

Employability Framework for Scotland

Report of the NEET Workstream

June 2005

The contents of these reports form the evidence for, and recommendations to, the Scottish Executive on what the Employability Framework and NEET strategy should contain. Publication is not an undertaking that the Scottish Executive will implement their recommendations. The findings of this report will be addressed by the Framework document and NEET strategy when they are published later in the year

NEET Workstream Report

Introduction

This report sets out the findings of the NEET Workstream, one of five established by the Scottish Executive to help develop the Scottish Employability Framework. The Workstream's activities have been overseen by a Core Group, membership of which is attached as Appendix 1.

The Core Group has contributed its expertise and knowledge to the process, through feedback on the work as it has developed. Our process has also included:

- Analysis of existing research and evidence related to the NEET group
- A series of 'key-witness' consultations with stakeholders including the Enterprise Networks, Careers Scotland, DfES, the FE sector, relevant Scottish Executive Departments, training providers, young people, Post School Psychological Services and the Scottish Throughcare and Aftercare Forum

The NEET group – which the Scottish Executive defines as young people aged 16-19 not in education, employment or training – has been identified as a particular issue for Scotland. Against a background of historically high levels of employment and low levels of unemployment, Scotland has the highest proportion of 16 -19 year olds not in education, employment and training in the OECD. This is an issue which requires specific consideration within the Employability Framework as its characteristics are distinctive and its impact far reaching.

The impact of NEET is twofold: it stands in the way of individuals and society achieving optimum economic productivity and social inclusion.

Since devolution, the Scottish Executive has maintained a strong focus on tackling poverty and disadvantage. Six years on, the Executive's Partnership Agreement extended this commitment through its targets on *Closing the Opportunity Gap*. This sets out a renewed focus on tackling poverty in Scotland and requires all government departments to co-ordinate efforts in order to make sure those in need have every opportunity to improve their quality of life.

Closing the Opportunity Gap places particular importance on the needs of young people. It recognises the importance of early intervention to support those who are at risk of experiencing disadvantage in later life. Amongst its six objectives are commitments:

- To increase the chances of sustained employment for vulnerable and disadvantaged groups – in order to lift them permanently out of poverty; and
- To improve the confidence and skills of the most disadvantaged children and young people – in order to provide them with the greatest chance of avoiding poverty when they leave school

The importance of successfully tackling the barriers faced by disadvantaged young people is also reflected in our enterprise strategy, Smart Successful Scotland, which recognises that 'there are too many young people who are not in education, employment and training.'¹ It is also a keystone of the Executive's Lifelong Learning Strategy², which clearly identifies the interface between learning, social inclusion and economic competitiveness.

¹ A Smart, Successful Scotland: Scottish Executive 2004: page 7

² Life Through Learning, Learning Through Life: Scottish Executive 2002

Through *Closing the Opportunity Gap* we have a real opportunity to grasp some of Scotland's most deep seated problems. Addressing the challenge of poverty amongst the young requires a cross cutting approach and a willingness to intervene at the earliest stages – at an individual, family and community level. *Closing the Opportunity Gap* offers a rubric for doing this, and several of its key targets relate directly to young people.

- **Target B:** Reduce the proportion of young people who are not in education and training by 2008
- **Target E:** By 2008, ensure that children and young people who need it have an integrated package of appropriate health, care and education support
- **Target F:** Increase the average tariff score of the lowest attaining 20 per cent of S4 pupils by 5% by 2008
- **Target G:** By 2007, ensure that at least 50% of all 'looked after' young people leaving care have entered education, employment or training

The interrelationship between these targets is a strength – and a practical reality. For example, we cannot tackle the NEET agenda without successfully addressing issues of underachievement in our schools. However, this joined-up approach also means that our overall success is likely to be conditioned by the weakest link in the chain. Working co-operatively across Departments is therefore a prerequisite to delivering successfully against all of these targets.

The workstream's report will be underpinned by a twofold approach to meeting the CtOG target: improving efficacy of interventions aimed at the 16-19 year old group; and stemming the flows into NEET by identifying the interventions and opportunities required to enable pre-16s to make better transitions from compulsory education.

The recommendations in this report are intended to underpin efforts required across government to turn the problem on its head and realise the potential of these young people.

Young People not in education, employment or training

So, why is NEET such a big problem?

1. At any one time there are about 35,000 young people who are NEET in Scotland – about 14% of the age group. This proportion has been fairly static throughout the 1990s, despite increased levels of investment in policies aimed at supporting young people from the Scottish Executive. Research³ indicates that young people aged 16-19 who are NEET for a prolonged period are most likely to encounter consistent problems in later life.

2. Investigation of the 1970 British Birth Cohort⁴ study has shown that being NEET for six months is likely to mean that by the age of twenty one a young man is:

- More than four times likely to be out of work
- Three times more likely to have depression and mental health issues
- Five times more likely to have a criminal record
- Six times less likely to have any qualifications

³ Bridging The Gap: New opportunities for 16-18 year olds not in education, employment or training - Social Exclusion Unit 1999

⁴ 1970 British Birth Cohort Study

3. Successfully tackling this issue – particularly around young people who are NEET for a prolonged period – is therefore a priority for government, both for preventing enduring disadvantage in adulthood and in relation to our future economic competitiveness.

4. International data shows that our levels of labour market engagement in the 16-24 age group are amongst the lowest in the OECD. Recent demand side research conducted by Futureskills Scotland has confirmed that finding young people with the right skills mix on leaving school is a major challenge for employers, and that this mismatch is adversely affecting our economy – leading employers to look elsewhere to meet their recruitment needs⁵. Unless we successfully equip our young people with the right skills and attitudes for the workplace there is a risk that the scale of the NEET problem – and therefore its resulting impact - will increase in the coming decade.

