

OECD Reviews on Local Job Creation



Future-Proofing the Skills System in the Glasgow City Region (Scotland, United Kingdom)



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Foreword

Technology, shifting global value chains, environmental imperatives and demographic change are changing the location and skill requirements of existing jobs, creating new ones and making others obsolete. Within and across countries, regions and cities with the right skills are better positioned to meet these needs and create high-quality jobs. Providing adults with continuous education and skills development to keep pace with these changes and adapt to new career paths is critical, and it is no surprise that lifelong learning is high on the agenda in cities and regions across the OECD.

Glasgow City Region is no exception. The region has developed rapidly over the last twenty years following deindustrialisation. Home to around a third of the Scottish population and economic output, it hosts a range of world-class education institutions and a major financial and business services hub. It is making significant strategic investments through the Glasgow City Region City Deal to improve infrastructure, create jobs and stimulate green and inclusive growth to become a carbon-neutral economy by 2030. Yet, despite its economic growth in recent years and relatively low unemployment rate, the Glasgow City Region struggles with relatively high rates of poverty, economic inactivity and the share of citizens with low skill levels, which dates back to the decline of traditional industries.

Skills and employment policies are fundamental to overcoming these challenges. By promoting continuous education and training for those in work and strengthening basic and work-relevant skills for those out of work, the region can develop a more skilled and adaptable workforce, reduce skills gaps, increase employability, and reduce social inequalities. Through strong connections with education institutions, businesses, and third-sector organisations, the Glasgow City Region is well-placed to implement policies and develop infrastructure that will future-proof its system for lifelong learning.

This OECD report supports the Glasgow City Region in future-proofing its skills and employability policies. Building on an in-depth analysis of the region and drawing on insights from other OECD countries and regions, it offers recommendations on how to i) strengthen re- and upskilling opportunities for individuals in work and align skills supply with demand, ii) enhance labour market inclusion of the economically inactive and iii) strengthen youth school-to-work transitions. The report has been developed in cooperation with the Glasgow City Region and its eight local authorities and with the support of JPMorgan Chase.

The report is part of an ongoing cooperation between the OECD Centre for Entrepreneurship, SMEs, Cities and Regions and its Local Employment and Economic Development Programme with JPMorgan Chase on future-proofing skills systems in cities and regions. Together, the two organisations have developed an ambitious programme to support city-level policymakers and practitioners in the design, management and implementation of adult learning policies and programmes. For more details visit: [OECD: Future-proofing Adult Learning in Cities](#).



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Acronyms and abbreviations

AI	Artificial Intelligence
ALEO	Arm's Length External Organisations
ALMP	Active Labour Market Policies
ASF	Attainment Scotland Fund
CBS	Centre Bureau of Statistics
CfE	Curriculum for Excellence
CLD	Community Learning and Development
CV	Curriculum Vitae
DWP	Department for Work and Pensions
DYW	Developing the Young Workforce
EA	Equality Act
EBE	Enterprise à but d'emploi
ESF	European Social Fund
ESOL	English for Speakers of Other Languages
EU	European Union
EUR	Euro
FA	Foundational Apprenticeships
FSS	Fair Start Scotland
FUA	Functional Urban Area
GA	Graduate Apprenticeships
GBP	Great British Pound
GCR	Glasgow City Region
GDHI	Gross disposable household income per head
GEL	Glasgow Economic Leadership
GEN	Grande École du Numérique
GM	Greater Manchester
GVA	Gross Value Added
HEI	Higher Education Institution
HNC	Higher National Certificate
HND	Higher National Diploma
IES	Integrated Employment and Skills Partnership
ILA	Individual Learning Account
ITA	Individual Training Account
ITL	International Territorial Levels
JCP	Jobcentre Plus
LA	Local Authority
LAIP	Local Authority Improvement Plans

LEP	Local Employability Partnerships
LMI	Labour market information
MA	Modern Apprenticeships
MIS	Management Information Systems
NAV	Norwegian Labour and Welfare Administration
NEET	Not in Education, Employment or Training
NGO	Non-governmental organisation
NHS	National Health Service
NIF	National Improvement Framework
NOLB	No One Left Behind
NSET	National Strategy for Economic Transformation
NUTS2	Nomenclature of Territorial Units for Statistics
NVQ -	National Vocational Qualifications
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
OUIS	Open University in Scotland
PES	Public Employment Service
PPP	Purchasing power parity
REP	Regional Economic Partnership
RES	Regional Economic Strategy
ROA	Regional Outcome Agreement Area
RQF	Regulated Qualifications Framework
RSIP	Regional Skills Investment Plans
SAAB	Scottish Apprenticeship Advisory Board
SAAS	Student Awards Agency for Scotland
SCQF	Scottish Credit and Qualifications Framework
SDS	Skills Development Scotland
SE	Scottish Enterprise
SFC	Scottish Funding Council
SIMD	Scottish Index of Multiple Deprivation
SLC	Student Loans Company
SMEs	Small and medium-sized enterprises
SOLAS	Irish State Agency for Further Education and Training
SQA	Scottish Qualification Authority
SVQ	Scottish Vocational Qualifications
STAR	Styrelsen for Arbejdsmarked og Rekruttering
STEM	Science, technology, engineering, and mathematics
SVCO	Scottish Council of Voluntary Organisations
TSEF	Third Sector Employability Forum
UK	United Kingdom
UKSPF	UK Shared Prosperity Fund
US	United States
USD	United States Dollar

Executive Summary

Glasgow City Region has the 5th largest population in the United Kingdom (UK) and is the economic powerhouse of Scotland. Glasgow City Region (GCR) – composed of eight Local Authorities – is Scotland's largest integrated economic area and accounts for a third of its jobs and economic output. Over the last decade, the unemployment rate fell to a record low of 3% in 2023, below most other major cities in the UK. The share of the population with tertiary education (57%) has increased rapidly in the region over the last 20 years and in 2023 it was above the UK (52%) and EU averages (35%). At the same time, the composition of the labour market has shifted increasingly towards high-skilled occupations, which now account for 51% of all jobs. GCR also is an important cultural, educational, and research centre, home to several educational institutions of international reputation.

Glasgow City Region was one of the world's first industrial cities, but it saw rapid deindustrialisation in the 1970s, with the demise of heavy industry. By the mid-1980s, it was largely regarded as a city in decline with a shrinking population. Since then, the city has experienced a steady economic recovery, albeit disrupted by the recessions that followed the global financial crisis and, more recently, the COVID-19 pandemic. Whilst the region's population has grown since the mid-2000s, at around 600 000, it remains far below its peak of over 1 million in the early to mid-20th century. GCR has a relatively young population, with a high share of working-age people among the total population compared to Scotland and the rest of the UK. Major industries include high-productivity sectors such as finance and insurance, information and communication and manufacturing, and some lower-productivity sectors such as health and social work and wholesale and retail.

Ongoing efforts to strengthen the regional economy are centred around implementing the *Glasgow City Region City Deal* and the *Regional Economic Strategy*. Signed in 2014, the *Glasgow City Region City Deal* is the first City Deal in Scotland and one of the most advanced in the UK. The deal represents an investment by the UK and Scottish Government and the eight Local Authorities in GCR of over GBP 1 billion over 20 years in infrastructure, research, business innovation, and job opportunities for residents in the region. Launched in 2021, the *Regional Economic Strategy* reflects the region's ambition to create an innovative, inclusive, resilient economy by 2030.

Despite its high growth potential, the Glasgow City Region faces several challenges, including economic inactivity and poverty rates. The region's productivity levels compare poorly with other UK cities (e.g. Edinburgh and Manchester) and major OECD metropolitan regions (e.g. Paris, Amsterdam, Helsinki, Rome and Madrid), and income deprivation and economic inactivity are high. One in four people (24.7%) aged 16 to 64 were economically inactive in GCR in 2023 – higher than the Scottish (22.5%) and UK averages (21.3%). After excluding students, the inactivity rate in GCR remains one percentage point above the Scottish average (17% vs. 16%). In all eight Local Authorities in GCR, long-term sickness is the primary cause of inactivity ranging from 36% of the inactive in Glasgow City to 60% in Inverclyde. GCR also struggles with low life expectancy and high levels of poverty, including child poverty. The median pay in Glasgow City is lower than in London and Edinburgh, as well as the UK and Scottish averages. This is also reflected in deprivation statistics, with three of the most income-deprived councils of Scotland located in GCR.

As the economy has recovered from the COVID-19 pandemic, the pressure on the labour market has increased, resulting in labour shortages. Following a small drop in online job postings from 2019 to 2022, the number of online job postings in the Glasgow commuting area tripled between 2020 and 2022. The increase in vacancies, coupled with a decrease in the number of unemployed people, has led to labour market tightening. In 2022, 27% of employers in the region around Glasgow City had at least one unfilled vacancy, and 12% had a skills-shortage vacancy that was unfilled due to lack of applications with appropriate skills, qualifications or experience. This is close to the pre-pandemic levels of 26% (employers reporting unfilled vacancies) and 11% (employers reporting skills shortage vacancies) in 2017.

The challenges for Glasgow City Region's labour market call for greater efforts to enhance and future-proof the skills and employability system in the region. In a rapidly changing labour market, effective alignment of training and learning offers with labour market needs can help alleviate skill gaps and mismatches and support low-skilled and low-paid workers in improving their employment and social situation and help employers improve their productivity. At the same time, a strong and integrated employability system can help identify and support those furthest from the labour market into education and training, volunteering and in turn into work.

The Glasgow City Region recognises the importance of adult skills provision to drive regional economic growth, but the national policy and funding framework for skills policies leaves limited room to adjust provision to regional needs. Responsibility for skills policies is devolved from the UK to the Scottish Government, but the system remains relatively centralised at the Scottish level. Adult learning programmes are coordinated and managed through various Scottish government skills agencies, which strongly influence funding allocations locally. At the same time, skills policies are increasingly featured in key GCR strategies, including the *Regional Skills Investment Plans*. In addition, Glasgow City is aiming to be the first circular city in Scotland to meet carbon-neutral goals by 2030, which will impact the skills needs in the city and region. Building on these strategies and in the broader context of the Scottish Government's plans to reform the Scottish skills system, GCR is exploring options for skills devolution to strengthen regional skills provision and economic growth.

Contrary to skills policies, employability services are predominantly designed and delivered by Local Authorities with a limited role for the Glasgow City Region. The place-based approach supports the delivery of services that are targeted and tailored to local needs. Yet, the model comes with challenges for individuals (e.g. gaps in service provision for specific groups and restrictions in programme choice to the local area despite good commuting opportunities), stakeholders (e.g. fragmented employer engagement strategies and multiple commissioning procedures), and LAs (high administrative burdens and limited resources for evaluation, identification and up-scaling of good practices). In addition, Local Authorities operate alongside the Jobcentre Plus offices overseen by the UK Department of Work and Pensions.

To future-proof the skills system, Glasgow City Region and its eight Local Authorities could build on the following recommendations to further their existing efforts:

Aligning regional skills supply with demand and supporting re- and upskilling of workers

- **Develop a regional model for skills planning, funding and delivery:** The skills system in Scotland is under review. With the ambition to strengthen the region's ability to align skills supply with regional labour market needs, GCR should seize the moment and work with the Scottish Government to explore the potential of a regional model for planning and delivery of continuous education and training (in particular for further education and re- and upskilling programmes). In parallel, GCR could review its governance structures and consider the establishment of a *Regional Skills Board* with the representation of critical stakeholders (e.g. colleges, universities, private providers, learners, third-sector organisations and employers) to update, review and oversee the delivery of a revised *Regional Skills Strategy*. The role of the GCR *Intelligence Hub* could also be developed to assess changing employment and skills needs in the region.

- **Reduce individual barriers to participation in re- and upskilling:** Financial incentives for adults to participate in re- and upskilling are limited in Scotland, and the Scottish career guidance system is fragmented and not linked to regional labour market intelligence. GCR could provide input to the ongoing Scottish Government review of individual incentives, including options to re-launch the *Individual Training Accounts*. This could be linked to a discussion on establishing a regional adult skills fund to finance re- and upskilling initiatives. GCR could also strengthen career guidance for adults by mapping and better connecting various providers and developing bespoke GCR career guidance material for advisers building on regional labour market intelligence.
- **Strengthen employer engagement to drive regional skills provision:** Employer engagement is vital for delivering re- and upskilling opportunities for adults in work. However, the regional infrastructure for employer engagement is fragmented and focuses too much on the larger employers. GCR could use a potential new *Regional Skills Board* to strengthen employer engagement across sectors and employers of all sizes and develop a regional employer engagement strategy. In addition, GCR could consider developing a GCR Employer Hub that combines business support and skills development support.

Enhancing labour market inclusion of the economically inactive

- **Develop a regional approach to employability services and engage in dialogue with the UK and Scottish Governments on stronger alignment of funding with local needs:** The eight Local Authorities could seek to identify areas where a regional rather than local approach to the design and delivery of employability services would add value to the region. The approach could combine regional design and management of programmes with local flexibility to reflect local structures and priorities. This could be combined with a dialogue with the UK and Scottish Governments on changes in the funding structure for the *No One Left Behind* programme and the *UK Shared Prosperity Fund* to create more long-term stability in the system and reduce the administrative burden for Local Authorities.
- **Strengthen local and regional partnerships and improve collaboration with the third sector:** Local Authorities operate alongside Jobcentre Plus offices overseen by the UK Department of Work and Pensions. While stakeholders find ways to cooperate across the two systems, stronger cooperation at the operational level is needed to align and optimise services to overlapping target groups (e.g. through embedding Local Authority case workers in Jobcentre Plus Offices). As an alternative option, a new institutional arrangement could be found through further devolution from the UK to the Scottish Government, following trends in many recent and ongoing reforms of Public Employment Services in other OECD countries.
- **Streamline referral systems, invest in targeted outreach measures and strengthen data sharing across stakeholders:** Building on ongoing efforts, Local Authorities in GCR could seek to simplify and streamline entry points and client referral routes and ensure all clients are registered in the Management Information System of the Local Authority where they reside. In addition, available data could be used more strategically by Local Authorities to inform programme design, target interventions and guide outreach activities. Measures to facilitate data exchange across stakeholders (e.g. Local Authorities, third-sector organisations, Skills Development Scotland and Jobcentre Plus Offices) could also be developed.
- **Further integrate employability, skills, health and other services and strengthen investment in and delivery of basic skills:** Given the rapidly changing skills requirements in the labour market and a growing share of economically inactive and long-term unemployed with complex needs (e.g. with long-term sicknesses or disabilities), there is a strong case for integrating employability services with other services provided locally, including skills, health and mental health services. This work could build on existing connections between LAs and the Scottish National Health Service and ongoing work to build local *Employability Hubs*.

Strengthening youth school-to-work transitions

- **Strengthen the collection and use of data to drive youth outcomes:** The GCR could explore options at the Scottish Government level to change the approach to measuring labour market outcomes for youth to capture better the long-term trends (e.g. by measuring youth NEET (not in employment, education or training) rates for 20-24 years-old. In addition, the region could foster strengthened use of the 16+ Data Hub for youth.
- **Develop an integrated approach to youth career guidance in the region:** The career guidance system for youth is fragmented (multiple stakeholders with overlapping responsibilities and lack of clear referral routes). GCR could continue strengthening collaboration among the different types of career advisers in schools or consider options to simplify the existing system (e.g. by integrating different advisor roles under the same organisation). In addition, collaboration between schools, colleges and universities could be strengthened to facilitate transitions into further and higher education. For youth out of education and work, GCR could explore options to build a dedicated career guidance offer available for youth until age e.g. 25.
- **Establish a one-stop-shop solution for youth not in employment, education, or training (NEETs).** Local authorities in GCR could seek to bring together various stakeholders to provide youth support services in a new one-stop-shop youth facility, centralising around the Keyworker model used to deliver employability services. This facility could integrate services for NEETs.
- **Strengthen work-based learning options through strong engagement of employers:** As a key part of building up a regional skills system, GCR could seek options to inject more regional flexibility into the apprenticeship system. A regional model for planning and delivering apprenticeships could, among other things, allow for a more flexible approach to contracting apprenticeships and provide options to reallocate resources across occupational areas and types of apprenticeships depending on changes in demand. In parallel, GCR could seek to strengthen employer engagement to provide other forms of work-based learning, including through the potential new *Regional Skills Board*.

1 Assessment and Recommendations

As the economic powerhouse of Scotland (UK), the Glasgow City Region has successfully attracted large national and multi-national firms and many high-skilled workers in recent decades. Yet, the region faces longstanding challenges, e.g. related to productivity and high inactivity rates, and new ones, e.g. rising labour shortages. This OECD review analyses how the skills and employability systems in the Glasgow City Region can be used to overcome these challenges. This first chapter provides policy recommendations for the region, its Local Authorities, and the Scottish and UK Governments. The recommendations focus on three areas: i) strengthening re- or upskilling opportunities, ii) enhancing the labour market inclusion of the economically inactive, and iii) facilitating school-to-work transitions for vulnerable youth.

The Glasgow City Region needs to further develop its adult skills system to raise productivity and strengthen labour market inclusion

The Glasgow City Region (GCR) is one the largest city regions in the UK, composed of eight out of the 32 Local Authorities (LAs) in Scotland and home to around one-third of the Scottish population. With a population of over 1.8 million people, GCR is home to almost one-third of Scotland's population. The region also accounts for a third of Scotland's economic output, generating GBP 53 billion Gross Value Added in 2022. The city region was established as part of the Glasgow City Region City Deal in 2014 – an agreement between the Scottish Government, the UK Government and the eight LAs - designed to bring long-term strategic approaches to improving the regional economy. Although the city region concept is relatively new in Scotland, significant steps have been taken in GCR to create a regional economic system based on close cooperation between the LAs.

