effective in engaging young people and reinforcing messages.

Recommendation 4: Monitoring. A monitoring and evaluation framework should be an integral part of a programme's development and agreed from the outset. This will mean that strategic and delivery partners are agreed and are clear on what will be collected, in what format and how and when it will be reported. It will include the level of detail required about the characteristics of participants. This will ensure that progress, outcomes and impacts can be monitored and assessed and where necessary, adjustments made to maximise the efficacy of the programme and its reach in to the target population.

Recommendation 5: Compliance. Where possible administration and compliance requirements should be as straightforward and consistent as funding regimes allow. The processes should take account of the nature, experience and capacity of the organisations that will have to complete the compliance process e.g. micro and small businesses can face particular challenges. Support is important to help employers address any issues of demonstrating compliance.

Recommendation 6: Setting targets. Targets should be set using evidence at local level where it is available e.g. on deliverability, capacity, economic context, existing employability activities and outputs of other/previous interventions.

⁹ Scotland's Employer Recruitment Incentive (SERI) was launched in June 2015 with a commitment to assist employers in supporting young people into jobs. The scheme was paused amid uncertainty following the Chancellor's spending review and how it would affect Scottish budget. SERI will resume in April 2016 with a sharper focus on the job prospects of young people who face the biggest barriers to employment, including those with disabilities. Details of the resumed SERI are still being worked out.

Recommendation 7: Employer Recruitment Incentives. ERIs are effective in encouraging employers to provide jobs and sustained employment to young people. This approach should be an integral part of future employability programmes but against a backdrop of an improving youth labour market, should be focussed on those who are further from the labour market, can be optimised with pre-employability training, through-care and aftercare. Where possible, flexibility should be built in to how the ERI can be used to remove barriers to employing young people and this should be about the specific young person's needs.

Recommendation 8: Flexibility at local level. A positive feature of YESF is that National ERI programmes had the capacity to be delivered flexibly to respond to local need and circumstance but with clear guidance (as above) to ensure appropriate levels of consistency and compliance to programme criteria. This flexibility should be maintained.

Recommendation 9: Providing the jobs. Employers should be given clear guidance about the expectations and commitments required of them in providing a job. This should include what they are expected to provide to the young person during the ERI. Consideration should be given to this taking the form of a formal agreement between the employer and the Council. It would also set out what the Council is agreeing to provide for example, any additional support.

Recommendation 10: Support to employers. Some employers, particularly smaller ones, may benefit from practical support, for example help to find and recruit a suitable young person, assistance to prepare an induction programme and so forth. This type of support is available through Business Gateway and a selection of local on-line tools. Additional support could potentially be provided as an on-line resource at national level, with local flexibilities.

Recommendation 11: Targeted Young People. The Targeted ERI was available in conjunction with the YESF to provide support to employers to employ targeted groups of young people facing specific barriers to employment. However, the findings show that for some employers it did not fully meet their needs in terms of practical advice or they were not aware that it was available. Consideration should be given to ensuring that all additional support is promoted to employers. This could include signposting employers to external sources of advice and information.

Appendices

Appendix 1

Consulted organisations and individuals

Department of Work and Pensions (DWP)/ Jobcentre Plus (JCP)	Elaine Boyce, Scotland Group Partnership Manager Alan Clifford, Welfare Reforms Manager
Federation of Small Businesses in Scotland (FSB)	Barry McCulloch, Senior Policy Advisor – Scotland
Scottish Chambers of Commerce	Garry Clark, Head of Policy & Research
Scottish Council for Voluntary Organisation (SCVO)	Donna Mackinnon, Director of Employment Services
Scottish Government	Hugh McAloon, Deputy Director Victoria Beattie, Head of Youth Transitions to Employment Employability, Skills & Lifelong Learning Directorate
Scottish Local Authorities Economic Development (SLAED)	Pamela Smith, Employment and Training Manager, Falkirk Council/ People Group Chair, SLAED
Skills Development Scotland (SDS)	Gary Elliot, Skills Initiatives Project Manager Teresa Haran, National Training Programmes Manager
Third Sector Employability Forum (TSEF)	Alastair Cameron, TSEF Executive Group member

Appendix 2

Clackmannanshire Council

Comhairle nan Eilean Siar

Dumfries & Galloway Council

Dundee City Council

Falkirk Council

Fife Council

Glasgow City Council

Moray Council

North Ayrshire Council, on behalf of the Ayrshire Councils

Renfrewshire Council

South Lanarkshire Council

West Dunbartonshire Council

Local Authorities participating in in-depth research



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