What is the nature and scale of the problem?

5. As indicated above, the estimated number of NEET young people is 35,000 – 13.7% of 16-19 year olds in Scotland. 6,000 are aged 16; 9,000 aged 17; 12,000 aged 18; and 8,000 aged 19. Males are more likely to be NEET than females.

6. Other key characteristics of the NEET group include:

- 62% of the NEET group were claiming “key” benefits (JSA, IB and IS); with 11,300 (%) claiming JSA (2004 figures)
- 80% have low level qualifications (SVQ level 2 and below), including 9,000 who have no qualifications
- 38.6% of the NEET group have never worked
- Calculations based on estimates from different data sources⁶ suggest that around 21,000 of the NEET group were actively seeking work – based on actual JSA claimant levels, and then adding a proportion of 16-17 year olds who are ineligible for this benefit. Up to 14,000 are economically inactive because they are sick or disabled, or have family or caring responsibilities. A higher proportion of females are inactive, with an estimated 1 in 5 inactive young women who are NEET caring for children and families

7. The “headline” NEET figure of 35,000 is a limited measurement indicator – it contains within it a huge and diverse range of circumstances and characteristics which cause NEET status, and as a “snapshot” measurement it tells us little about the critical flows in and out of the NEET category.

8. It is worth noting here that a short term NEET period is not the core problem we need to address, rather it is (a) either sustained NEET status over an extended period (with 3 months commonly cited as significant), or (b) frequent repetition of NEET status between short, episodic spells of labour market engagement.

9. The work stream therefore set out to examine to what extent the group is made up of a ‘hard core’ of individuals who remain NEET over a medium-long term period, and to what extent is the group dynamic, made up of different individuals flowing in and out of the group over a short period of time. “Flow” data in and out of

⁵ .Futureskills Scotland: Scottish Employer Survey 2004

⁶ Including the Scottish Executive Analytical Services reports, and the Scottish School Leavers survey

NEET status is limited, but a number of key statistics highlight the significance of this issue:

- 56% of those young people who were NEET across the UK in 2003 were still NEET in 2004. 14% had moved to further education, and 30% to jobs⁷
- 48% of people who had been “inactive” in 2004, had been inactive the previous year.
- Of the Scottish NEET group in 2004, their status 12 months previously was: 12% in full time education; 34% jobs; 21% unemployed; and 32% economically inactive
- Of people unemployed in 2004, 27% had been unemployed, 26% in jobs and 26% in education in 2003
- The Scottish School Leaver Surveys (SSLS) tracking processes suggest very significant fluctuations in NEET numbers during the year with the figure fluctuating between the 27% in the peak months of the summer, to as low as 4% between September and May
- The SLSS also found that over a 16 month period 36% of all young people may be NEET for some period of time, but that only 7% of the 2003 survey group were NEET for 6 months or more. This figure was higher for women than men, but is likely to be an underestimated because particularly disengaged young people may not have participated in the research process

10. The above statistics reinforce key messages in framing a response to the NEET issue. Two are most important:

- That whilst the snapshot number remains broadly static, many of the actual individuals within the group are changing at a rapid rate.
- Persistent long term NEET status is a problem for a significant number of young people, but by no means 35,000

11. Overall, a much better understanding of these NEET “flow” issues is essential. Only through this is it possible to develop a truly sophisticated and targeted policy response. But the NEET work-stream has encountered significant limitations with the current information on these issues. As a result, action on improving intelligence about the group is itself one of our key recommendations.

NEET characteristics and “at risk” sub groups

12. The heterogeneous nature of the NEET group is a particularly significant point. For example, an individual classified as ‘NEET’ might be a young parent whose caring responsibilities are their key barrier to work; a young person with physical or behavioural difficulties; a young person on a gap year before entering university; or one who has dropped out of a college course but has yet to decide on next steps. Targeting policy effectively requires understanding the different needs of the many different sub-groups which make up 35,000 NEET and determining which require government intervention.

⁷ Enhanced use of UK data at the Scottish level

13. Evidence from Scotland and across the UK provides important insights into the causes of NEET, and the characteristics of those experiencing it. At a very broad level, three sub-categories are generally recognised:

- The hardest to help young people – with complex needs, which are often clearly defined and which require intensive levels of support
- An “intermediate” group of young people – the quietly disaffected, commonly with issues around motivation, confidence, and soft skills, and normally requiring more limited support
- The “transition/gap year” group – containing young people taking time out before progressing to a clearly defined further or higher education opportunity

14. The latter group are recognised as not “problematic” NEET, and policy and related interventions should focus on the first two categories.

15. But cutting across these general definitions is the need to understand the characteristics and categories of young people most likely to experience sustained and problematic NEET status. Evidence suggests that the two principle factors relating to NEET are:

- *Disadvantage* - young people from disadvantaged families, deprived communities, or from homes with at least one unemployed parent
- *Educational disaffection* – persistent truants or those excluded from school, young people with low attainment levels, and poor or no qualifications⁸

NEET status is also closely aligned to a series of individual circumstances and barriers. Based on the available evidence, the Workstream recommends that sub groups which should form the basis for targeted interventions include:

- *Young people leaving care* – who experience a very high incidence of NEET status, and for whom there is already a priority to improve NEET performance within CTOG. Care leavers are estimated as 10% of the NEET group
- *Young people with low levels of qualifications* – suggested as SVQ level 2 or below. A characteristic of 80% of the NEET group
- *Lone parents and other carers* – including a high percentage of females who are NEET, and who will need specific types of interventions to reflect their caring responsibilities. Scottish Executive figures estimate that 4,000 of the NEET group are carers
- *Young people with a criminal record* – whilst no direct statistics are available cross referencing NEET status and crime, a high percentage of young offenders are of unemployed status when they appear in court – can we quantify
- *Young people with physical and mental health problems* – Scottish Executive figures estimate that around 3,000 of the NEET group are inactive due to illness or disability

⁸ Bridging The Gap: New opportunities for 16-18 year olds not in education, employment or training - Social Exclusion Unit 1999

- *Young people with persistent truancy records* – recognised as a key contributory factor in future NEET status, but no detailed figures on numbers are available
- *Young people with a history of drug and alcohol abuse* – a further well recognised issue contributing to NEET status, and likely to be linked to some of the health related problems noted above

16. Given the well recognised incidence of multiple barriers to labour market engagement, it is likely that many of the young people targeted in this way will be in more than one of the above categories.