The Glasgow City Region is an integrated economic area with many residents commuting to a different Local Authority to work. GCR covers eight LAs: East Dunbartonshire, East Renfrewshire, Glasgow City, Inverclyde, North Lanarkshire, South Lanarkshire, Renfrewshire and West Dunbartonshire. Together, they comprise a coherent labour market. In 2021, two-thirds of the residents of GCR worked in their Local Authority of residence, and 16% commuted to Glasgow City for work.

Low productivity, high economic inactivity and poverty are long-standing challenges in the Glasgow City Region. Workers in GCR are only 91% as productive as in the UK, measured as Gross Value Added (GVA) per hour worked. The gap narrowed from 87% in 2004 to 93% in 2015, but it has recently started widening again. At the same time, a significant part of the population remains outside of the labour market in economic inactivity. Around 1 in 4 people (25%) aged 16 to 64 were economically inactive in GCR in 2023, higher than in many UK and OECD cities. Over 14% of the inactive wanted to work, representing a resource the region could tap into in a tightening labour market. Lastly, poverty is a significant challenge in the region. At the time of writing, the three most income-deprived councils of Scotland are located in GCR and in Glasgow City, almost 1 in 5 people, or 19%, live in income deprivation.

A more recent challenge faced by the Glasgow City Region is increasing skills shortages. The unemployment rate in GCR has decreased in recent years, reaching a record low of 3% in 2023. This is low compared to other major cities in the UK (e.g. Edinburgh and Manchester) and metropolitan regions (e.g. Brussels, Madrid, Paris, Stockholm and Rome). Moreover, there has been a large increase in online job postings in the last two years and the labour market in Glasgow City and the surrounding areas have tightened (i.e. there are more job positions available than unemployed workers willing and able to fill them). At the same time, the region has a high concentration of educational institutions, and its population ranks second in the UK regarding the share of individuals with tertiary degrees. Yet, in stark contrast, the share of those with no qualification remains high compared to the UK and Scottish average, and educational attainment is low in many of the income-deprived areas in the region.

Ongoing global megatrends such as the green and digital transition and demographic changes could be held back by high skilled labour shortages. Glasgow City has committed to becoming a net zero-carbon city by 2030. This ambition is part of a broader journey of the city and the rest of the region to transition from being one of the great industrial places in the world to transition to a circular and carbon-neutral city. Digitalisation and automation also impact the regional labour market and the demand for skills. Over the last decade, the number of tech businesses has grown three times as fast as the total number of companies in Scotland. Investment in skills is needed to ensure that these transitions are not hampered by labour and skills shortages.

The skills system in the Glasgow City Region represents a significant part of the solution to changing labour markets and can help to raise productivity and reduce inequality. In a rapidly changing labour market where jobs and companies continually evolve, the skills system has become more critical than ever. Adult learning provides opportunities for individuals to acquire or upgrade their skills,

enter new career possibilities and become more competitive with high-skilled workers. For employers, adult education and training can be a way to reduce skills gaps and shortages and strengthen their productivity. Adult learning combined with solid employment support can also help address various societal challenges, such as in- and out-of-work poverty, inequality, and economic inactivity.

This OECD review of the Glasgow City Region comes at a time of ongoing reforms in Scotland's education, skills, and economic policy environment. The policy landscape for skills and employment in Scotland has changed significantly over recent years and continues to evolve. Ongoing discussions on post-school education and skills reforms build on several reviews commissioned by the Scottish Government, including the compulsory education system, the post-school learning system, the tertiary education sector, career guidance, and the qualifications and assessment system. In line with studies such as *Fit for the Future: Developing a post-school Learning System to Fuel Economic Transformation* and international examples, e.g. from Denmark, England, Finland and Ireland, this review also calls for stronger flexibility at the regional and local levels to align and coordinate skills provision to employer needs.

What are the policy opportunities for the Glasgow City Region to future-proof its skills system?

This OECD report reviews three of the most pressing challenges facing the Glasgow City Region. Building on an in-depth analysis of the region and drawing on insights from other OECD countries and regions, this report offers recommendations for GCR to i) strengthen re- and upskilling opportunities for individuals in work and align skills supply with demand, ii) enhance labour market inclusion of the economically inactive and iii) strengthen youths' school-to-work transitions.

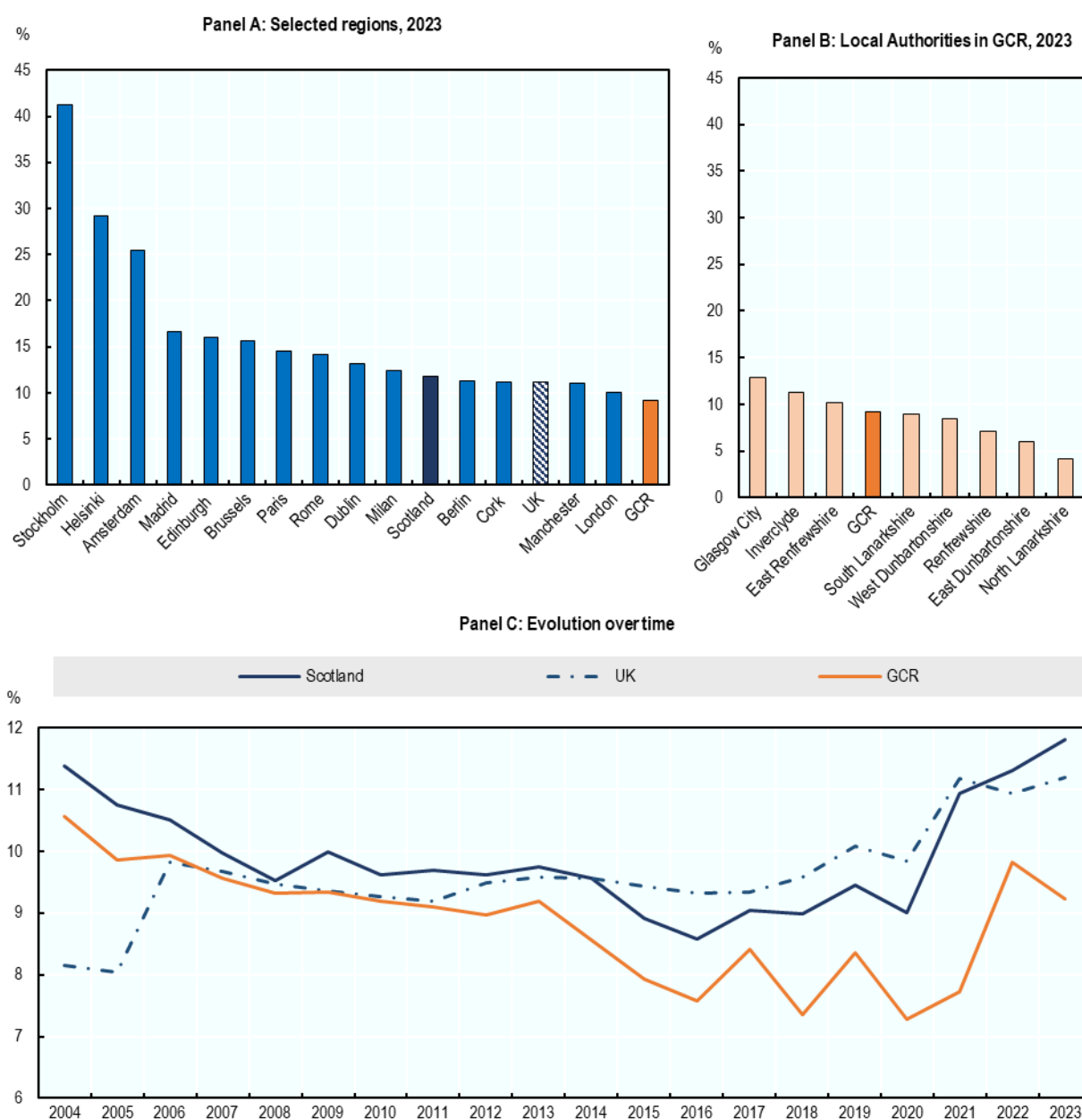
While the report's primary focus is the Glasgow City Region, it covers the broader skills and employability policy landscape in which the Scottish Government, the UK Government and Scottish Local Authorities play vital roles. Adult skills policies and parts of employment services are devolved from the UK Government to the Scottish Government. Within Scotland, adult skills policies are provided mainly through further and higher education institutions and independent providers remain relatively centralised, with funding levels and targets set by Scottish Government national agencies. Local Authorities, however, play an essential role in providing employability services and adult learning opportunities for those furthest from the labour market. In between is the regional level, which is not an elected government level in Scotland. Yet, with city regions, a new level of coordination of policies and programmes across Local Authorities has been established. It is within this broader policy framework that the review of GCR takes place.

Recommendations for strengthening re- and upskilling opportunities

The demand for changing skills is not translating into growth in adult learning. Recent analysis suggests that in 2030, 94% of the UK workforce will need to re- and upskill (Allas, Fairbairn and Foote, 2020^[1]), equating to around 839 000 workers within the GCR alone. Yet, participation in adult learning in GCR (at 9% of the 25-64-year-olds in 2023) is below the UK and Scottish averages (both at 11%) and lower than in many large EU cities (Figure 1.1). These figures are even lower for people in low and medium-skilled jobs.

Figure 1.1. Adult participation in education and training in the Glasgow City Region is low in international comparisons

Participation in education and training in the last four weeks, 25-64-year-old



Note: Panel A shows NUTS2 regions where cities are located. Data for Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire. The participation measures cover participation in formal and non-formal education and training.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [trng_lfse_04] for the remaining data.

The Scottish adult skills system remains relatively centralised and leaves little room to align training provision to regional and local needs

Within Scotland, the skills system remains relatively centralised, with strong national influence on funding allocations and the content of provision. The Scottish Government's remit in the skills area is extensive, covering preschool, primary, secondary, further, and higher education, work-based learning, vocational training programmes such as apprenticeships and community-based learning. Adult skills programmes are coordinated and managed through four national skills agencies: the *Scottish Funding Council*, *Skills Development Scotland*, the *Student Awards Agency for Scotland* and the *Scottish Qualification Authority*. These national agencies have a strong influence over funding allocations locally, the content of provision, and patterns and volumes of participation in training.

There are various mechanisms to support re- and up-skilling for adults within the Scottish skills system, which involves different providers and funding streams. Re- and up-skilling activities are provided mainly by colleges, universities and independent training providers. These activities cover academic routes through further and higher education and work-based learning, including apprenticeships and vocational qualifications such as *Scottish Vocational Qualifications*. Funding for colleges and universities is allocated annually through outcome agreements managed by the *Scottish Funding Council*. Apprenticeship funding is divided between the *Scottish Funding Council* and *Skills Development Scotland*. While the core funding for colleges, universities, and apprenticeships leans towards provision for younger learners, there are examples of re- and up-skilling programmes for adults.

More distinct and specialised adult learning options are provided locally through the No One Left Behind employability programme and Community Learning and Development activities. Scottish LAs offer these activities as a supplement to the core provision from colleges, universities, and independent providers. With an emphasis on vulnerable groups, they focus on providing basic skills and broader personal and social development.

Devolution of responsibilities for skills planning and delivery may be an option to align skills supply with demand in Scotland

While the Glasgow City Region's primary responsibility is implementing the City Deal, the importance of skills in supporting economic development is increasingly recognised. Since its establishment, the primary purpose of the GCR has been and still is to implement the City Deal, which focuses on investment in regional infrastructure, research, and business innovation but not directly on skills policies. To this end, a comprehensive regional governance structure has been established, with the Glasgow City Region Cabinet as the ultimate decision-making body. However, not least through the *Regional Skills Investments Plans* from 2016 and 2019 and the 2021 *Regional Economic Strategy*, the region has shown its ambition to push regional co-operation beyond the *City Deal*, including around skills. To move this agenda forward, GCR has established a *Regional Skills Devolution Group* that, together with key stakeholders, explores options for skills devolution in the context of ongoing reforms in Scotland.

Despite moves towards regionalisation, the options for Local Authorities, the Glasgow City Region and education providers to adjust provisions to the needs of local and regional labour markets remain limited. Regional stakeholders in Scotland struggle to align regional skills provision with labour market needs. Among the main challenges for the region are the funding mechanisms for colleges and universities, a lack of funding for re- and upskilling for workers, and a lack of granular labour market information to align provision to regional needs. The funding model for colleges and universities has created a system guided primarily by input (i.e. students) targets rather than employer demands/outcomes. The system has limited flexibility to test new courses, which could counter existing or anticipated skills shortages.

While there are potential benefits from the devolution of skills planning to the city-region level, any steps in this direction must be implemented gradually and supported by strengthened governance structures at the regional and Scottish Government levels. A regional model for skills planning for apprenticeships and college offerings could result in an outcome rather than an input/output-driven skills system if designed correctly. This would make the system more agile and better aligned with local and regional needs. It might also provide better options to tackle differences in skills opportunities across local communities in the region and strengthen funding for re- and upskilling activities for the existing workforce. To respond, GCR will need to build the capacity and capability to manage regional skills planning and provision, in the first instance, by prioritising areas or sectors where the need is most pressing (e.g., filling labour and skills shortages or driving productivity growth). In addition, this process could be combined with possible changes at the Scottish Government level (e.g., in the allocation of funding for further, higher, and adult learning). Inspiration could be taken from other City Regions in the UK (e.g. the Greater Manchester Combined Authority) and other countries (e.g. Ireland)

Although labour market information (LMI) is widely used at a regional level, Scottish Government data is not sufficiently granular to guide regional activities. Data collected at the Scottish Government level, such as the Employer Skills Survey, lack the necessary granularity and in-depth understanding of skills requirements for specific jobs to support the alignment of skills provision to labour market demand at regional and local levels. There is potential for the *Glasgow City Region Intelligence Hub* to take on a more vital role in collecting and analysing LMI in the region as a complement to Scottish national data.

Career guidance and financial incentives for individuals help to reduce barriers to participation in adult learning, yet these system pillars could be stronger

Current career guidance offers for adults in Scotland are complex and challenging to access, while financial incentives to invest in re- and upskilling for existing workers remain weak. Adults can access career guidance online (e.g. through the *My World of Work* portal) and in person (e.g. through *Skills Development Scotland* centres and community centres run by LAs). Yet, the offer for adults is complex and challenging to access, especially for the more vulnerable groups or low-skilled workers needing training to remain in employment or advance in their careers. In Bristol (UK), the Future Skills Programme is an exciting example of a career guidance programme targeted at adults at work. The programme takes a holistic individual approach, pairing participants with a dedicated career progression coach for one-on-one coaching in their area over three to six months.

Despite the growing numbers of adults needing re- and upskilling opportunities, the balance in career guidance provision and financial incentives is skewed towards youth. Economic incentives for individuals exist mainly at the national level in Scotland, and these are geared towards full-time, younger learners. In addition, one of the main initiatives – the *Individual Training Account* – has been paused for an undefined period. This contrasts with other countries, such as Latvia and the United States, where individual training accounts offer financial support for adults in/out of work. Other measures to increase participation, such as part-time/evening courses, modular courses and micro-credentials, also remain under-explored in most parts of the region and are particularly helpful for adult workers.

Despite good examples of individual businesses investing in skills development, the regional infrastructure for employer engagement is fragmented. There are many examples of employer engagement in skills development in GCR, including through colleges and universities, the apprenticeships system and in-house re- and upskilling facilities. However, the infrastructure for employer engagement across the skills system is highly fragmented, and mechanisms to enhance engagement more systematically and sustainably are limited regarding outreach and impact. As a result, levels of employer engagement are low overall, especially amongst small and medium-sized businesses (SMEs). In addition, communication with employers remains fragmented across the eight LAs and education institutions, making it difficult for companies to identify and engage in relevant programmes. In Ireland, the *Regional*

Skills Fora is a one-stop-shop for employers to get information and guidance on available training opportunities. In addition, the Irish *Skills to Advance* programme offers targeted support for re- and upskilling in SMEs. Both examples could provide insights for GCR to learn from.

Strengthening re- and up-skilling opportunities for adults in work

Develop a regional model for skills planning and delivery

- *Continue the dialogue with the Scottish Government to examine the feasibility of enhancing regional responsibilities for parts of the adult skills system.* Building on the ongoing work of the *Regional Skills Devolution Group*, the Glasgow City Region (GCR) could continue discussions with the Scottish Government on the options for devolution of skills planning and provision. The short-term objectives could be to develop a regional approach to contracting apprenticeships and to focus on re- and upskilling investments in sectors that are of priority to the regional economy. In the longer term, discussions could cover options to change colleges and universities' planning and delivery structure and establish a regional adult skills fund.
- *Review the regional governance structure to prepare for new adult skills planning and delivery responsibilities.* Any moves to a more regionalised system should be supported by a review and reinforcement of the governance structures within GCR. In particular, there will be a need to expand the capacities of GCR to lead this work and establish a body that can oversee regional responsibilities in the skills area (e.g. a *Skills Delivery Group* operating in parallel with the *Economic Delivery Group*). The group could take the lead in monitoring regional performance and overseeing the delivery of parts of the *Regional Economic Strategy*.
- *Engage with critical providers in the region to support their efforts to co-ordinate and align skills provision to the regional economy.* GCR could establish a *Regional Skills Board* bringing together representatives of education providers (e.g. colleges, universities, private providers, third-sector organisations and Local Authorities), employers and learners. While the board could include high-level representatives from relevant stakeholders, an attached network of working groups could support ongoing cooperation on various topics, e.g. employer engagement and career guidance.
- *Build regional capacity to collect and analyse labour market information that can supplement Scottish data sources.* To support effective skills planning at the regional level, GCR could consider extending the role and resources of the *GCR Intelligence Hub*. The hub could strengthen its role in collecting and analysing granular data on the region's labour market and skills situation and taking the lead in monitoring regional performance.

Reduce individual barriers to participate in re- and upskilling activities

- *Establish a working group within the GCR governance structure to provide input to the Scottish Government on strengthening individual incentives for participation in adult education.* The group could draw together regional experts with knowledge of what works to reduce individuals' barriers to learning. One suggestion could be to re-launch the Scottish *Individual Training Account* with a stronger focus on supporting low-skilled workers at risk of labour market exclusion. This could be linked to the discussion around a regional adult skills fund.
- *Take steps to strengthen career guidance for adults.* GCR could seek to enhance the regional career guidance offer for adults by mapping the variety of career guidance providers (e.g. LAs, *Skills Development Scotland*, Jobcentre Plus, employability providers, colleges and third-sector organisations). The aim would be to make services more accessible for adults in/out of work, integrate labour market intelligence into regional services, and develop bespoke GCR career

guidance material for advisers. In addition, GCR could engage in dialogue with the Scottish Government on options to rebalance the career guidance offer to cater to the growing numbers of adults needing re- and upskilling opportunities.

Strengthen employer engagement to drive regional skills provision

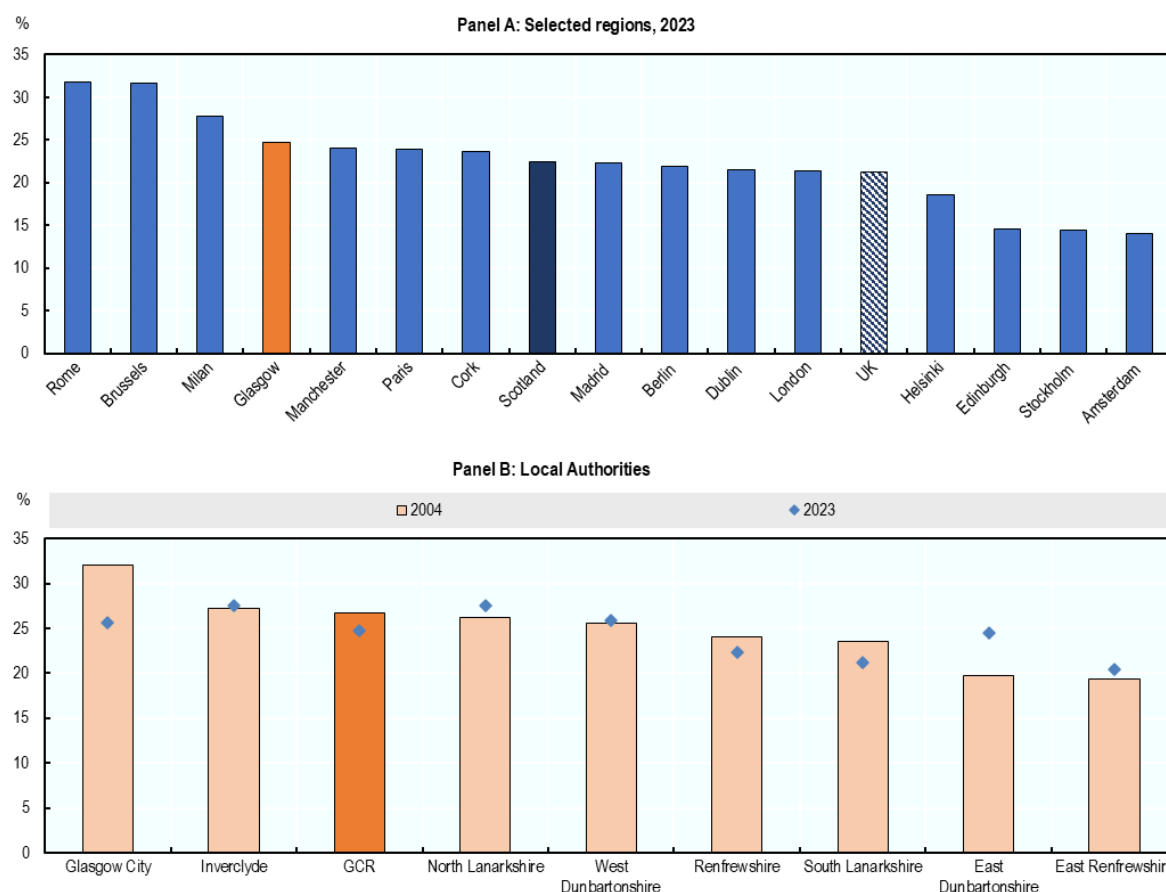
- *Use the proposed Regional Skills Board to develop an employer engagement strategy.* With regard to employers, a *Regional Skills Board* could build on the existing GCR infrastructure for employer engagement but could go beyond existing bodies to 1) ensure representation across sectors and sizes of employers and 2) have a specific focus on skills planning and provision. One priority task for the Board could be developing a regional employer engagement strategy.
- *Take steps to establish a single GCR Employer Hub.* Drawing upon business support offered by Business Gateway and LAs, GCR could seek to develop one employer hub that combines business and skills development support. The offer could be available across all LAs, and a regional approach could be taken to help businesses identify relevant skills development programmes and other support measures available. The hub could provide one-to-one support for businesses, e.g., information/guidance on available programmes employers can access and support the development of in-house employer training capacities.

Recommendations for enhancing labour market inclusion of the economically inactive

Despite overall economic growth and low unemployment, the Glasgow City Region suffers from high and long-standing economic inactivity. The group of economically inactive (i.e. individuals who are neither employed nor actively seeking employment) includes individuals who are in education and training, retired, suffering from illness or disability, looking after young children or have other family and caring responsibilities. One in four people aged 16 to 64 were economically inactive in the GCR in 2023. The inactivity rate in GCR was higher than the Scottish average (23%) and the UK average (21%) and higher compared to other regions across the OECD. In the context of increasing labour and skills demand and high poverty levels, the LAs in the city region are looking for ways/tools to promote further labour market inclusion for the economically inactive group.

Figure 1.2. The inactivity rate remains high in the Glasgow City Region compared to other regions in the OECD but differs across the eight Local Authorities

Inactivity rate, 15 to 64-year-olds



Note: Panel A shows NUTS2 regions where cities are located. Data for Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and OECD.Stat [Labour market – Regions] for the remaining data.

Economic inactivity in the Glasgow City Region is high, especially among individuals with long-term sickness and disability and low education levels

Long-term sickness is the main driver of economic inactivity in the Glasgow City Region. The inactivity rate differs across the LAs, with the highest rate observed in North Lanarkshire (28%), Inverclyde (27%) and West Dunbartonshire (26%), all significantly above the UK average in 2023. In contrast, in East Renfrewshire, the council with the lowest inactivity rate in GCR, only 20% of the 16-64-year-olds were inactive. Inactivity is high, especially among individuals with long-term sickness and disability. In all eight Local Authorities in GCR, long-term sickness is the primary cause of inactivity, excluding students, ranging from 36% of the inactive in Glasgow City to 60% in Inverclyde. Among individuals with a work-limiting disability, 56% are inactive in the Glasgow City Region.

Supporting those furthest from the labour market into work must be a central element of the region's efforts to strengthen labour market inclusion. Increasing labour force participation positively affects public finances through lower public spending on social protection. It can also help overcome labour

and skills shortages by expanding the pool of candidates for available jobs. The low educational attainment levels among the inactive imply that skills development is essential to policies supporting economic inclusion. In addition, the high incidence of inactive with disabilities or long-term illness calls for support measures that seek to tackle multiple challenges to help people into employment.

Local Authorities in the Glasgow City Region are progressively playing a role in the delivery of employability services for the economically inactive

With the Scotland Act of 2016, new powers were transferred to the Scottish Government to provide employment support for disabled people and those at risk of long-term unemployment. Employment services (from hereon referred to as employability services, the term used in Scotland) have traditionally been the responsibility of the UK Government. However, following the adoption of the *Scotland Act* of 2016, the Scottish Government has responsibility for employability services for two groups: i) persons with disabilities and ii) those at risk of long-term unemployment.

In March 2018, the Scottish Government launched a new employability plan, *No One Left Behind*, guiding extensive restructuring of the Scottish employability system. The plan sets a vision for a simpler, person-centred and more joined-up employability system for the most vulnerable groups in or outside the labour market. With this and the *No One Left Behind Delivery Plan* from November 2020, the Scottish Government took the first steps to introduce an all-age employability service targeting a broad range of vulnerable groups (including youth, persons with disabilities and long-term illness, parents, and the elderly) and designed to help people prepare for employment, training, education and volunteering.

The *No One Left Behind* plan emphasises the role of Local Authorities in delivering employability services to vulnerable groups, even though this is not a statutory duty of the local government in Scotland. At the heart of the plan is balancing local flexibility (through the decentralisation of employability funding and the design and delivery of services at the local level) with coherence across Scotland (including a *Shared Measurement Framework* to monitor and evaluate input, output and outcome). The plan sets out a Scotland-wide framework, which is co-designed and delivered by LAs to tackle challenges of long-term unemployment and economic inactivity more effectively. In practice, LAs design and deliver employability services through *Local Employability Partnerships*, which bring together local, regional and Scottish Government stakeholders.

In the Glasgow City Region, employability services are provided through a mix of programmes, providers and funding pots, often delivered through local partnerships. Each LA designs its employability services to be delivered in-house or through partnerships working or commissioning with Arms Length External Organisations¹, third sector organisations², colleges, Community Learning and Development³ providers and independent providers. Funding mainly stems from the Scottish Government through the *No One Left Behind* programme and the UK Government through its Shared Prosperity Fund. In most LAs, this is complemented by resources from local council budgets and charities.

Local Authorities operate alongside Jobcentre Plus offices overseen by the UK Department of Work and Pensions. Jobcentre Plus offices are located in most cities and towns throughout Scotland and are responsible for delivering employment services and administering unemployment benefits and other financial support for individuals out of work (e.g. *Universal Credit* and *Job Seekers Allowance*). The Jobcentre Plus offices take a “work first” approach, applying strict conditionality criteria and requiring individuals who receive income support to actively search for employment opportunities and be available for work. This is distinct from the voluntary *No One Left Behind* programme, which recognises that the journey towards work can be long, especially for individuals with multiple barriers to employment, who often need holistic and individualised support.

Individuals can access the employability system in the Glasgow City Region through many different routes. The most common referral routes into employment support services are through the

Jobcentre Plus offices and SDS career advisors. However, individuals can also enter the system through LAs, Arms Length External Organisations, or third-sector organisations. With the introduction of the *No One Left Behind* programme, LAs have started to simplify the client journey by requiring all individuals to enter the system through a Keyworker Service Provider, which is responsible for developing an individual action plan, registration of client data and referrals to more specialised services. LAs have also introduced Management Information Systems to register data on individual clients. However, the system remains fragmented, with some individuals not registered and limited data sharing across stakeholders. In addition, LAs could use available data to inform programme design, target interventions and guide outreach activities. Inspiration for a model for data-sharing and use can be found in the youth area, where the Scottish 16+ Data Hub is an excellent example of how data can be shared across critical stakeholders.

Adult education for the economically inactive primarily comes through Community Learning and Development programmes delivered by LAs, colleges and third-sector organisations. Community Learning and Development is a critical element of the adult education sector in Scotland and often includes courses on adult literacy, English for Speakers of Other Languages, employability, digital skills citizenship, and Gaelic. LAs have a statutory requirement to work with partners and communities to co-produce and secure the delivery of Community Learning and Development.

The role of the city region in supporting employability could be strengthened, especially in local areas with service gaps

Despite local efforts, employability provision in the Glasgow City Region remains fragmented, not least due to the financial structure of the system. Funds from the UK and Scottish Governments are allocated to LAs according to annual budget cycles, making the system less predictable due to the short-term funding cycle and changing programme requirements from year to year. This also harms partnership development, increases the administrative burden and makes it difficult to define and monitor results in the longer term. Each of the UK and Scottish Governments' funding streams comes with separate requirements regarding target groups, services to be delivered, and evaluation and reporting activities. In the GCR, LAs struggle to combine multiple funds to facilitate coherent service delivery for clients and create stability for staff and partnerships.

The provision of employability services is restricted by the administrative borders of the Local Authorities, and the city region plays a limited role in coordinating local efforts. Employability support for individuals stops at the border of each LA, and co-delivery or referrals across borders are not common. In addition, the role of the city region remains limited, and there are only a few examples of pooling resources to provide region-wide programmes or share good practices. The place-based approach supports the delivery of services that are targeted and tailored to local needs. Yet, the model comes with challenges for individuals (e.g. gaps in service provision for specific groups and restrictions in programme choice to the local area despite good commuting opportunities), stakeholders (e.g. fragmented employer engagement strategies and multiple commissioning procedures), and LAs (high administrative burdens and limited resources for evaluation, identification and up-scaling of good practices).

The third sector is significant in the Glasgow City Region and is vital in delivering employability services. Still, the sector is challenged by the local delivery model. In Glasgow City alone, nearly 4 000 third-sector organisations provide essential services, including employability services, often targeting those furthest from the labour market. Yet, funding for the sector is tight and, in some areas, has become tighter as LAs move towards more in-house provision. In addition, certain LAs emphasise commissioning over grants, which comes with extensive administrative procedures. Only a few third-sector organisations have the skills, staff and financial capacity to engage in commissioning processes. While the sector is represented through Local Employability Partnerships, they struggle to get their voice heard. Countries like Belgium and France provide interesting examples of strengthening partnerships with third-sector organisations.

The integration of employability services with other services, including skills, health and mental health, varies across Local Authorities. Combining employability support with access to training and professional work experience can benefit labour market activation, but it requires strong stakeholder cooperation. In many LAs, the skills and employability strands operate in parallel systems through their respective partnerships. In addition, given the increasing complexity of client needs, there could be a stronger integration and alignment between employability and other support services, including health and mental health services. While local employment hubs that can support the co-delivery of services are under development across the city region, these remain in the early stages.

Enhancing labour market inclusion of the economically inactive

Develop a regional approach to employability services

- *Strengthen cooperation between Local Authorities (LAs) regarding employability services.* Previous experiences have shown the potential benefits of a regional approach to designing and delivering employability services. The Glasgow City Region and its eight LAs could seek to identify areas where a regional approach to employability support could add value (e.g. to provide specialised services for sub-groups). Building on experiences from the Greater Manchester Combined Authority, the approach could combine regional design and management with local implementation flexibility.
- *Engage in dialogue with the Scottish and UK Governments on changes to existing funding models.* There is a need to discuss changes in the UK and Scottish funding systems to align funding streams and create local flexibility. For the *No One Left Behind* funding, priorities could be to develop a multi-annual funding model aligned with the *UK Shared Prosperity Fund* and to merge funding pots within the programme. For the *UK Shared Prosperity Fund* priorities could be simplifying application procedures and allowing for a more extended period to develop investment plans.

Strengthen local and regional partnerships and improve collaboration with the third sector and the Jobcentre Plus offices

- *Strengthen the use of local employment partnerships.* Building on early experiences in the region, LAs could consider using the Local Employability Partnerships to discuss strategic priorities across all funding pots and facilitate multi-agency collaboration. LAs could also follow examples of establishing thematic sub-groups to discuss operational issues.
- *Strengthen partnerships working with Jobcentre Plus offices at the operational level.* The different natures of the *No One Left Behind* and the Jobcentre Plus offices are felt mainly at the case-worker level. Cooperation between LAs and Jobcentre Plus offices could be facilitated through joint training sessions for caseworkers, embedding Keyworkers in Jobcentre Plus offices, or joint development of individual action plans. An alternative and more far-reaching option would be to work towards a new institutional arrangement that supports an integrated approach to employment services in Scotland through further devolution in this area.
- *Facilitate cooperation with third-sector providers.* LAs could streamline commissioning processes and administrative requirements attached to the programmes they provide through external providers and strengthen provider networks to enhance collaboration across the sector.

Improve the development and use of labour market intelligence and evaluations

- *Enhance the use of the labour market intelligence provided by the GCR Intelligence Hub and local Management Information Systems to inform employability work.* Collecting the right

individual-level data is crucial to measuring services' input, output, and impact. LAs could better use available data from local systems and the GCR Intelligence Hub to design and target employability services. A central Management Information System could allow for resource-efficient data collection and analysis for region-wide programmes.

- *Streamline and enhance evaluations of employability programmes.* Evaluation should be the standard for employability services to ensure that money is spent effectively and that services for those furthest from the labour market are continuously improved. LAs and GCR could consider ways to enhance programme-level evaluations, including ex-post evaluations. To this end, the Intelligence Hub could cooperate more closely with LAs to support evaluation work.

Increase investment in targeted outreach and streamline registration and referral systems

- *Reallocate funding towards outreach activities and use data-driven processes and tools to increase the efficiency of the applied measures.* LAs could use data from Management Information Systems to understand who needs support in local communities and who the current system is and is not reaching. Combined with partnerships working through the Local Employability Partnerships and the Community Learning and Development Partnerships, this could guide targeted marketing campaigns and strategies for physical presence in local areas.
- *Continue to streamline entry points and registration procedures through the Keyworker model.* There is still a group of individuals who are not officially registered in the system or followed by a Keyworker. Continued rollout of the Keyworker model across LAs and funding streams is essential to simplify client journeys and avoid registration and data collection gaps.
- *Engage in dialogue with the Scottish and UK Governments on improving measures to facilitate data exchange between key stakeholders.* There are currently limited opportunities to share data across the employability system. This is especially true for data sharing between LAs and the Jobcentre Plus offices and between LAs and external providers. Building on the experiences from the 16+ Data Hub, an equivalent portal for adults could be established.

Further integrate employability, skills and other services

- *Foster the integration of employability and community-based adult learning programmes.* In most LAs, there is room for stronger integration of employability and skills services, including through changes in the organisational and management structures, channelling funding from the No One Left Behind programme and the UK Shared Prosperity Fund into Community Learning and Development activities, and strengthening collaboration between the Local Employability Partnerships and the Community Learning and Development Partnerships.
- *Build on good practices to strengthen the link between employment, health, and mental health services to support the inactive with disabilities or long-term illnesses.* Some LAs have started to develop Employability Hubs to collocate services and providers, including employability, skills and health services. These models could be further developed and expanded across the region to provide clients with a one-stop shop for service provision.