Geographical Profile of NEET in Scotland

17. In a further move to better inform the rationale for and targeting of interventions, the Workstream looked at the geographical profile of 16-19 year olds NEET to examine whether there is a case for local targeting along the lines of the approach taken with the workless individuals target in the CtOG areas

18. An analysis of NEET figures by area highlighted particular geographic concentrations. These were significant enough to suggest that a focus of future action to make significant inroads into NEET status requires a local area dimension. The recommendations below suggest that the five local authorities, with the most pronounced NEET profile, are tasked with setting local targets on NEET reduction in step with the 2008 national CtOG target. Selecting these has involved detailed consideration of a number of key factors:

- The total number of NEET young people. 5 local authority areas in descending order account for 46% of the Scottish total: Glasgow; North Lanarkshire; Fife; Edinburgh; and South Lanarkshire.
- The percentage of 16-19 year olds who are NEET. On this measurement the highest recorded figures are: Glasgow; Clackmannanshire; North Ayrshire; East Ayrshire; and West Dunbartonshire
- Analysis of the data which has led to 7 areas being targeted as part of "Closing the Opportunity" gap. This shows that there are some significant differences – most notably that the two Lanarkshire authorities are performing relatively better in terms of addressing NEET than on adult economic activity generally, and that East and North Ayrshire demonstrate the opposite trend
- Analysis of other key indicators linked to the nature and causes of NEET levels: benefit claimant rates; the school leavers destinations survey; and school attendance and exclusion rates

19. Based on these considerations, the five local authority areas recommended are:

- Glasgow
- Dundee
- East Ayrshire
- North Ayrshire
- West Dunbartonshire

The activities anticipated in these areas are considered in section 3.

The NEET Strategy

20. The Workstream was tasked with making recommendations to refresh the Executive's strategy for reducing the proportion of young people not in education, employment or training by 2008. In doing this, the report recognises the importance of building on current strengths and on what has been learnt from approaches that have worked successfully with this client group. It also highlights the critical interface with the other CtOG targets, particularly in relation to education. Preventing the future flow into NEET is as important as tackling the current stock.

21. This NEET strategy echoes many of the underlying themes contained in the Employability Framework. The importance of improved co-ordination and shared delivery; the value of focusing on client needs; the focus on aftercare and sustainable outcomes – all of these are themes central to the Employability Framework which are pertinent to successfully achieving the NEET reduction target.

22. In addition there are distinctive elements – such as the opportunity to stem the flows into the group; the role of financial incentives and issues around sharing and improving intelligence – which have a particular resonance for this age group.

23. The NEET strategy consists of five critical success factors. Overcoming the NEET challenge in the longer term will mean delivering on all of these. They are:

1. Improved partnerships, enhanced intelligence and clear targeting
2. The right support services
3. Effective pre-16 intervention
4. Access to high-quality post-16 interventions
5. A comprehensive range of financial incentives

Improved partnerships, enhanced intelligence & clear targeting

24. A common challenge identified throughout our work-stream consultations has been the lack of "ownership" of the NEET issue. With many of these young people requiring support from a raft of agencies and support services, each one is critical to an effective response, and in future there must be a stronger and more collective effort to improve the service response.

25. Two features of future action are therefore essential: partnership and leadership. These must strengthen at both the national and local levels.

26. There is much to build on, and many examples of good practical work. For example, in Lanarkshire the Routes to Inclusion⁹ strategy has developed a strong interagency response, which originated from a comprehensive audit to better understand the supply of, and demand for, services to help people progress in the labour market. In the Highlands and Islands, the New Futures Fund Review Group of partner agencies has co-ordinated a response to the challenges of mainstreaming

⁹ Routes To Inclusion is a sub-group of the Lanarkshire Economic Forum. Members include the LEC, the local authorities, Careers Scotland and the Chamber of Commerce

effective interventions, and has now linked this to the future development of Get Ready for Work.

27. At the **national level** we believe responsibility to drive the process must firmly sit with the Scottish Executive, and that within the range of cross cutting departmental responses, the leadership role is given to the Minister for Enterprise and Lifelong Learning. Key aspects of the Executive's role should include:

- Identifying local targets and developing action to improve NEET intelligence, including the establishment of clear baseline data from which future NEET interventions can be more appropriately measured
 - Issuing a clear framework and guidelines to local partnerships, and providing an ongoing support and review role to local progress in the local authority areas identified in paragraph 19.
 - Co-ordinating action amongst Scottish and UK level partners, including: the closer alignment of key policies and procedures; developing necessary protocols on future Scottish wide action; and progressing strategic issues such as the potential for further joint procurement.
 - Definition of an "entitlement" to support and opportunities for the NEET group. This will recognise that this extends well beyond, and should not be confused with, the current training guarantee, which no longer has much meaning in practice. It should be a statement of what the minimum offer is to young people about the support, from across a range of local agencies and organisations that they can access. For example, it needs to incorporate specific related policy commitments driven by policies on youth homelessness; support to recovering drug and alcohol abusers; and criminal justice rehabilitation. It must also mesh with the statutory requirement on local authorities to provide labour market access support to looked after children to the age of 19.