Recommendations for facilitating the school-to-work transition

The successful engagement of young people in the labour market is crucial for their economic prospects and well-being, overall economic growth and social cohesion. Youth were particularly hard hit by the 2008 financial crisis and the COVID-19 crisis, resulting in high levels of youth not in employment, education and training (NEET rates) across the OECD. As highlighted in the updated OECD Youth Action Plan, being out of work or education can have long-lasting negative impacts, including on mental health and social relations. Thus, youth policies – particularly those supporting youth transitioning from school into work – are a key priority in most OECD countries.

Facilitating youth school-to-work transitions has been a critical priority in Scotland in recent years, and the investments have seen some positive results, including in the Glasgow City Region. Over the last decade, there have been continuous improvements in the educational attainment of young people in GCR. Today, the share of highly qualified people is higher for younger age groups (25-to-29-year-olds) than older generations in GCR. Yet, the region also has a high proportion of young people (16-24) who are inactive and not enrolled in education (15% compared to the Scottish average of 9%). In the future, the LAs in GCR must consider how to sustain and improve overall youth outcomes in an environment with an increasing demand for employability and skills services for adults.

Youth outcomes in the Glasgow City Region have improved in recent years, but large differences remain between different groups and Local Authorities

The Scottish school system provides pupils with a bespoke portfolio of qualifications that can lead them into further or higher education or the world of work. In Scotland, education is universal and compulsory until age 16. Depending on when and with which levels of qualifications pupils leave school, they can transfer into colleges (further education/vocational education and training), universities (higher education) or employment (including apprenticeships). In recent years, various Scottish Government policies have aimed to develop a more flexible and learner-centred environment in schools that broadens learner pathways beyond academic and exam-based options.

Local Authorities play a crucial role in supporting the education and learning of young people and building the foundations to prepare them for work. Scottish LAs have a statutory duty to ensure adequate education provision through schools in their area. This duty extends from early years through primary and secondary education (from 11 to 18 years). They also manage broader responsibilities for employability and Community Learning and Development. LAs focus on those young people from disadvantaged backgrounds or at risk of falling out of education and work who need additional support.

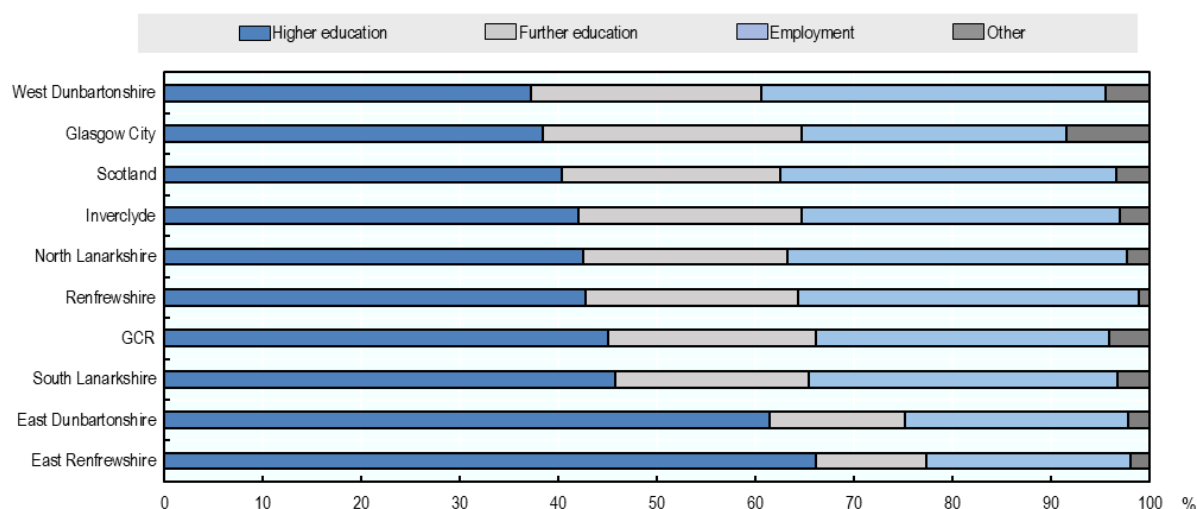
In the Glasgow City Region, the differences in youth outcomes across Local Authorities are observed from the early stages of education and are often related to deprivation. Pupils in East Renfrewshire and East Dunbartonshire in grades P1 (age 4-6), P4 (age 7-9) and P7 (age 10-12) have the highest literacy and numeracy scores in Scotland. At the same time, in Glasgow City, pupils have lower literacy and numeracy scores than the Scottish average. At the same time, the LAs with the best outcomes among youth have the lowest share of pupils living in the most deprived areas of Scotland. There are also significant differences in the pathways that school leavers pursue after the end of secondary school, which likely affects their subsequent employment outcomes.

Being in a positive destination (e.g. further or higher education, apprenticeships, work or voluntary activity) shortly after finishing secondary school does not guarantee positive outcomes in the long run. The measure of youth outcomes commonly used in Scotland is the participation rates of 16-19-year-olds and secondary school leavers. In GCR, the share of youth aged 16-19 not achieving a positive destination has decreased from 12% in 2016/17 to 8% in 2022/23. However, data for the UK shows that many youth, especially those above 20 years, have non-positive outcomes and are not in employment, education and training (NEET). While only 4% of 16-17 year-olds were NEET in the third quarter of 2023

in the UK as a whole, 11% of 18-20 year-olds, 16% of 21-22 year-olds, and 16% of 23-24 year-olds were NEET during the same period. That suggests that the long-term outcomes for youth are less positive than those measured just after they leave the compulsory school system. To grasp this difference, measures of youth outcomes in Scotland could be extended to take a more long-term perspective.

Figure 1.3 Many secondary school leavers in Glasgow City pursue higher and further education, and relatively few enter voluntary work, training and personal skills development

Destinations of secondary school leavers at follow-up (9 months after leaving school), 2021/2022



Note: Data for Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire, and South Lanarkshire. Employment includes young people undertaking training in employment through national training programmes such as Modern Apprenticeships and Graduate Apprenticeships. Other employment opportunities include voluntary work, training, and personal skills development.

Source: Scottish Government [Summary statistics for follow-up leaver destinations; ISBN: 9781805259251].

Although the last decade has seen a growth in initiatives to support school-to-work transitions, further steps are needed to support outcomes in the Glasgow City Region

Despite the recent expansion of youth initiatives by the Scottish Government, there are challenges to achieving policy coherence and alignment across the youth system at the local and regional levels. On the ground, many stakeholders and services play a role in improving youth school-to-work transitions, including LAs, schools, colleges, universities, career guidance services, third-sector organisations, independent providers, etc. Funding for youth services is equally fragmented and includes resources from schools, the *No One Left Behind* programme, the *UK Shared Prosperity Fund*, *Community Learning and Development*, colleges and employers. Despite the moves within parts of the skills system to encourage regional collaboration amongst providers, changes have been uneven, including within GCR. To date, GCR has a limited role in supporting activities around youth transitions and strengthening connections between Scottish Government policies and local planning and delivery.

Initiatives to enhance employer engagement in youth programmes have been strengthened in recent years, but overall engagement remains low and dominated by larger employers. Employers are engaged in the skills system in Scotland and GCR in various ways, including through apprenticeships and other work-based learning programmes. The Scottish apprenticeship system has developed in recent years, with apprenticeship starts rising by 10% between 2013/14 and until the COVID-19 pandemic in 2019/20. In addition, Modern Apprenticeships (the most common type of apprenticeship) reach youth,

adults and individuals from more deprived backgrounds. Yet, most employers are not engaged in the system, and smaller employers are under-represented. This contrasts with countries such as Austria and Germany, where employer engagement in apprenticeships is much stronger. In addition, the system leaves little flexibility to adjust provision to local and regional needs.

Scotland and the Glasgow City Region have an extensive but fragmented career guidance system for youth. In schools, youth are supported by advisors from *Skills Development Scotland*, school coordinators from the employer-led *Developing the Young Workforce* programme, third-sector organisations, and possibly other advisers financed by the LAs. After leaving secondary education, youth enter a new career guidance system. The system is challenging for youth to navigate, and an explicit challenge is the break in services for those aged 18.

Facilitating the school-to-work transition

Strengthen the collection and use of data to drive outcomes for youth

- *Engage in dialogue with the Scottish Government on ways to develop data to measure post-school youth outcomes.* The Glasgow City Region could explore options at the Scottish Government level to change the approach to measuring outcomes for youth in and after leaving school. Measures in school could be broadened to include, e.g. well-being and soft skills. Measures of outcomes post-school could be strengthened, e.g. by adding a follow-up measure for positive destinations (e.g. three years after the young person has left school) or by measuring youth NEET (not in employment, education or training) rates for 20-24-year-olds.
- *Promote the use of the 16+ Data Hub across all relevant stakeholders in the region.* The 16+ Data Hub is essential for sharing information on individuals across Local Authorities (LAs), schools, and colleges. The GCR and the regional *Skills Development Scotland* offices could facilitate stronger use of the hub to guide outreach and targeted support.

Strengthen work-based learning options through strong engagement of employers

- *Take steps towards a regional approach to apprenticeship planning and delivery.* GCR could continue discussing options with the Scottish Government to inject more regional flexibility into the apprenticeship system. A regional model could allow for a more flexible approach to contracting for the number/types of apprenticeships and provide options to reallocate resources across areas/types of apprenticeships depending on changes in demand within a budget year.
- *Strengthen employer engagement to provide work-based learning opportunities, including apprenticeships, for youth, in line with the recommendations set out above.* If a new system for employer engagement is established in GCR, it could also cover questions on the role of employers in supporting youth school-to-work transitions. New initiatives to strengthen employer engagement in providing early work experiences for youth could build on experiences, e.g. from Boston (United States) and Canada

Develop an integrated approach to youth career guidance in the region

- *Strengthen collaboration between different career advisors in various schools and engage in dialogue with the Scottish government on options to simplify the existing system.* LAs could continue strengthening collaboration among the different advisers operating in schools. In addition, GCR could engage in dialogue with the Scottish Government on options to simplify the system, e.g., by integrating different adviser roles under the same organisation, which would be the primary contact point for youth. In addition, options to align guidance with labour market

needs could be explored, for example, through better use of regional labour market intelligence. This work could be led by a working group operating under the the *Regional Skills Board*.

- *Enhance career guidance services for youth not in employment, education, and training.* At the regional level or through dialogue with the Scottish Government, GCR could explore options to build a career guidance system available for youth out of employment, education, and training and extend it to people aged 25. The primary purpose would be to avoid the break in guidance and support when youth turn 18. This could be linked to broader efforts to integrate school-to-work services (see below) and could build on experience, e.g. from Finland and Norway.
- *Strengthen collaboration between schools, colleges and universities to facilitate transitions into further and higher education.* There are options to develop an enhanced SDS/college/university career guidance offer to guide youth in the last years of school/first years of college/university. This can be supported through the co-location of advisers and better use of labour market and skills intelligence to identify youth with specific needs in the transition period, ensure a warm handover for young people moving into colleges/universities, and provide feedback to schools on which types of students struggle to succeed in the college/university system. This can draw on experiences from The Carrollton County Education Collaborative in Georgia (United States).

Establish a one-stop-shop solution for NEETs

- *Develop a one-stop-shop solution for NEETs building on the Keyworker model.* LAs across GCR could seek to bring together stakeholders (e.g. SDS, Jobcentre Plus, employability providers, Community Learning and Development providers, colleges) in a new one-stop-shop youth facility centralising around the Keyworker model. Inspired by models from e.g. Denmark and Vienna (Austria) each NEET would get support from one Keyworker who could refer the youth to relevant support, education or training. The one-stop-shop could be led by the LAs in close cooperation with *Skills Development Scotland* (leading on career guidance) and the UK Government's *Department for Work and Pension* (leading on access to benefits).

Reference

- Allas, T., W. Fairbairn and E. Foote (2020), *The economic case for reskilling in the UK: How employers can thrive by boosting workers' skills*, McKinsey & Company, <https://www.mckinsey.com/capabilities/people-and-organizational-performance/our-insights/the-economic-case-for-reskilling-in-the-uk-how-employers-can-thrive-by-boosting-workers-skills#/> (accessed on 25 April 2024). [1]

Notes

¹ Arms Length External Organisations are companies, trusts and other bodies that are separate from the local authority but are subjected to local authority control or influence.

² The “Third Sector” in Scotland includes charities, social enterprises and voluntary groups, which play a vital role in supporting communities at a local level.

³ Community Learning and Development (CLD) in Scotland is a broad term, including youth work, community-based adult learning, family learning, and community development.

2 Glasgow's labour market: a story of economic recovery

This chapter describes the labour market and socio-economic landscape of Glasgow City and its surrounding metropolitan area, the Glasgow City Region. It begins by offering an overview of the population's characteristics and the city's economic performance. Following this, it examines the labour market dynamics, focusing on metrics like unemployment rate, inactivity rate and labour market tightness. Subsequently, the chapter addresses poverty and income distribution within the metropolitan region. Finally, it explores labour productivity, analysing factors such as educational attainment and occupational composition within the population that could influence it.

In Brief

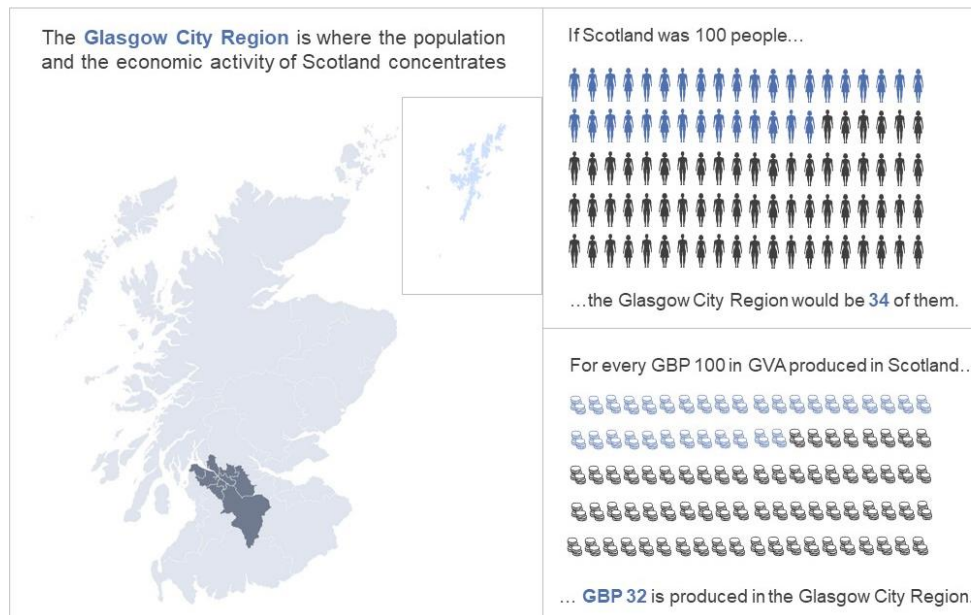
High inactivity rates, subpar labour productivity and disparities across the Local Authorities limit the region's ability to achieve its full potential

- **The unemployment rate in the Glasgow City Region (GCR) decreased to a record low over the last two decades, which, coupled with an increase in vacancies, led to a tightening of the labour market.** The unemployment rate in the metropolitan region peaked during the financial crisis at 10% in 2010, and it has since decreased to the record-low level of 3% in 2023, contributing to an increase in the employment rate. The decrease in the number of unemployed and a simultaneous rise in online vacancies that tripled between 2020 and 2022 has led to a labour market tightening in GCR.
- **The high number of economically inactive people constitutes a pool of untapped potential in GCR.** Around 1 in 4 people aged 16 to 64 were economically inactive in GCR in 2022, higher than in many UK and OECD cities. Over 14% of the inactive wanted to work, representing a resource the region could tap into in a tightening labour market.
- **Poverty remains a challenge in Glasgow City and many surrounding areas.** The three councils with the highest share of income deprivation in Scotland, Glasgow City, Inverclyde and West Dunbartonshire, are located in GCR. The high incidence of income deprivation in Glasgow City aligns with low household income. In 2021, the gross disposable household income per head was only 79% of the UK average, and, in relative terms, it decreased over the last 20 years.
- **Labour productivity remains subpar compared to the UK average and OECD cities.** Workers in GCR are only 91% as productive as in the UK, measured as GVA per hour worked. The gap narrowed from 87% in 2004 to 93% in 2015, but it has recently started widening again. Labour productivity in GCR is also lower than in most OECD cities.
- **The share of degree-holders increased in the last 20 years in GCR, which is now above the UK average.** In 2023, those holding a degree accounted for 57% of 25-64-year-olds in GCR, five percentage points above the UK average and higher than in many OECD cities. This results from a tremendous improvement in educational attainment in GCR, with the share of 25-64-year-olds holding a degree increasing from 30% in 2004. However, despite the overall increase in educational attainment, the share of 25-64-year-olds with no qualification remains high in GCR compared to the UK average.
- **There are large disparities in the labour market outcomes across the Local Authorities in GCR.** The inactivity rates observed in GCR ranged from 28% in North Lanarkshire, above the UK average, to 20% in East Renfrewshire, below the UK average and similar to the best-performing cities in the OECD. The composition of the workforce within the region differs, too. In East Renfrewshire, the share of high-skilled workers was 68% in 2023, while in the worst-performing councils on this measure, it was around 40%, which likely contributed to large income disparities observed within the metropolitan region.