28. At the **local level**, we believe that local Community Planning Partnerships are required to suggest appropriate local responses within the framework detailed by the Executive. This approach recognises the key role of local authority services in many aspects of responding to the NEET challenge, but equally that a wide range of other partners are also critical. Guidance to local partnerships should include:

- A requirement to clearly identify the agency allocated the leadership function, and define what is involved in this role
- Detailing the partnership mechanisms that will ensure a comprehensive and co-ordinated local response. It is recognised that this should not necessarily involve the development of new structures, and where possible existing mechanisms should adapt to address the new challenge of both NEET and the wider employability framework issues. It will be essential, however, that local partnerships clearly identify how this will happen
- A requirement to detail the local interpretation of a future service "entitlement" to the NEET group, and how this will be delivered. This will require: clear definition; an understanding of the collective supply of services and anticipated local demand; and an understanding of how resources are aligned across partner agencies to meet this challenge

- A requirement to establish local collective targets for NEET, and processes to measure and report on these. As indicated in section 2, these should involve more than the headline NEET figure, and include details of stock and flow (particularly sustained long term NEET status), and the incidence of NEET sub divided by the at risk sub groups listed above. Appropriately set targets are seen as an important guarantee that the momentum and focus to improve NEET performance is maintained

29. To advance the process of developing the new partnership approach, the five local authority areas identified in paragraph 19 are recommended to lead developmental work. These areas should be given precise guidance by Executive on the expectations of this status. It will include:

- Early establishment of the proposed new approach and how it links to related, existing structures
- Action to build the necessary infrastructure, including joint training and development activities across partner agencies
- Audit activity to better understand the current fit between the supply and demand of relevant services, and on how these services relate and “fit” with each other
- Definition of the local entitlement, and how it will be delivered
- The setting of targets
- The establishment of local monitoring and reporting protocols
- Regular review on the key messages for wider geographic rollout, and on any further action required at a national level

30. We do not believe that this should involve additional central government resources to add to current service delivery. But some level of capacity building resources should be considered to support the additional costs associated with the above remit.

31. As previously stated, an effective future response to the NEET issue is critically dependant on **better intelligence** on: the causes of NEET; the characteristics and numbers in the key sub groups; better understanding of stock and flow issues; and improved long term tracking of young people to further develop patterns and the consequences of these. Across all of these issues, the current supply of information could be improved.

32. In addition, more is needed on gathering and analysing intelligence on “distance travelled” – the soft indicators of progress which for many young people are key milestones on the journey out of “NEETness”.

33. We cannot underestimate the importance of early and ongoing action in this area. Without a better appreciation of where we start from, and the indicators we need to change, much of the other action at both national and local level will be undermined.

34. A range of current information is available, with the main sources:

- Scottish Executive and ONS sources such as the Labour Force Survey and Census data
- Work led by the Enterprise Networks, including improving tracking information from Careers Scotland through their InSight database

- Information on the initial destinations of school leavers, and some longer term tracking survey work
 - A range of data sources and surveys at the UK or English levels from which Scottish level conclusions can be drawn
35. Recommendations for action to address this are:
- Allocation of a clear leadership role to improve information and intelligence about the NEET group to Careers Scotland, which should be reflected at national and local levels
 - Specific further development and use of the InSight tracking system (currently being introduced by CS) to provide information on stock and flow issues, and aggregated soft indicator progress
 - Priority development work with the Department of Work and Pensions to share key benefits related data which will improve our understanding of both longitudinal patterns, and the nature and incidence of NEET amongst key sub groups
 - Further discussion with DfES to explore the potential aspects of good practice from the Connexions experience of measurement and tracking

The right support services

36. A key component of the infrastructure required for the NEET group is in the information, advice and guidance services available to young people in relation to their potential education, employment and training opportunities. These are individuals at one of life's biggest transition points – between childhood and adult life – and the value of high quality appropriately delivered guidance cannot be overstated.

37. In terms of delivery options, there is much recent learning to build upon. One of the most valuable lessons post-Beattie has been the value of vulnerable young people having access to a trusted adult who will advocate on their behalf. The evaluation of the Beattie Inclusiveness projects¹⁰, which piloted Careers Scotland's delivery of key worker support to young disadvantaged clients, underlined the success of this approach and the potential for its future development. The recent mapping study¹¹ of service to disengaged young people echoed this finding and concluded that key workers fulfil a valuable pivot between existing services in many localities. Operating at full potential, key workers have been the "mortar between the bricks" of the service offer – sharing information, ensuring other services "join up" and that their clients can navigate the system.

38. The NEET Workstream believes that it is important to build upon this success. We recognise the central role occupied by Careers Scotland in taking this agenda forward, and the breadth of experience that now resides within the organisation around successfully engaging and supporting the NEET group. For this age group, we see key workers continuing to play a vital part in assisting successful post-school transition.

¹⁰ National Evaluation of the Careers Scotland Inclusiveness Projects: SQW 2004

¹¹ Employability Services for Young People in three Scottish localities: Adams and Smart 2005 for the Scottish Executive

39. In saying this we acknowledge that there are capacity issues which must be addressed. Keywork support is highly resource intensive and not all of the NEET group require this level of input. In our view it is important that it remains focused on those young people who are most in need. Although there has been concern¹² about CS possibly shifting its Keywork emphasis elsewhere, recent work for the Scottish Executive¹³ has reinforced the importance of retaining the service focus on the least engaged. The nature of the Keywork role – proactive, client-focused and holistic – was shown to be particularly important for successfully engaging with harder to reach clients. Keyworkers have been shown to have an important part to play at the front end of the employability pipeline.