Glasgow: Scotland's biggest urban area and its economic powerhouse

The Glasgow City Region is one of the largest metropolitan areas in the UK and an economic powerhouse of Scotland. With a population of over 1.8 million people the Glasgow City Region (GCR) is the fifth biggest Functional Urban Area¹ in the UK, after London, Manchester, West Midlands urban area and Leeds. GCR includes four councils that belong to the Glasgow urban area², Glasgow City, East Dunbartonshire, East Renfrewshire, and Renfrewshire, as well as Inverclyde and West Dunbartonshire in the west, and North Lanarkshire and South Lanarkshire in the east. GCR is home to a third of the Scottish population. It is also an economic powerhouse of Scotland, generating GBP 48 billion Gross Value Added (GVA) in 2022, a third of the Scottish economic output (Figure 2.1). In addition to its economic significance, GCR is an important cultural, educational, and research centre home to several universities and institutions of international reputation.

Figure 2.1. The Glasgow City Region accounts for over a third of the Scottish population and economic output



Note: Population and GVA data for 2022. Data for the Glasgow City Region are a sum of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

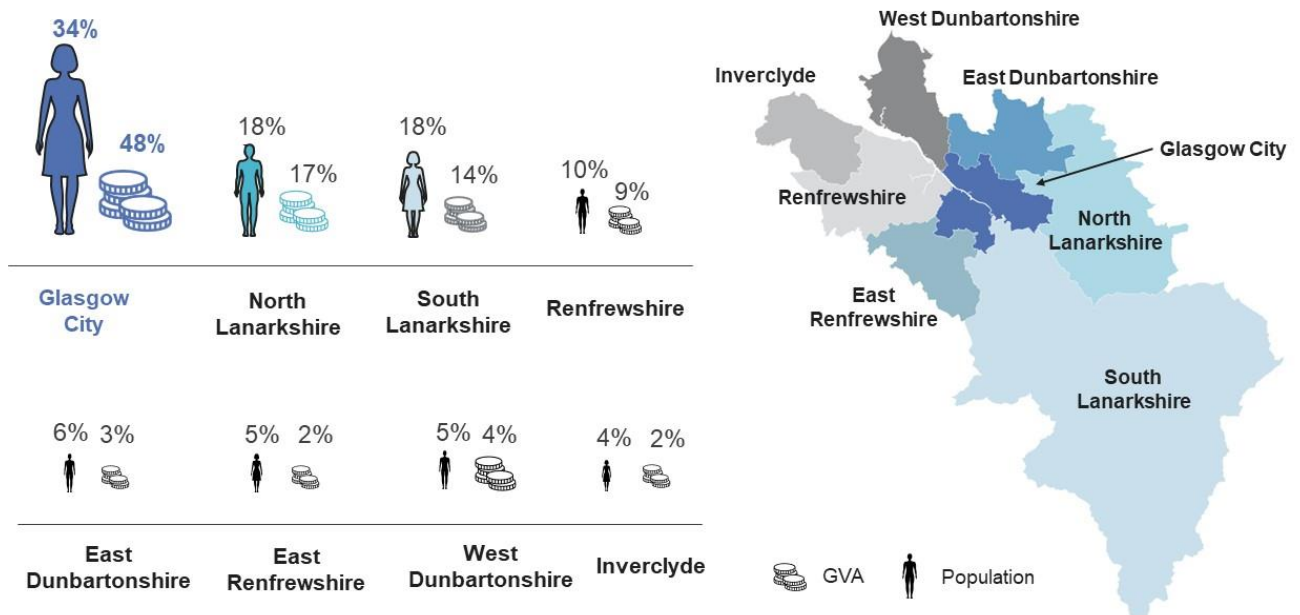
Source: Own elaboration based on Office for National Statistics (ONS) [dataset: Regional gross domestic product: local authorities] and NOMIS [data source: Population Estimates/Projections]. Administrative boundaries are based on the Open Geography portal from ONS.

Gross Value Added (GVA) is a measure of economic output. Simplistically, it is the value of the amount of goods and services that have been produced, less the cost of all inputs and raw materials that are directly attributable to that production (UK Department for Environment Food & Rural Affairs, 2022^[1]).

Within its metropolitan area, Glasgow City is by far the biggest of the eight councils in the Glasgow City Region in terms of population and economic size. Its population of over 600 000 people constitutes over a third of the population of GCR. It is almost twice as large as the populations of the second and third-biggest councils in the region. The economic dominance of Glasgow City in the region is even stronger. It contributes almost half of the GVA produced in the metropolitan area (Figure 2.2). Glasgow City is also at the heart of GCR's educational and cultural activities. The second and third-biggest

councils in the region regarding population and economic output are North Lanarkshire and South Lanarkshire. North Lanarkshire is the second most densely populated area in the region. It includes many residential areas for commuters in the south-west and some rural areas in the north and east. South Lanarkshire has the region's largest surface and lowest population density. It is characterised by varied landscapes with some towns and many rural areas. The fourth largest council, Renfrewshire, is a densely populated area home to Glasgow International Airport and has strong transportation links to Glasgow City. GCR also includes four smaller councils, East Dunbartonshire and East Renfrewshire, affluent sub-urban areas, and West Dunbartonshire and Inverclyde, which were historically associated with shipbuilding and, after the traditional industries declined, are working towards revitalising and diversifying their local economies.

Figure 2.2. Glasgow City has the biggest population and economy in the Glasgow City Region



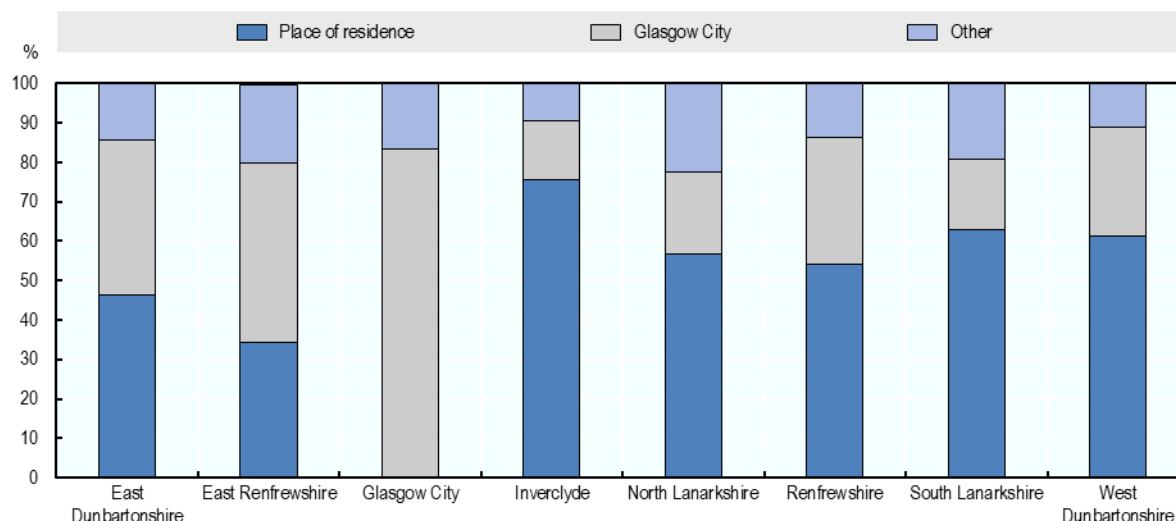
Note: Population and GVA data for 2022.

Source: Own elaboration based on ONS [dataset: Regional gross domestic product: local authorities] and NOMIS [data source: Population Estimates/Projections]. Administrative boundaries are based on the Open Geography portal from ONS.

The Glasgow City Region is an integrated economic area with the vast majority of people work either in their place of residence or in Glasgow City. In 2023, among the residents of GCR, 66% worked in the same Local Authority as their place of residence, 16 % commuted to Glasgow City and 17% commuted to work outside of GCR (Figure 2.3). The share of residents who commuted to work in Glasgow City differed across the metropolitan region. In East Dunbartonshire and East Renfrewshire, respectively, 39% and 45% of residents commuted to work in Glasgow City. In contrast, in Inverclyde, most of the population worked in their place of residence, and only 15% commuted to Glasgow City.

Figure 2.3. Eight in ten of the Glasgow City Region's residents work in the region

Place of work of the residents of Local Authorities in GCR, 2023



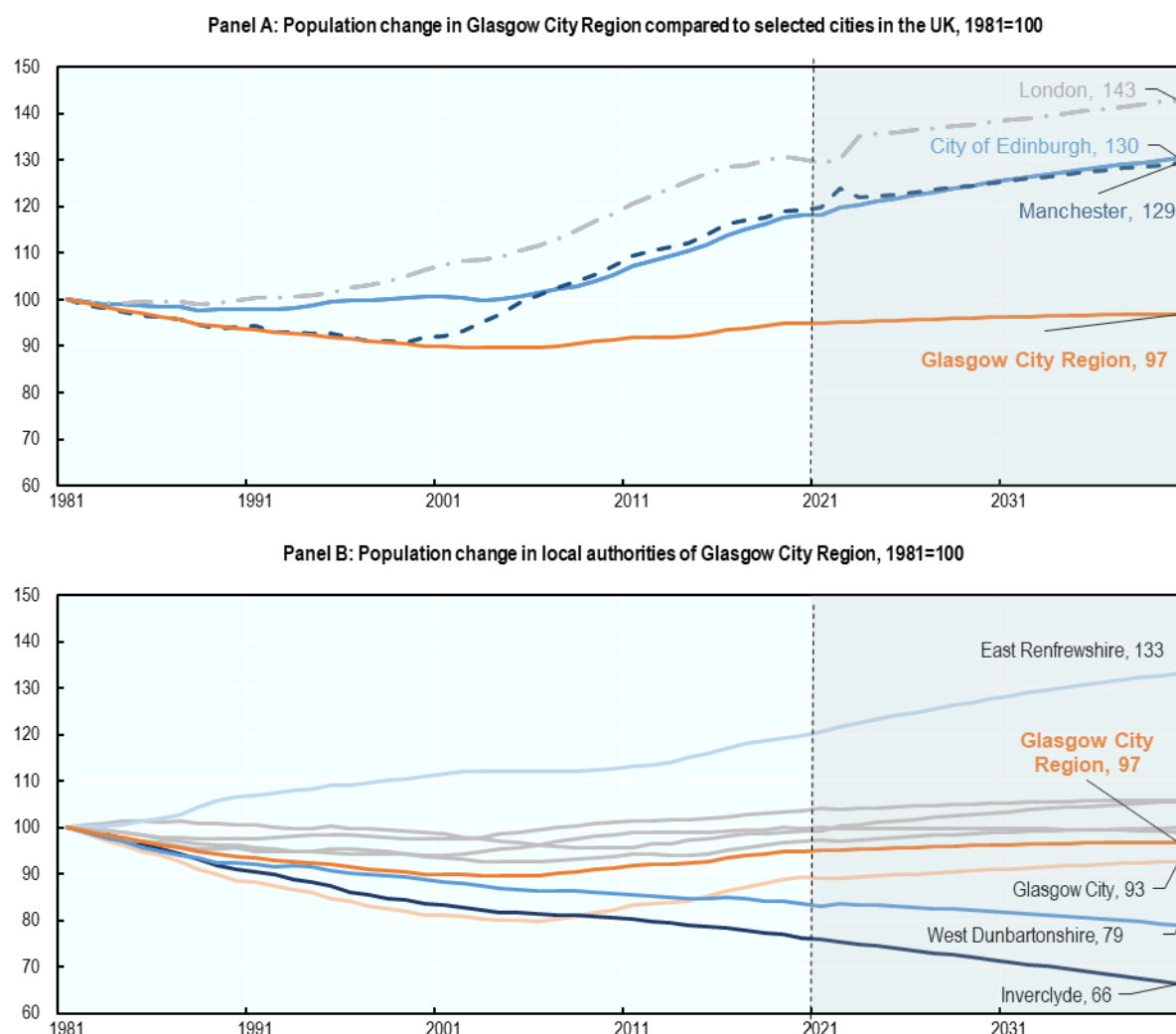
Source: OECD's calculations based on NOMIS [Annual Population Survey]

The population of the Glasgow City Region is relatively young, and it is growing again after decades of rapid decline

Glasgow City and the surrounding area were shaped by the Industrial Revolution and experienced a fast decline when the position of its core industries weakened. In the late 18th and 19th centuries, Glasgow became a major centre for shipbuilding, trade and heavy industry. Employment opportunities attracted workers, and Glasgow's population grew, reaching a peak of over 1 million inhabitants in 1925. Subsequently, Glasgow's population remained stable until the early 1950s (Understanding Glasgow, n.d.^[2]) when the pre-eminent position of many of the city's industries weakened and Glasgow entered a period of economic decline and de-industrialisation.³ This led to a steep decline in population, typical of post-industrial areas. Between the 1950s and early 2000s, Glasgow lost almost half of its population (Understanding Glasgow, n.d.^[2]).

More recently, the population of the Glasgow City Region began to rise again, however, the growth rate has been slower than in comparable cities in the UK. While many major cities, such as London, Edinburgh or even post-industrial Manchester, have increased their population over the last 40 years, the current population of GCR is similar in size to its population in 1981 (Figure 2.4, Panel A). Glasgow's population is projected to continue growing in the 2018-2043 perspective but slower than in many comparable cities. By 2043, GCR is expected to increase in population by 3%, while Edinburgh is projected to grow by 13%, London by 10%, and Manchester by 9%.

Figure 2.4. Population growth in the Glasgow City Region has been slower than in comparable cities in the UK, and large differences within the metropolitan region are observed



Note: For Local Authorities in Scotland, data after 2021 are projections. For London and Manchester, data after 2022 are projections. Data for the Glasgow City Region are a sum of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Population Estimates/Projections] for London and Manchester. National Records of Scotland [Projected Population of Scotland, 2018-based] for Local Authorities in Scotland.

The recent population growth in Glasgow City was driven mainly by migration. The natural change declined in Glasgow City over the last decade and was pushed further down by the Covid-19 pandemic, bringing it to negative territory. However, since 2006, the number of people moving to Glasgow City exceeded the number of people leaving, helping boost population growth. This was principally due to an increase in overseas migrants, including refugees from Ukraine, since Russia's war against Ukraine started. More recently, net migration with the rest of the UK also became a positive (National Records of Scotland, 2022^[3]). The future population growth is projected to be driven mainly by overseas migration, while the natural change is expected to remain negative (National Records of Scotland, 2020^[4]). Brexit may further limit Glasgow's population growth, although Glasgow City, with approx. 5% of the EU-born population (The Migration Observatory, 2022^[5]) is less exposed to the impact of Brexit on migration than many other Local Authorities in the UK.

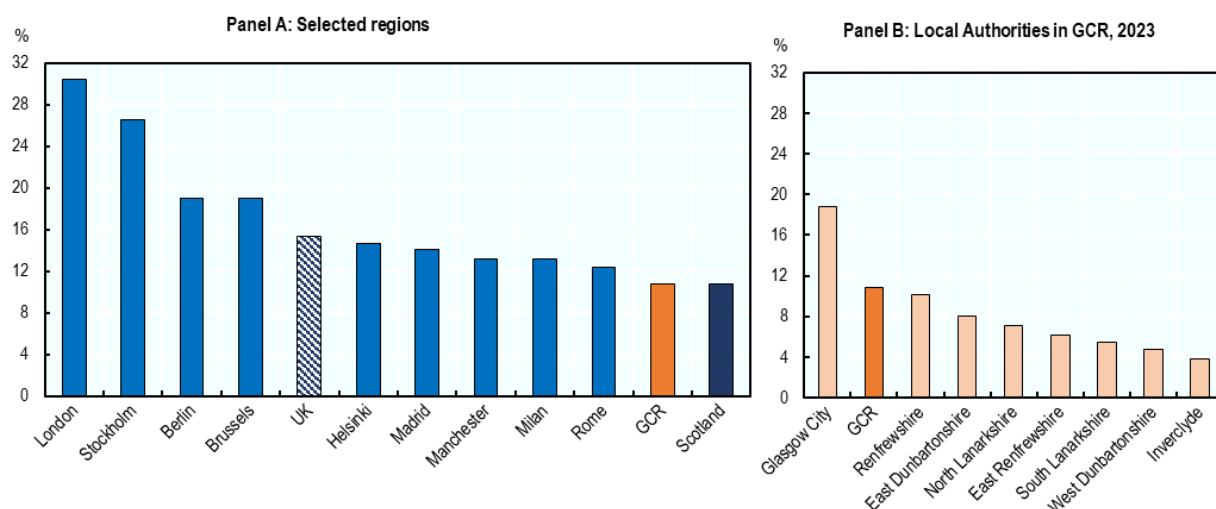
While the population of Glasgow City is undergoing gradual expansion, the demographic trends in other Local Authorities differ. For example, the population of East Renfrewshire experienced a fast increase over the last three decades and is projected to grow in the next twenty years (Figure 2.4, Panel B). In contrast, Inverclyde lost 16% of its population in the same period, experiencing the fastest population decline in Scotland (National Records of Scotland, 2020^[6]). A similar trend was observed in West Dunbartonshire, which lost 10% of its population since 1991. In both councils, more people were leaving the area than moving in (Understanding Glasgow, n.d.^[7]). Inverclyde and West Dunbartonshire are projected to further depopulate in the next 20 years (National Records of Scotland, 2022^[8]). Depopulation undermines the local economy and reduces the funds available for public services (OECD, n.d.^[9]), impacting the area's attractiveness and discouraging investment and migration.

Glasgow City has a relatively young population and low elderly dependency ratio, but the demographic composition differs across the metropolitan region. The elderly dependency ratio, i.e., the proportion of 65+ year-olds to the working-age population, is lower in GCR (27%) than the Scottish (31%) and UK averages (30%) and lower than in many comparable cities in the OECD. The elderly dependency ratio is particularly low in Glasgow City (19%). In the 1990s, the elderly dependency ratio in Glasgow City was similar to the Scottish and UK averages. However, since then, a simultaneous increase in the size of the working-age population and a decrease in the size of the 65+ population led the elderly dependency ratio in Glasgow City to drop from 25% in 1992 to 19% in 2021, a strikingly different trend than in Scotland and the UK. This also contrasts the trends observed in other Local Authorities in GCR. The other councils in the GCR have a lower share of the working-age population than Glasgow City and observed an increase in the elderly dependency ratio over the last three decades.