40. The Employability Framework's approach majors on our ability to engage, sustain and progress people who are outside the labour market. Evidence¹⁴ suggests that for the NEET group this approach will only work if we can build an effective interface between specialist and mainstream agencies. In some places these links are well-established, whilst in other areas there is some way to go. Strengthening local partnership approaches will assist with this, and we see Careers Scotland's Keywork service remaining at the heart of the local 'offer' determined in each area.

41. Where the Keyworker approach is less well-established, consultations suggest a lack of clarity around where the role begins and ends. Consequently, there can be confusion around the working interface between agencies at important transition points for the client. We have heard that within the FE sector, more proactive colleges now offer their own individualised support package to students who have been identified as having additional support needs. We have also seen examples where a young person may have more than one keyworker – for example from Social Work and Careers Scotland. In these types of cases there may be scope to streamline and rationalise the shared input, but the vital issue is to support the young person through the transition stage in the most effective way. Cases must each be judged individually, but we see scope for further clarifying the CS keyworker role, as well as for developing quality standards and accreditation around this growing area of work in the employability field.

Our key recommendations linked to support services are:

42. *The need to build on the success of key workers* - Careers Scotland is well placed to provide this service continuity as its engagement with the at-risk NEET group starts in schools and continues post-sixteen. In this respect, key working is both a service and an agent of change, and this should be reflected in future developmental work at the local and national level. Part of this should involve more clearly defining the key-worker role in order to inform future recruitment and professional development support needs.

43. *The need to build quality delivery capacity* – the introduction of key workers has placed considerable demands on agencies, most notably Careers Scotland, to source a significant number of suitable staff. A "good" key worker requires a combination of skills, experience, and attitudes. Finding these has not been easy, especially as this basket of attributes has been in increasingly high demand across a wide range of agencies involved in related interventions. Future developmental work must ensure a suitable supply of appropriately skilled people. The net should be cast wide, and it is commendable that Careers Scotland have recruited a raft of staff from

¹² National Evaluation of the Careers Scotland Inclusiveness Projects: SQW 2004

¹³ Employability Services for Young People in three Scottish localities: Adams and Smart 2005 for the Scottish Executive

¹⁴ For example, from our key witness consultations and from evaluations including the Evaluation of the Get Ready for Work Programme: Smart and Adams for the Enterprise Networks 2003

new and varied backgrounds to address the key worker challenge. To assist and maintain quality, CS is also developing an accredited key worker qualification. This should be encouraged and rolled out across other partner agencies.

44. *Improving understanding through joint staff training and development* – a critical element of effective partnership working is the development of common understandings amongst both operational and managerial staff in partner agencies. Some excellent examples are already apparent, but equally too many staff suffer from limited and often out of date knowledge of partner activities. A comprehensive programme of joint training and development, possibly linked to development of an accredited networking/partnership working qualification, is essential. This should seek to find linkages with partner agencies' ongoing approaches to CPD. We see the local partnerships leading work in this area, but equally recognise that it links closely to wider aspirations within the Community Planning framework.

45. *Improved common assessment* – working effectively to provide an improved service offer to the NEET group also demands improvements in common assessments between agencies. Too often, the different disciplines and perspectives of staff lead to widely varying progression routes for young people. This, at least, is confusing for the clients, and ultimately contributes to cluttered and uncoordinated services, and poorer rates of labour market progress. We do not underestimate the challenge this implies, and acknowledge that in many areas work has been underway for some time on integrated solutions. The employability framework must, however, clearly signal that efforts should be continued and extended: it is too important to leave to chance. It requires national guidance alongside detailed local partnership effort.

Effective pre-16 intervention

46. Life does not begin at sixteen. To understand and address the issues faced by individuals within the NEET group we have to start by looking backwards and when we do we see a direct correlation between poor performance in school and being NEET. The SEU report identified the two primary determinants of being at risk of NEET as being:

- Educational underachievement and educational disaffection; and
- Family disadvantage and poverty

47. In Scotland, although our pupils perform well against their international peers, our system is characterised by a long tail of underachievement and a wide gap between the highest and lowest performers. There is a clear case here of a need to 'close the opportunity gap'.

48. In recent years there has been little change in this pattern. The following table shows clear read-across between areas with the worst performing schools and those where NEET levels are highest.

Poorest performing Scottish Schools in terms of attendance, exclusions and attainment, 2003/04 (poorest 5 in bold)			
	% attendance	Exclusions per 1,000 pupils	% S4 roll with 5+ awards at level 3 or above
Scotland	90.2	53	91
Top 5 NEET			
Glasgow	86.3	95	84
North Ayrshire	88.1	73	89
Clackmannanshire	88.3	46	83
East Ayrshire	89	80	90
W Dunbartonshire*	89.4	77	91
CTOG* (also WDun)			
North Lanarkshire	88.4	67	92
South Lanarkshire	89.3	56	91
Dundee	88	97	81
Inverclyde	89.9	69	93
Renfrewshire	90	74	93
Other areas			
Falkirk	89	48	88
Edinburgh	90.3	37	88

Source: Scottish Executive National Statistics

49. Clearly, there are many factors which affect a young person's engagement with the education system. We know that children from poorer households are less likely to achieve their potential due to a wide range of factors which can include low parental qualifications and aspirations; a culture of worklessness; poor health and inadequate housing. Equally, research shows that we can identify those young people in the school system who are most at risk of becoming NEET through indicators of attendance, behaviour and attainment¹⁵.