The foreign-born population's share in the Glasgow City Region is lower than in many cities in the OECD and the UK. In GCR, 11% of the population was born outside of the UK in 2023 (Figure 2.5). That was four percentage points lower than the UK average. The foreign-born population was concentrated in Glasgow City, with 19% of the population born outside the UK. In contrast, less than 4% of the population was foreign-born in Inverclyde.

Figure 2.5. One in five foreign-born people in GCR lives in Glasgow City

Share of foreign-born population, latest available year



Note: Panel A refers to Functional Urban Areas, except GCR, Scotland and the UK. Data is from 2022 for Helsinki, Milan, Rome and Stockholm, and from 2021 for the remaining areas. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on OECD.Stat [Foreign-born population – FUAs] for Panel A and NOMIS [Annual Population Survey] for Panel B.

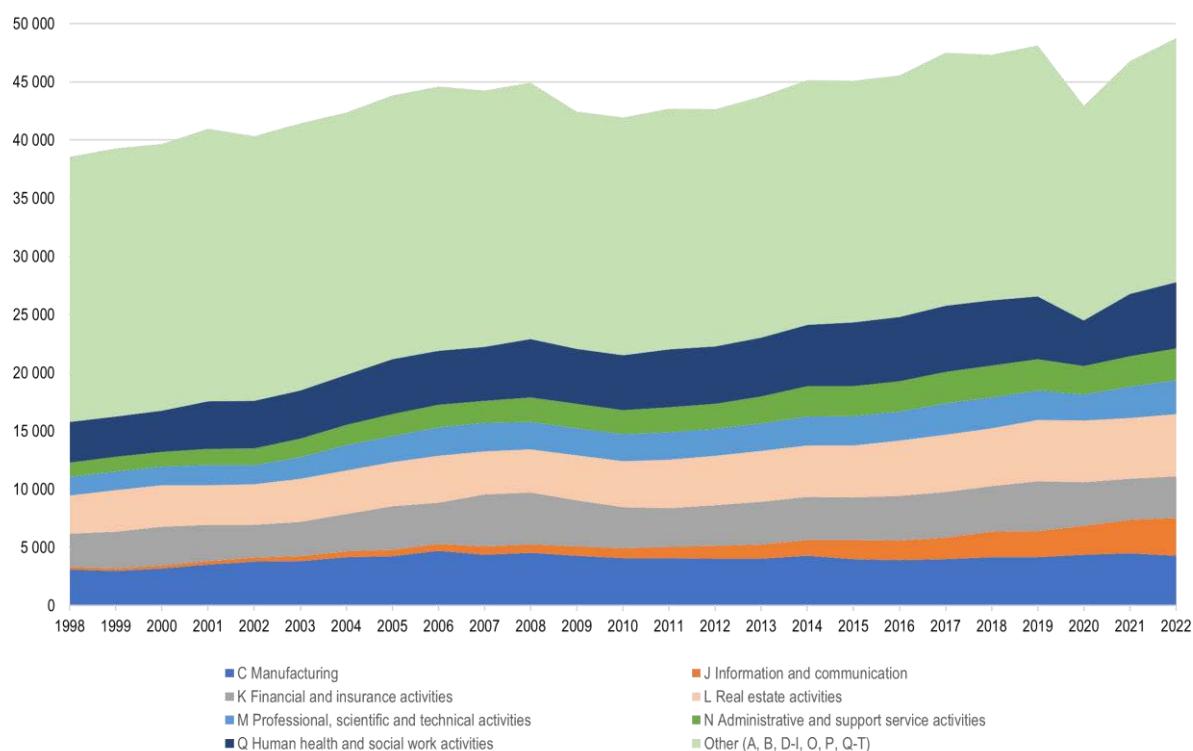
The economy of the Glasgow City Region is growing but at a slower rate than the Scottish and UK averages

GVA, a measure of economic performance, increased in the Glasgow City Region over the last two decades but at a slower rate than the Scottish and UK averages. The GVA measured in 2019 money values increased by 42% in the GCR between 1998 and 2022. However, the cumulative growth in GVA in the GCR over the last two decades was slower than in Scotland (45%) and the UK (52%), partly due to a larger decrease in GVA during the financial crisis in GCR (ONS, 2024_[10]).

Manufacturing, real estate activities, and human health & social work activities are the biggest contributors to GVA in the Glasgow City Region, but the information & communication industry recorded the largest increase in GVA over the last two decades. Manufacturing, real estate activities, and human health & social work activities each produced 9%, 11%, and 12% of GVA in the GCR in 2022 and contributed to its growth over the past two decades. Other important industries that contributed most to the region's GVA growth over the past decades are information & communication, professional, scientific & technical activities, and administrative & support service activities (Figure 2.6). The main driver of growth in GVA was the information & communication industry, which accounted for 30% of the increase.

Figure 2.6. The information & communication industry was the main driver of GVA growth in the Glasgow City Region over the last two decades

The Glasgow City Region¹, chained volume measures in 2019 money values, GBP million



Note: Values for the Glasgow City Region are the sums of values for the five International Territorial Level (ITL) regions 1) East Dunbartonshire, West Dunbartonshire, and Helensburgh and Lomond; 2) Glasgow City; 3) Inverclyde, East Renfrewshire, and Renfrewshire; 4) North Lanarkshire; and 5) South Lanarkshire. The figures, hence, include Helensburgh and Lomond, which are not part of the Glasgow City region. Components for industries do not sum to totals since chain-linking produces non-additive volume estimates.

Source: Author's calculations based on ONS [Regional gross value added (balanced) by industry: all International Territorial Level (ITL) regions; Table 3b].

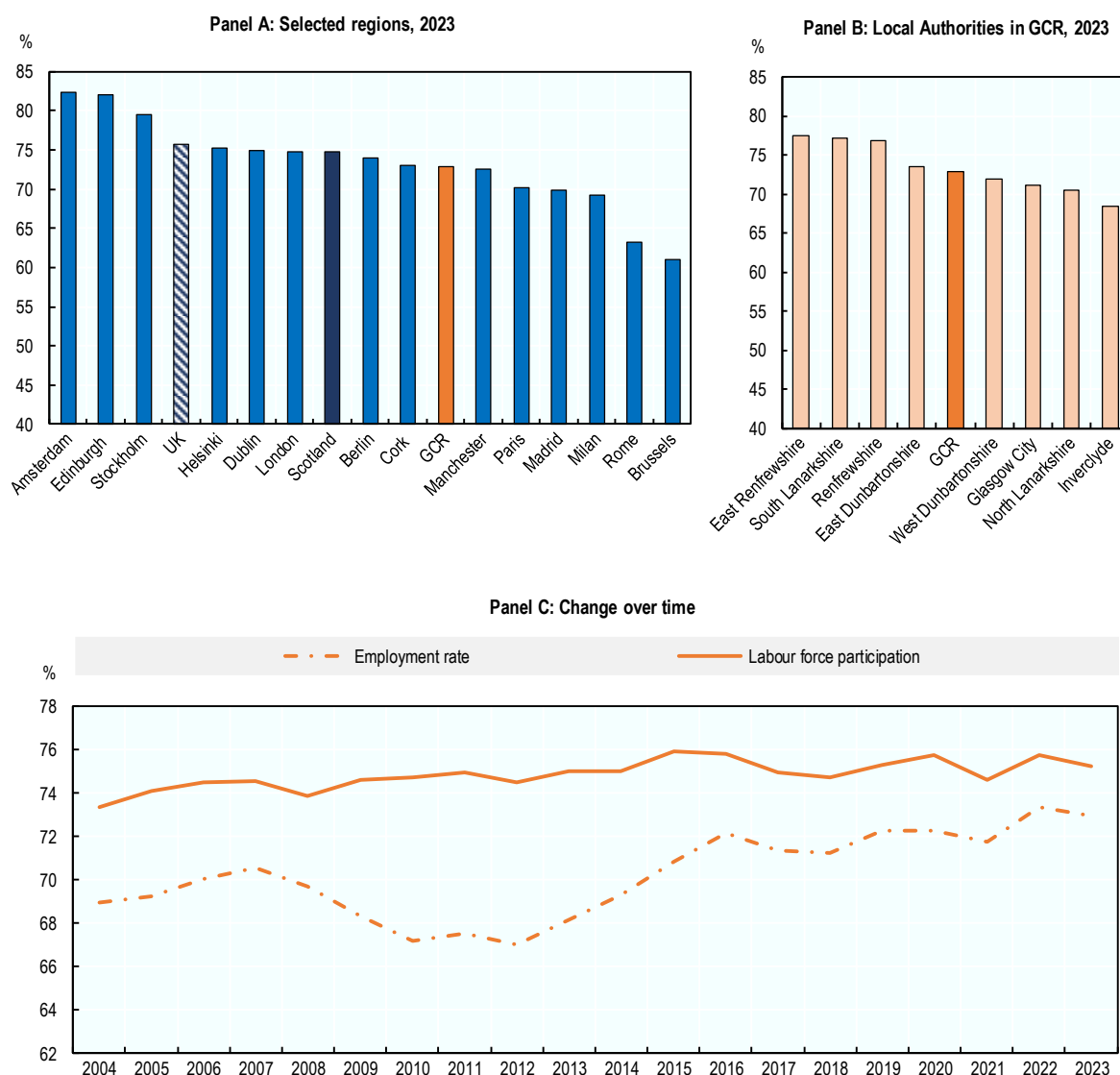
The most prominent industries in terms of GVA contributions were not necessarily those employing the largest share of workers. Human health & social work activities, wholesale & retail trade, and administrative & support service activities account for 15%, 13, and 11% of employment respectively. However, wholesale & retail trade and administrative & support services only contributed to 8%, respectively 6%, of GVA in the GCR in 2022. In contrast, financial & insurance activities and information & communication account for a much higher share of GVA than employment. This implies that productivity, measured as GVA per worker, differs across industries. The highest GVA per worker was observed for real estate activities and utilities (electricity, gas, water, sewerage and waste management) (ONS, 2024^[10]; NOMIS, 2023^[11]).

The unemployment rate is at a record low in the Glasgow City Region, but economic inactivity remains high despite a positive trend

The employment rate in the Glasgow City Region, at 73% in 2023, is low compared to the other cities in the UK and the OECD. The employment rate in GCR is below the UK (75%) and Scotland's averages (75%), and it is lower than in many OECD cities (Figure 2.7, Panel A). While the overall trend in the employment rate was positive in the last two decades, the employment rate in GCR dropped during the financial crisis to 67% and recovered to the pre-crisis level only in 2015. Subsequently, the employment rate stagnated before increasing to 73% in 2022 (Figure 2.7, Panel B). Over that period, the short-term volatility in the employment rate was driven mainly by the change in the number of unemployed, with the labour force participation, i.e., the share of economically active in the 16-64-year-old population, remaining stable during the financial crisis. However, the long-term increase in the employment rate is explained by both the gradual increase in labour force participation and a decrease in unemployment, accounting for a 3 and 2 percentage points increase in the employment rate since 2004, respectively. In 2023, the employment rate differed within GCR, ranging from 68% in Inverclyde to 78% in East Renfrewshire.

Figure 2.7. The employment rate in the Glasgow City Region is relatively low despite a positive trend

Employment rate, 15 to 64-year-olds



Note: Panel A refers to NUTS2 regions. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

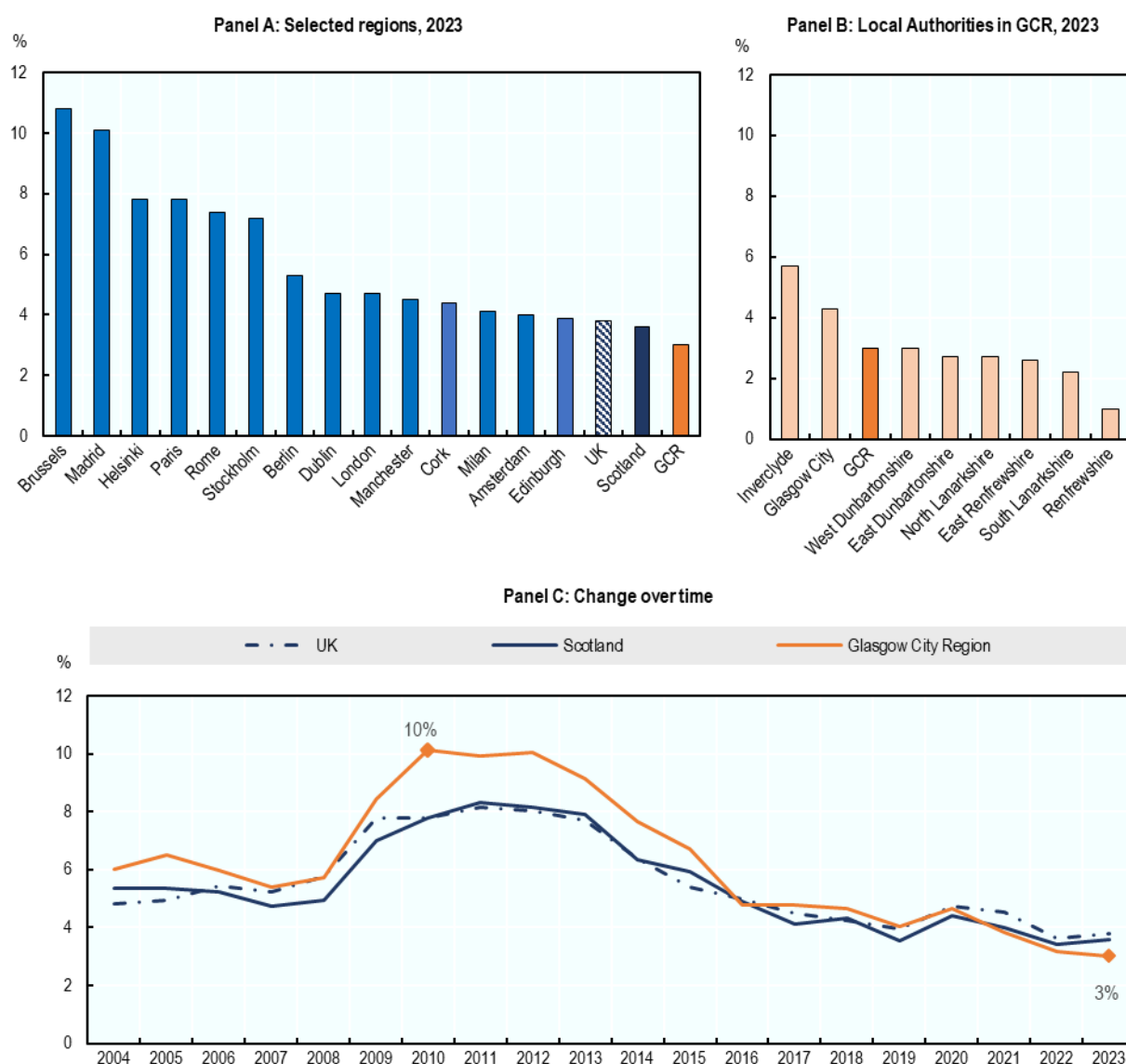
Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Labour market – Regions] for the remaining data.

The unemployment rate in the Glasgow City Region, at 3.2% in 2023, is at a record low. The current unemployment rate is below the UK (3.8%) and Scottish (3.6%) averages. It is also low compared to the other major cities in the UK and the OECD (Figure 2.8, Panel A). The unemployment rate in Glasgow City was 3% in 2023 and it was modelled to be even lower in the other Local Authorities, and especially low in South Lanarkshire (2.2%) and Renfrewshire (1%).

The decrease in the unemployment rate in Glasgow City is consistent with the trends in the UK and the rest of the OECD. The unemployment rate in GCR peaked during the financial crisis at 10.1% in 2010, and it has since decreased to the current record-low level of 3% in 2023 (Figure 2.8, Panel B). This is in line with the trends in the UK and the OECD. In the UK, the trend that started before the COVID-19 pandemic and was temporarily reversed by the pandemic brought the unemployment rate to the low levels not seen since the 1970s (ONS, 2024^[12]). In the OECD, the average unemployment rate followed a similar trend and decreased to 5.1% in 2022, a record-low since the start of the series. (OECD, 2024^[13]).