50. The Scottish Executive is driving the change agenda in the Education sector, with a clear focus on achieving the CTOG target of increasing the average tariff score of the lowest attaining S4 pupils by 5% by 2008.

51. On **early intervention**, the key issue is access by 'at risk' young people to programmes with clear pathways supporting the development of both hard and softer skills. We are clear that this is critical in term of (re)engagement, progression and the ease – or otherwise – of subsequent transition. Whilst curriculum flexibility exists and there is evidence of good practice, delivery is variable. Equally, policy may not place sufficient weight on personal and social skills which are key to influencing young people's thinking and behaviour. Our work has highlighted some possible barriers: the Executive's focus on – and measurement of - attainment cp. achievement, a weak service infrastructure in some areas, vocational options (despite considerable development) not consistently on offer to this group, funding linked to school rolls, constraints on who can do what in schools.

52. On **transitions** to post-school, although the gaps in the safety net are getting smaller (as a result of Beattie, the Additional Support for Learning Act, the review of guidance and other developments), weaknesses remain around keeping young people in the system - particularly the 'intermediate' group (those who are quietly

¹⁵ SEU ibid and Croxford and Raffe: Young People Not in Education, Employment or Training 2000

disaffected) - and re-integrating those who have already fallen out. The issues are 4-fold: early identification and tracking of those at risk, information flows to 'receiver' agencies, insufficient focus (of existing resources) on transitions, and the need to more clearly define best practice in this area.

53. Of course, issues around preparedness for life and work are of relevance to more than those young people most at risk of becoming NEET. Feedback from employers increasingly points to problems with young people leaving the education system with very low levels of core competencies – for example around customer handling, team working and oral communications¹⁶. In England, the recent 14-19 white paper¹⁷ (supported by the 2005 Budget) places great importance on the need to engage employers more closely in curricular developments, and on providing vocational and work-based learning experiences for the 14-19 age group. This is an equally valid issue north of the border.

54. On a positive note, in relation to the Flexible Curriculum, as part of the growing suite of early interventions in Scottish schools there is valuable work being delivered in partnership with the voluntary sector and with other players such as Careers Scotland. Organisations such as Right Track and Fairbridge are now delivering a range of products aimed at pupils as young as S2, with discussions around engaging at an even earlier point. For example, transitions into and out of secondary school are identified as key stages for young people and there is scope to extend the range of interventions on offer at these important development points for the most vulnerable pupils.

55. A programme which successfully combines early intervention with focused individual aftercare is the Activate Programme delivered in schools across the country by Careers Scotland. One of the consistent messages being fed back from participants is the fact that the programme is not delivered by teachers, and we consistently see interventions which 'look and feel' different from school having a positive impact with NEET at-risk groups.

56. These at-risk groups include young people with additional support needs and care leavers. Recent legislation¹⁸ has clarified the support offer available to these groups, and its introduction has implications for important sub-groups within the overall NEET cohort.

57. Care leavers account for 10% of the overall NEET group. From April 2004 local authorities have had responsibility for ensuring that all care-leavers have an integrated care plan which takes into account their housing, health, training and education needs. This places a responsibility with Children's Services to work closely with education and guidance personnel. Although the employability support to cared for children is improving – for example through the Worknet programme being piloted by Careers Scotland – consultations suggest that there is still room for improvement in working with this sub group of the NEET population.

58. Many of these young people have additional support needs – as do youngsters with physical and mental health issues who also account for a high proportion of the NEET group. From autumn 2005 the introduction of the Additional Support for Learning Act will place responsibility for assessing pupils' needs and producing a support plan on their behalf. Again, this should focus schools' attention more closely on those young people at risk of becoming NEET. It should also improve information sharing between stakeholders prior to the critical post-school transition

¹⁶ FutureSkills Scotland Employer Survey 2004

¹⁷ 14-19 Education and Skills – DfES February 2005

¹⁸ Additional Support for Learning Needs Act – Scottish Executive 2004

point. We have already seen examples where this is affecting practice in schools, for example in Perthshire where the Post School Psychological Services (PSPS) team has been training head teachers in preparation for the new act's introduction.

59. What does this all mean? It shows the importance of identifying those at risk of becoming NEET at an early stage and supporting them within the education system. We are now paying the price for a reactive approach that waits for them to leave compulsory education before we intervene. Through early intervention that is proactive, flexible and co-ordinated, we have a much better chance of retaining these young people within the system in a constructive and meaningful way.

In summary then, reducing the flow into NEET will require us to:

1. Liaise closely with Education Department colleagues in the Executive in order to share evidence on the success of the growing range of pre-16 interventions within the Education sector.
2. Promote the development of effective pre-16 interventions being developed between schools and external partners – such as Careers Scotland and voluntary sector providers.
3. Work closely with stakeholders engaging with at-risk groups (for example cared for children) to improve shared practice in the delivery of employability-focused interventions.
4. Improve transitions planning for school leavers who may be at risk of becoming NEET. Some young people at risk may fall within the scope of the ASL Act; a great number will not but will, nevertheless, require guidance and support.

Access to high-quality post-16 interventions

60. The next link in the chain is to look at what provision is available for those young people who are already part of the NEET group. In recent years we have developed a much clearer picture of what works in relation to supporting the NEET group. We have learned a great deal from a number of national initiatives – most notably New Futures, Get Ready for Work and the Beattie Inclusiveness projects – as well as from locally developed interventions such as PARTISIPATE in Lanarkshire and the sectoral academies approach in Edinburgh. Work in the FE sector aimed at hard to reach groups such as refugees and ex-offenders has also shown how to effectively engage with particular sub-groups within the NEET population. The challenge now is to build on these to support a range of post-16 interventions which are consistent in quality across the country.