Figure 2.8. The unemployment rate in the Glasgow City Region decreased over the last decade to one of the lowest levels among the comparable cities

Unemployment rate, 15 to 64-year-olds



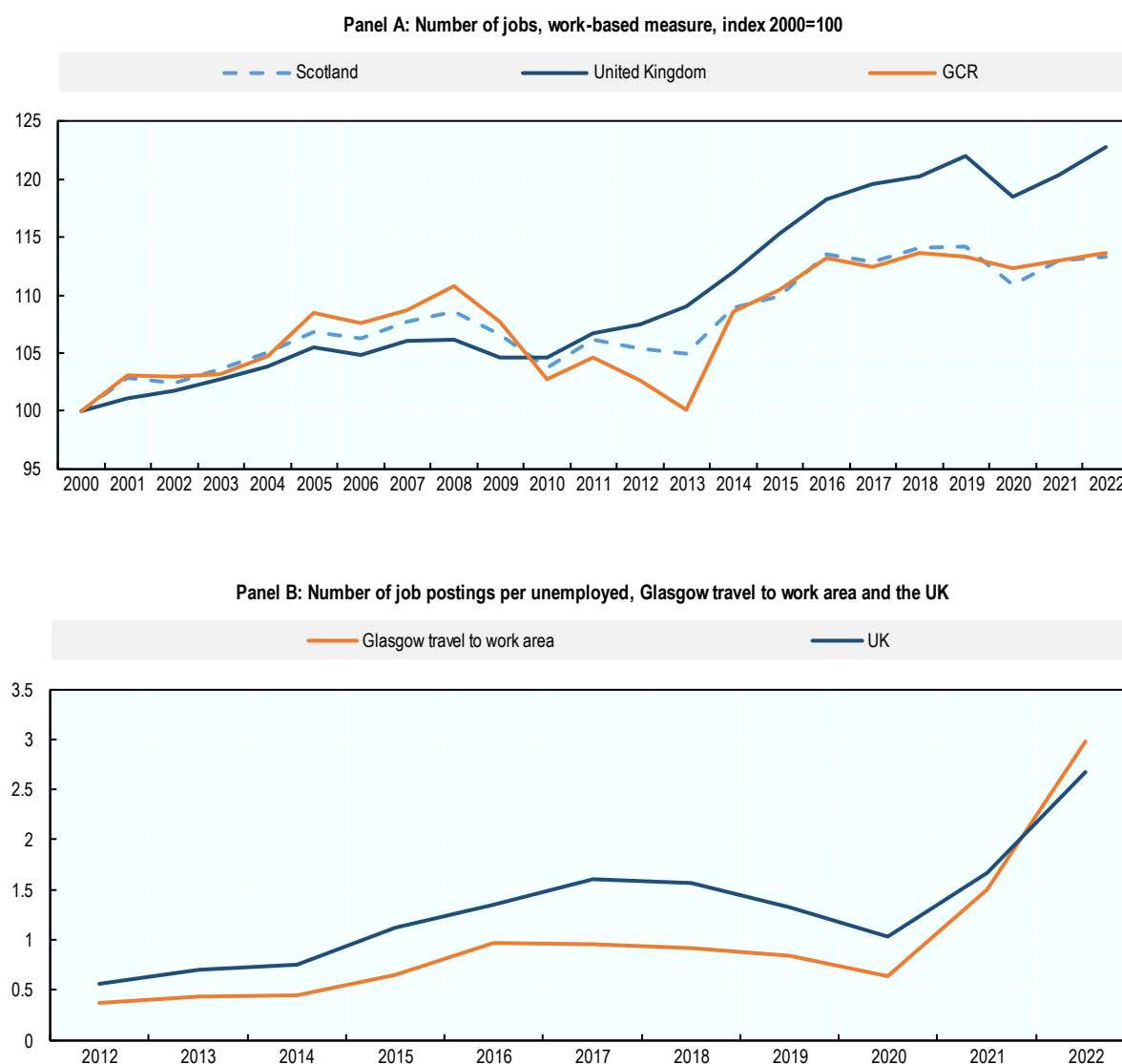
Note: Panel A refers to NUTS2 regions. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Labour market – Regions] for the remaining data.

The number of filled jobs in the Glasgow City Region increased over the last two decades but at a slower rate than in the UK. Between 2000 and 2008, the number of filled jobs in GCR increased faster than in the rest of the UK but then dropped drastically in the aftermath of the financial crisis and only recovered to the pre-crisis level in 2015 (Figure 2.9, Panel A). Overall, in 2022, there were 115 000 more jobs in GCR than in 2000, corresponding to a 14% increase. This is a similar growth rate to the Scottish average (13%) but lower than the UK (23%). An increase in the number of jobs since 2000 was observed in most of the Local Authorities in GCR, except in Inverclyde and East Dunbartonshire, which recorded a 15% and 3% decrease, respectively.

Moreover, there has been a large increase in online job postings in the last two years, and the labour market in Glasgow City and the surrounding areas has tightened. The number of online job postings in Glasgow travel to work area⁴ tripled between 2020 and 2022, a faster increase than in the UK. The increase in online vacancies, coupled with a decrease in the number of unemployed people, has led to a tightening of the labour market (Figure 2.9, Panel B). This is consistent with the trends observed in the UK and many OECD countries (OECD, 2023^[14]). Among sectors, exceptionally high demand was observed in *human health & social work*, which accounted for 25% of the vacancies advertised online. A higher share of vacancies than employment (15% in 2021) may indicate unmet demand in the sector.

Figure 2.9. The labour market has tightened in the Glasgow City Region in the last decade



Note: The number of job postings per year is an average of the quarterly number of postings.

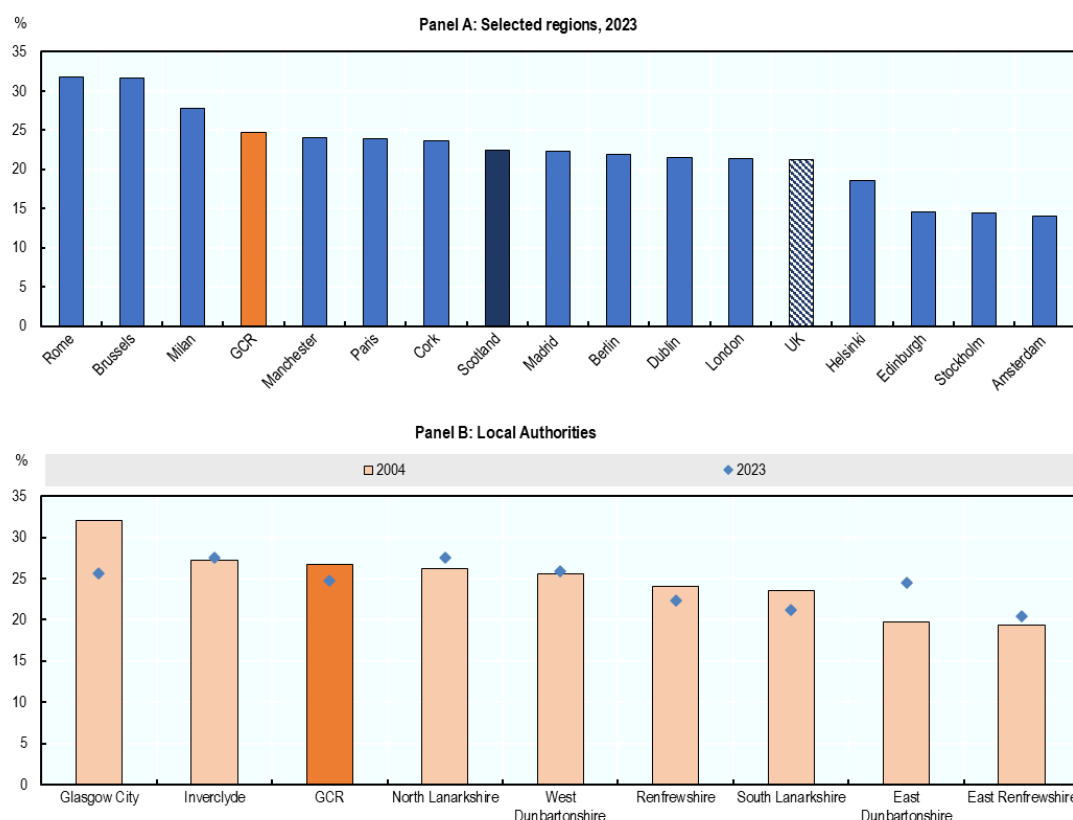
Source: OECD's calculations based on NOMIS [Jobs density] for the number of jobs NOMIS [Annual Population Survey] for the number of unemployed and Lightcast for the job postings.

While the unemployment rate in the Glasgow City Region is low and the labour market has tightened, economic inactivity remains a challenge. About 1 in 4 people (25%) aged 16 to 64 were economically inactive in GCR in 2023. The inactivity rate in GCR was higher than the Scottish (23%) and UK (21%) averages. It was also higher than in many UK cities, such as Manchester, London or Edinburgh, and high compared to many cities in the OECD (Figure 2.10, Panel A). However, over the last two decades, the economic activity of residents of GCR improved, and the inactivity rate decreased from 27% in 2004. A further reduction of the inactivity rate in GCR to the level observed in the best-performing OECD cities, such as Stockholm, would mean an extra 6 to 9% of the 16-64-year-olds, which translates to 70 000 to 100 000 additional workers in the labour market.

What is economic inactivity? Economically inactive are those who are not in employment and who (i) do not want a job, (ii) want a job but have not been seeking work in the last four weeks, or (iii) want a job and are seeking work but not available to start work in the next two weeks.

Figure 2.10. The inactivity rate remains high in the Glasgow City Region compared to other regions but differs across the Local Authorities

Inactivity rate, 15 to 64-year-olds



Note: Panel A refers to NUTS2 regions. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Labour market – Regions] for the remaining data.

However, the inactivity rate differs across Local Authorities in the Glasgow City Region. The highest inactivity rate is observed in North Lanarkshire (28%), Inverclyde (27%) and Glasgow City (26%), above the UK average (Figure 2.10, Panel B). In contrast, South Lanarkshire has the lowest inactivity rate in GCR at 21%. That's below the UK and Scottish averages and similar to the best-performing cities in the OECD on this metric.

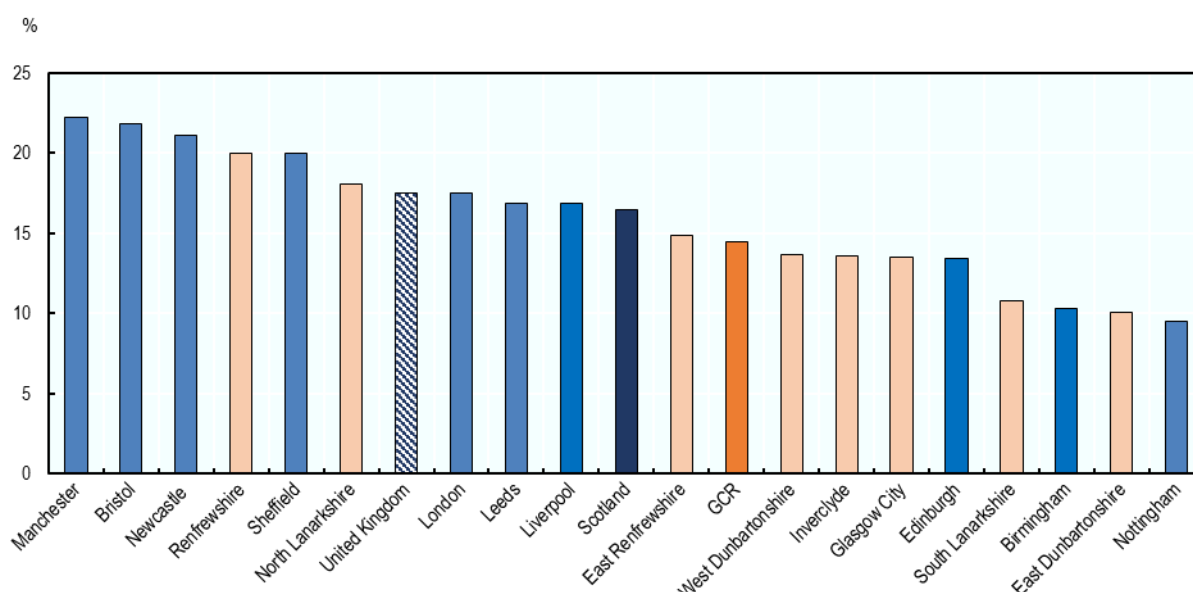
Glasgow City has a strikingly high share of households where no adults work. 1 in 7, or 15%, of Glasgow City residents between 16 and 64 years old live in a workless household, defined as a household where no individuals aged 16 and over are employed. This is higher than the UK average (10%). A high share of workless households is a challenge not only because it may lead to poverty but also because it may perpetuate inactivity as children grow up in households where they cannot emulate the good work habits of their parents. The high share of workless households in Glasgow City is driven mainly by the

prevalence of inactivity – 1% of the 16-64-year-olds lived in a household where all members were unemployed, 1.3% in a workless household with unemployed and inactive people, and 12.7% in a household where all members were inactive. However, it should be noted that the share of 16-64-year-olds living in workless households decreased over the last two decades from 23% in 2004.

In some Local Authorities, around five in ten inactive people would like to work. In GCR the share of inactive people who want a job (14%) is below the UK (18%) and Scottish (17%) averages. (Figure 2.11). In contrast, in Renfrewshire and North Lanarkshire, 20% and 18% of the inactive would like to work. These people represent an important untapped resource for the local economy and labour market.

Figure 2.11. A high share of the working-age population in Glasgow City is involuntarily inactive

Share of the inactive people by willingness to work, 2023



Source: OECD's calculations based on NOMIS [Annual Population Survey].

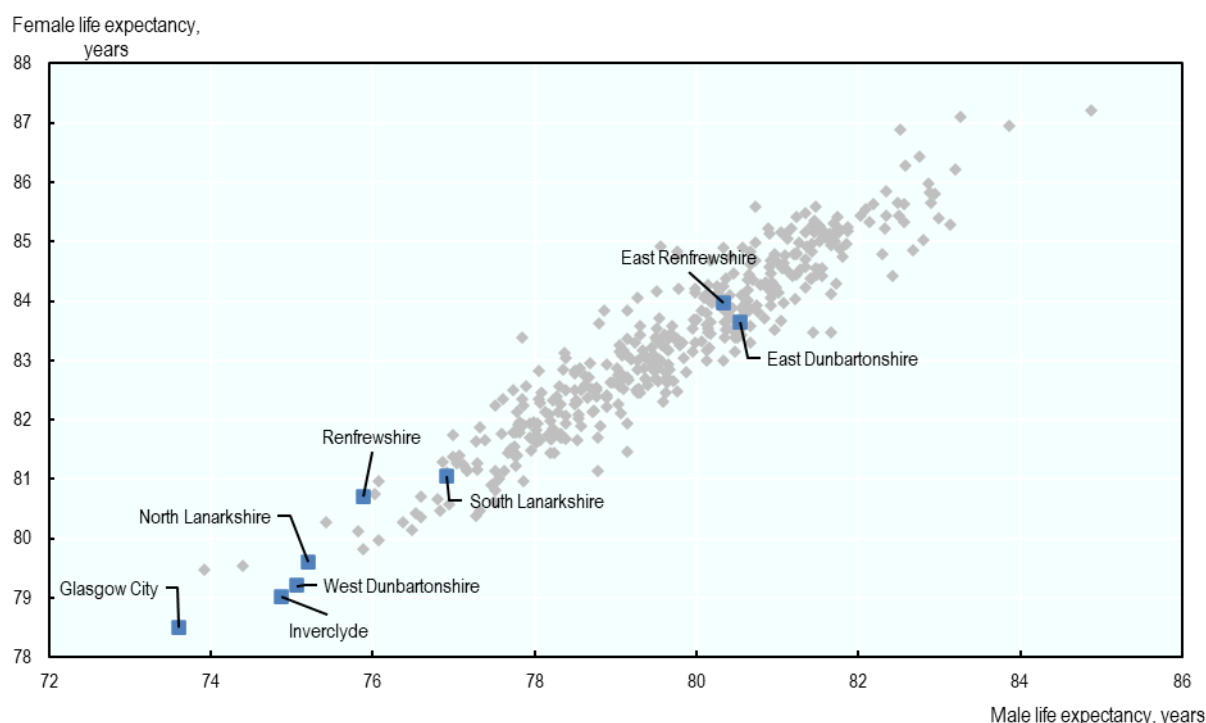
The inactivity rate in the Glasgow City Region after excluding students is mainly driven by a high incidence of long-term sickness. The high economic inactivity of the population poses a challenge to the local economy as it limits its growth potential. However, a high share of students are inactive temporarily while they invest in developing skills that will benefit the economy in the future, which means that high inactivity driven by enrolment in education does not need to be a negative phenomenon. In GCR, in 2023, 45% of the inactive were long-term sick, 3 and 7 percentage points higher than the Scottish and UK averages. However, it should be noted that over the last two decades, the share of the working-age population that was inactive for this reason decreased. The share of the inactive who take care of house/family (30%) is also higher in GCR compared to the UK and Scottish averages.

Poor health leading to the high incidence of disability in the population may be a barrier to employment in Glasgow City and some of the surrounding areas. Life expectancy in Glasgow City, 74 years for males and 79 years for females is the lowest in the UK (Figure 2.12) and lower than the OECD average, at 78 years for males and 83 years for females in 2021 (OECD, 2023^[15]). Males in Glasgow City are expected to live over a decade shorter than males in Westminster (85 years), the area with the highest life expectancy in the UK. While women tend to live longer than men, life expectancy for women in Glasgow City is also lower than for the rest of the UK. This phenomenon, referred to as the “Glasgow effect”, persists

even after controlling for deprivation, which is generally associated with poor health and a shorter lifespan (Glasgow Centre for Population Health, 2010^[16]). In addition to overall low life expectancy, Glasgow City also fairs poorly in terms of healthy life expectancy, a measure of the average number of years a person would expect to live in good health (ONS, 2022^[17]). Glaswegians report lower levels of life satisfaction and higher levels of anxiety than the UK average (ONS, 2022^[18]).

Figure 2.12. Glasgow City has the lowest life expectancy in the UK

Life expectancy at birth in years by Local Authority, UK, 2017-2019



Note: Markers represent Local Authorities in the UK.

Source: ONS [Life Expectancy by Local Authority].