61. The good practice which has emerged in recent years has underlined the importance of:

- **Adopting a client-focused approach** capable of addressing the complexity of issues some young people bring
- **Addressing barriers in a holistic way** – through offering a comprehensive service or good signposting to other support agencies
- **Providing high quality and ongoing assessment** – ideally using approaches which are shared by other stakeholder agencies
- **Supporting clients through advocacy** – most notably through the provision of key workers who can provide continuity and trust during key transition points
- **Offering flexibility in programme duration** – recognising that the intensity and length of support will vary hugely within this highly diverse group
- **Focussing on progression** – participants should be supported to move to the next progression point as quickly as possible

- **Recognising that progression may not always be linear** – and that dealing with set-backs is a key part of the learning process
- **Ensuring high quality and defined aftercare** – this is particularly valuable for the NEET group if they are to sustain progress towards employability
- **Engaging employers** and embedding a focus on employment at the start of the process
- **Demonstrating clear evidence of impact** – as well as the established ‘harder’ outcomes this should include reliable means of gauging distance travelled by clients
- **Involvement of young people in design** – too many assumptions are made about what young people need – the most effective approaches are informed by client views of the service

62. For many in the NEET group the initial destination may not be employment. Fast tracking them into low skill/low pay jobs without appropriate support options is only likely to see them recycled through other training schemes in the future. For those young people with the most complex support needs we must take account of the broader range of options available to them which will help build their skills and confidence.

63. Across Scotland we are fortunate to have a range of pioneering organisations which are showing how this can be achieved. They include local authorities, colleges and voluntary sector agencies. Amongst the latter the Edinburgh Cyrenians, Fairbridge, ENABLE, Bridges Project, the Princes Trust, Right Track and the Shirlie project in the Highlands are amongst the best known. These agencies have made a valuable contribution to service development through the application of their direct experience of working with the client group.

64. Often their approach is characterised by defining a clear series of stepping stones which enable young people to make the transition to employability. At the front end this can begin with a focus on very basic – but vital – attitudinal issues and extends to consolidated support to ensure the sustainability of outcomes. A simplified table showing such a process is shown below¹⁹

1. Motivation & personal planning	2. Personal & social development	3. Education and 'soft' training	4. Pre-vocational & formal training	5. Employment access	6. Consolidation support
<p>Careers Scotland career planning continuum Key worker support to remove barriers and support through transitions</p>					

65. However, not all young people are fortunate enough to have such high quality provision available to them. Recent research²⁰ has shown that in many Scottish localities the support options available can be very limited for the NEET group. Even ‘national’ programmes such as Get Ready for Work – which has successfully introduced the Lifeskills strand for the most disengaged groups – are not available to significant proportions of NEET clients – either due to issues around funding or access.

66. As well as raising questions about availability, several recent studies have highlighted problems relating to uneven quality of provision across the country. There

¹⁹ Courtesy of Edinburgh Cyrenians

²⁰ Employability Services for Young People in three Scottish localities: Adams and Smart 2005 for the Scottish Executive

is also consistent evidence showing that the provider landscape is cluttered and opaque, with clients (and providers themselves) struggling in some places to understand the extent of local provision.

67. There is a place for challenge funding to promote innovation, but too often providers find it easier to finance new untried approaches than to sustain interventions which have been proven to work. Currently the balance is skewed, leading to organisations investing more time in chasing funds and less time developing service improvements. This dilutes quality and generates uncertainty, the consequences of which are difficulties in recruiting and retaining good staff. Consistent evaluation evidence highlights the importance of having the right people delivering services to the NEET group. To support this, we must retain our focus on building the capacity of those agencies who can deliver the good.

68. The partnership approach set out above places a responsibility with local partners to promote the development of high quality provision in their area. We are mindful that in some places this may lead to fewer providers – but of higher quality. Our Workstream is comfortable with this, as our focus must be on driving up the quality of provision across the country.

69. Achieving an aligned suite of post-16 services means building on what works well and facilitating the sharing of good practice throughout Scotland. It also means tackling some of the structural weaknesses which are currently commonplace. As well as the funding system which we have discussed, we would also point to:

- **Issues around capacity** – all of the evidence underlines the importance of investing in the skills of people on the front line working with the NEET group. Too often, workers engaging with this group are the least experienced, the lowest skilled and the worst paid. Providing higher levels of support and professional development for service providers across the sectors is an integral part of the drive to raise quality. Across the country there are good examples to build upon. These include joint training initiatives bringing staff from different disciplines together, and the work of Post School Psychological Services – through the local Pathfinders and strategic work – to drive sustainable improvements in transitions planning, integrated service planning and delivery, client outcomes.
- **The poor evidence base** – Many of the evaluations focused on NEET interventions have referred to the weakness of the evidence base. At the macro level we have already discussed the need for improved intelligence, but there is also a priority around evidencing impacts more effectively on the ground. Many of the current mechanisms focus too strongly on measuring inputs and outputs, rather than the outcomes of the intervention. In short, we must get much smarter at tracking progression of these clients in the longer term. We see the InSight system developed by Careers Scotland as being the key to this.

Comprehensive and transparent range of financial incentives

70. Financial constraints and opportunities determine, to a very large extent, the choices people make. Many young people are exposed to considerable levels of financial pressure beyond the age of sixteen. Recent research in England²¹ indicates that although the NEET group understand the benefits of staying on to improve their

²¹ Young People not in Education, Employment or Training: Evidence from the Education Maintenance Allowance Pilots Database: Rennison J et al 2005

qualifications, a relatively high proportion opt to look for work. This endorses previous research about higher levels of debt adversity amongst the NEET group, and the importance of financial incentives as part of an overall engagement package.

71. Although there is currently a range of financial support mechanisms in place, feedback from stakeholders, including young people themselves, suggests that the current system is complex, confusing and hard to navigate. Although there have been new and positive steps taken in this direction, there remains a need to establish a more coherent and transparent framework.

72. One of these positive steps has been the introduction of the Education Maintenance Allowance (EMA). Originally piloted in East Ayrshire, Glasgow, Dundee and West Dunbartonshire, and now rolled out nationally, EMAs provide a weekly cash allowance (of £40) linked to school or college attendance, combined with a series of bonuses linked to retention and achievement.

73. Evidence from the EMA pilot evaluations in Scotland coincided with the findings of the English research. It found that:

- o EMA increases participation in post-compulsory education, particularly amongst low-income families where rates were increased by 9 percentage points
- o EMA increases education retention, reducing the number of winter leavers and augmenting the numbers completing S5

74. The Centre for Educational Sociology (CES) at University of Edinburgh concludes that participation in post-compulsory education amongst 16 year olds increased overall by 7% age points in East Ayrshire and by 9% age points amongst the target group from low-income families. CES have also completed an evaluation of attainment which clearly illustrates increased attainment amongst the EMA group.

75. While EMAs have the primary policy objective of increasing participation and retention, an analysis of EMA impact on reducing the NEET group would allow for an indication of the potential long-term impact of achieving these objectives. It would enable us to test the policy out against a measure that reveals whether EMAs are enabling at risk young people to become 'EET' or whether they are simply deferring a 'NEET' outcome for those same young people.

76. There is a growing recognition of the need to tackle some of the anomalies within the financial support system, and to employ a more comprehensive set of levers to influence the behaviour of the NEET group. For example, the current disparities between payment levels on national training programmes and education schemes condition progression choices in ways that are not always helpful. For example, young people leaving Get Ready for Work for a College option often face a reduction in income from £55 to £40 per week.

77. In England the UK Government has taken steps to tackle these issues through its review of financial support for 16-19 year olds, published alongside the 2004 budget²². The suggested system seeks to simplify administration and to improve accessibility. Following this the Chancellor's statement in March 2005 introduced a wide range of new mechanisms designed to deliver parity in financial support for those in education and unwaged training. These include:

²² Supporting young people to achieve: towards a new deal for skills: HM Treasury, DfES and DWP March 2004

- The extension of Child Benefit, Child Tax Credit and Income Support for 19 year olds in non-advanced education, training and for unwaged trainees on work-based learning programmes
- The allocation of £60million over two years to pilot Activity Agreements and an Activity Allowance to 16 to 17 year olds not in employment or learning in eight pilot areas from April 2006
- The allocation of £80 million over two years to pilot negotiated Learning Agreements for 16 and 17 year olds in work with no training in eight pilot areas from April 2006

78. In addition, the budget announced plans to invest £20million in the piloting of employer and work-based learning for pre-16s. This will offer an extra 20,000 14-16 year olds the opportunity to engage in vocational learning with employers or in the FE sector.

79. This represents an attempt to introduce parity within the financial support framework whilst at the same time making it more transparent and comprehensive. The issues which it tackles are also pertinent to Scotland so we recommend examining the feasibility of delivering financial parity across all types of education and training participation for 16-19s in Scotland.

Conclusions

Our Workstream activity has confirmed the scale and scope of the NEET problem. We have identified the diversity of the NEET population, but within it have underlined the sub-groups most likely to benefit from enhanced intervention. We have also stressed the importance of 'duration' and 'episodic' NEET experience as being important factors to inform future service targeting.

We have identified issues around the available intelligence and suggested ways to address these as an important starting point. Our Workstream has recognised the need for this at the national and local level, within the wider requirement for clearer leadership and improved co-ordination.

We emphasise the existing good practice upon which we can build – at both pre and post sixteen. Across the country we see examples of what works, and there is scope for us to learn from colleagues south of the border and overseas. Our work will benefit from improved sharing and transfer of effective approaches.

At the local and national level we must raise our game, keeping a close eye on the needs of employers and ensuring that all of our interventions are progression focused and capable of demonstrating impact.

Finally, we cannot overcome the challenge NEET presents by working in isolation. Our approach must involve the key stakeholders engaged in service delivery – whatever their location on the employability pipeline – and at a policy level must fully engage our colleagues in related policy areas – particularly in Education. Between us there is a 'win-win' agenda which can lead to the achievement of our linked CtOG goals.

APPENDIX 1: CORE GROUP MEMBERS

Tom Watson	Fairbridge Scotland
Des Ryan	Edinburgh Cyrenians
Janette Hastings	JobCentre Plus
Elaine Darling	ENABLE
Isobel Millar	Careers Scotland, West
Liz Galashan	Careers Scotland, HIE
Gordon MacDougall	Careers Scotland, SE
Marie Burns	Scottish Enterprise
Isobel McDougall	Association of Directors of Education Services
Gerry McGeoch	Association of Directors of Social Work
Neil Langhorn	Social Inclusion Division, Development Department, Scottish Executive
Claire Keggie	Further & Adult Education Division, Enterprise, Transport & Lifelong Learning Department, Scottish Executive
Linzie Wood	Analytical Services Division, Enterprise, Transport & Lifelong Learning Department, Scottish Executive
Melanie Weldon	Transitions to Work Division, Enterprise, Transport & Lifelong Learning Department, Scottish Executive
Danielle Hennessy	Transitions to Work, Enterprise, Transport & Lifelong Learning Department, Scottish Executive
Elaine Drennan	Analytical Services, Scottish Executive
Eddy Adams (Co-chair)	Eddy Adams Consultants Ltd
David Smart (Co-chair)	Smart Consultancy (Scotland) Ltd