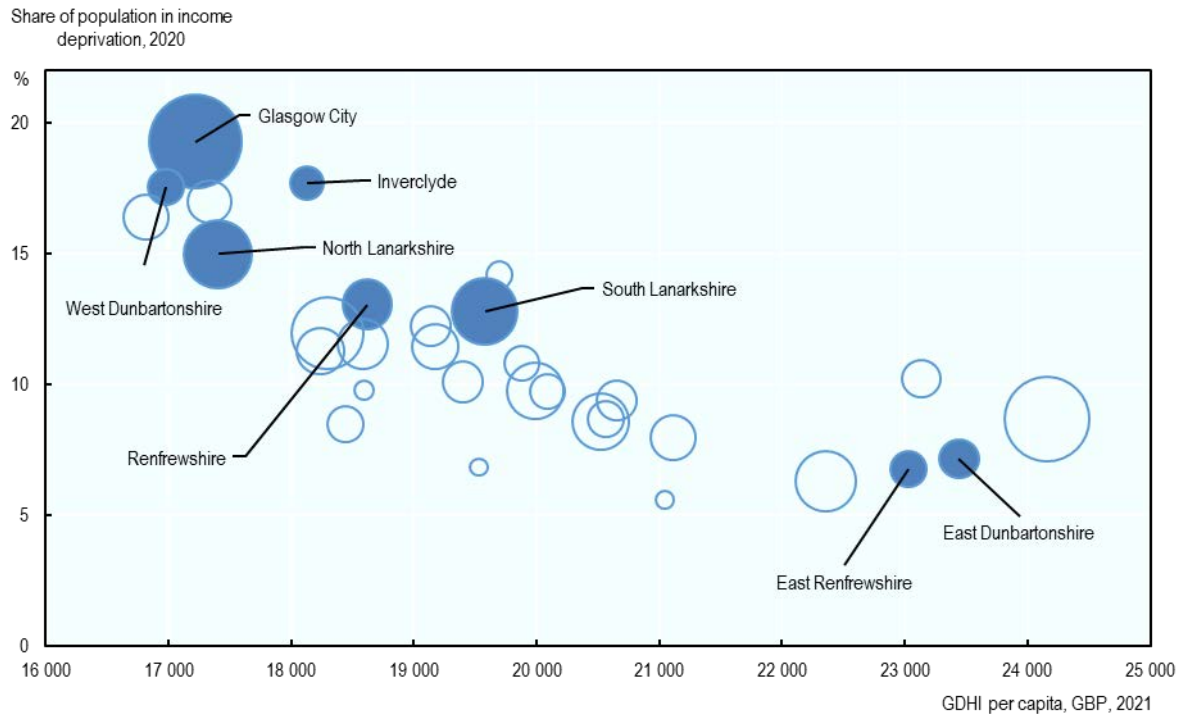
Poverty remains a challenge in Glasgow City and many of the surrounding areas

The three most income-deprived councils of Scotland are located in the Glasgow City Region. In Glasgow City, almost 1 in 5 people, or 19%, live in income deprivation. In Inverclyde and West Dunbartonshire, this figure is also high and stands at 14% and 13%, respectively. These three councils have the highest share of income deprivation in Scotland. Child poverty indicators also reflect income deprivation in Glasgow City and some surrounding areas. In 2021-22, over a third of children aged 16 or less lived in a poor household⁵ in Glasgow City (Understanding Glasgow, n.d.^[19]). However, there are large differences in income deprivation in the metropolitan area (Figure 2.13). East Renfrewshire and East Dunbartonshire record one of the lowest rates of income deprivation in Scotland, at 7%, below the Scottish average (12%) (Scottish Government, n.d.^[20]). Poverty in the metropolitan region is likely to be exacerbated by the cost of living crisis, i.e., the current period during which the price of everyday essentials increases faster than average household income, with Glasgow urban area experiencing higher inflation than most other cities in the UK (Rodrigues and Quinio, 2022^[21]).

Income deprivation, as defined by the Scottish Index of Multiple Deprivation (SIMD), is a measure of the percentage of the population (adults and their dependents) in receipt of Income Support, Employment and Support Allowance, Job Seekers Allowance, Guaranteed Pension Credits, and Child and Working Tax Credits (Understanding Glasgow, n.d.^[22]).

Figure 2.13. Three councils with the highest share of income deprivation in Scotland are located in the Glasgow City Region, but there are income disparities within the metropolitan region

Income deprivation in 2020 and gross disposable household income per head in 2021.



Note: GDHI – Gross disposable household income per head. The size of the bubbles indicates the size of the council's population.

Source: OECD's calculations based on the Scottish Government [Scottish Index of Multiple Deprivation 2020] and NOMIS [Regional Accounts].

The high incidence of income deprivation in Glasgow City is in line with the low household income in the area. The gross disposable household income per head (GDHI), i.e., the amount of money individuals has for spending or saving, was GBP 17 215 per head in 2022 in Glasgow City. That was just above half of the GDHI in London and only 79% of the UK average. In relative terms, the GDHI in Glasgow City decreased over the last 20 years from 84% of the UK average in 1997. In 2023, the median annual pay in Glasgow City was also slightly lower than the UK figure, but the gap was smaller than in household income. In 2023, the median yearly pay in Glasgow City was GBP 28 840. That's more than 20%, or GBP 7 400, lower than in London.

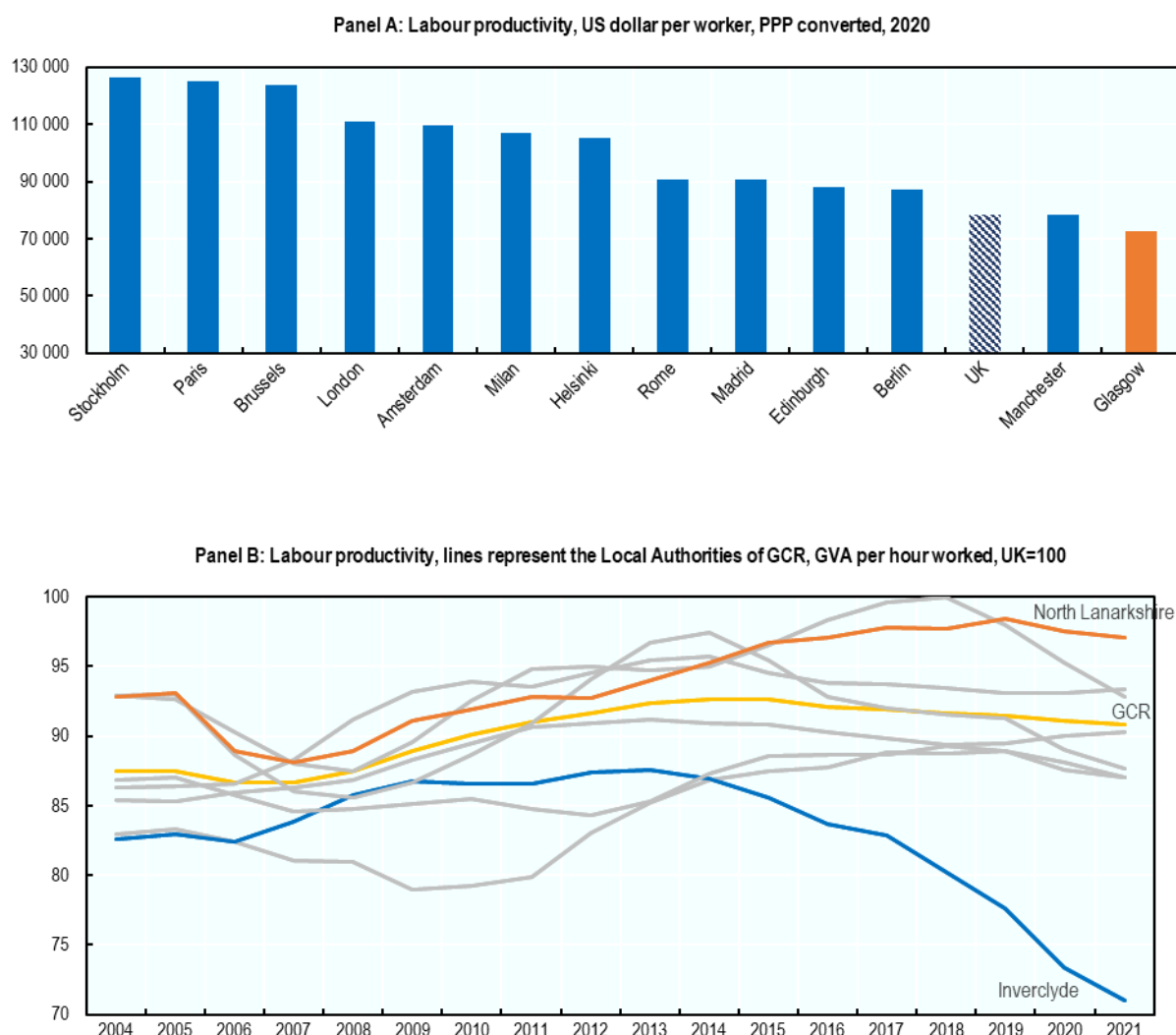
Gross disposable household income (GDHI) is the amount of money that all the individuals in the household sector have available for spending or saving after income distribution measures (for example, direct taxes, social contributions and benefits) have taken effect (ONS, 2016^[23]).

There are large differences in pay and household income across the councils in the Glasgow City Region. Among the Local Authorities in GCR, Glasgow City and West Dunbartonshire have annual salaries below the UK median. In contrast, East Renfrewshire and East Dunbartonshire recorded a median income higher than in the UK of 31% and 20% respectively. Like in the case of pay, there are differences across the LAs in GCR in household income. The lowest GDHI per head in GCR was recorded in Glasgow City.

Labour productivity in the Glasgow City Region is below the UK average, but the gap has narrowed as the share of high-skilled workers and degree holders increased

The Glasgow City Region is underperforming compared to the UK and OECD in terms of productivity, and while that gap has narrowed in the last 20 years, it has recently started widening again. Workers in GCR are only 91% as productive as in the UK, measured as GVA per hour worked. The gap narrowed from 87% in 2004 to 93% in 2015, but it has recently started widening again. Labour productivity in GCR is also lower than in most comparable cities (Figure 2.14, Panel A). Low labour productivity is a broader challenge in the UK's second-tier cities, i.e., major cities other than the capital. While in most large OECD countries, second-tier cities have productivity levels that are as high as, or higher than, the national average, the opposite is true in the UK (OECD, 2020^[24]).

Figure 2.14. Labour productivity in the Glasgow City Region is low compared to other cities in the OECD



Note: Panel A refers to Functional Urban Areas. Glasgow FUA corresponds to the Glasgow City Region. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

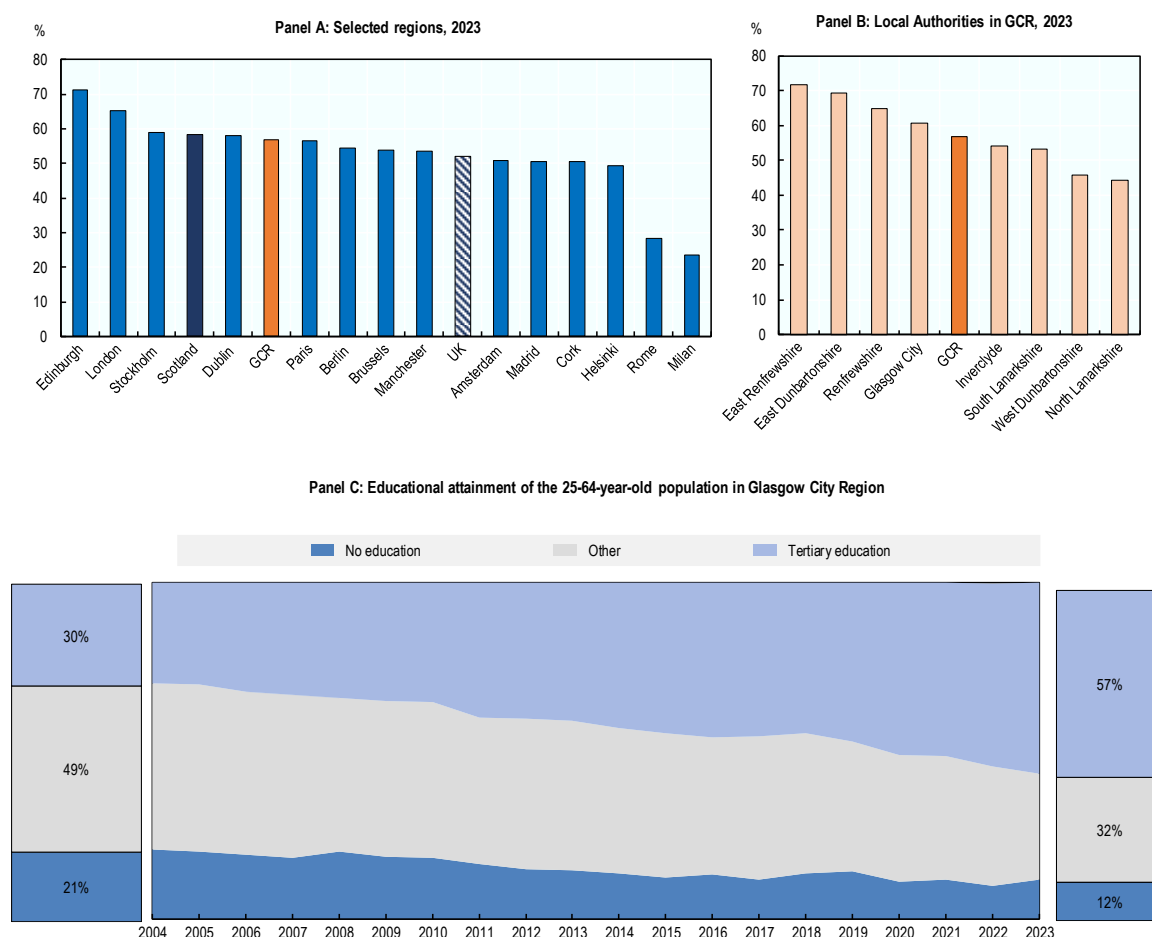
Source: OECD's calculations based on ONS [Subregional productivity] for UK data and OECD.Stat [Economy – FUAs] for the remaining data.

Labour productivity is below the UK average in all Local Authorities of the Glasgow City Region, but it is particularly low in Inverclyde. The lowest productivity is observed in Inverclyde, where, on average, the output of one hour worked was only 71% of the UK average in 2021. In contrast, in North Lanarkshire, the council with the highest productivity in GCR, GVA per hour worked was 97% of the UK average. While productivity increased in most of the councils in GCR over the last two decades, in Inverclyde, productivity relative to the UK average has been decreasing since 2013 (ONS, 2023^[25]). Improving infrastructure, supporting technology adoption, and skills development could help address the disparities within GCR and ensure sustainable growth for all communities (see Chapter 3).

The share of degree-holders increased in the last 20 years in the Glasgow City Region, and it is now higher than the UK average, but there are still many Glaswegians with no qualification. In 2023, those holding a tertiary degree accounted for 57% of 25-64-year-olds in GCR, one percentage point lower

than in Scotland but five percentage points higher than the UK average. The share of degree holders in GCR was higher than in many OECD cities, including Paris, Berlin and Brussels (Figure 2.15, Panel A). This results from a tremendous improvement in educational attainment in GCR, with the share of 25-64-year-olds holding a degree increasing from 30% in 2004 to 57% in 2023. At the same time, the share of those with no qualification nearly halved from 21% in 2004 to 12% in 2023 (Figure 2.15, Panel B). However, despite the overall increase in the educational attainment in GCR over the last two decades, the share of 25-64-year-olds with no qualification remains above the UK and Scottish averages by six and four percentage points, respectively.

Figure 2.15. The share of degree holders nearly doubled in the Glasgow City Region over the last two decades



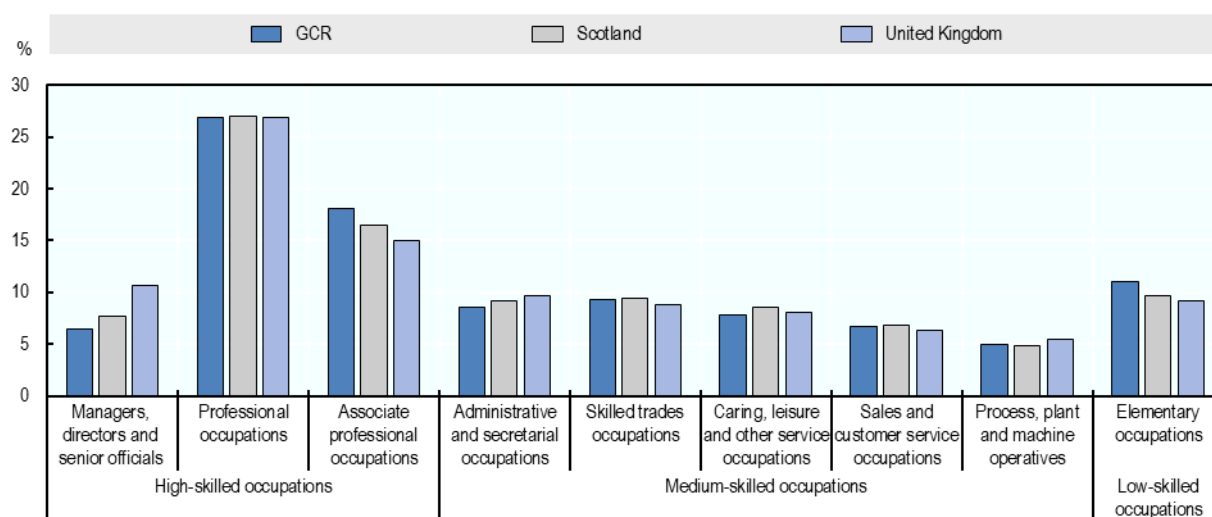
Note: Panel A refers to NUTS2 regions. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Labour market – Regions] for the remaining data.

Despite the increase in the number of degree holders, the share of high-skilled jobs remains below the Scottish average. In 2023, the employment structure in GCR comprised 52% of high-skilled workers, 37% of medium-skilled workers and 11% of low-skilled workers (Figure 2.16). While the share of high-skilled workers in GCR was still below the Scottish average of 58%, it equalled the UK average in 2023.

Figure 2.16. The share of high-skilled occupations in the Glasgow City Region is close to the UK average

Employment by occupation in GCR, Scotland and the UK, 2023



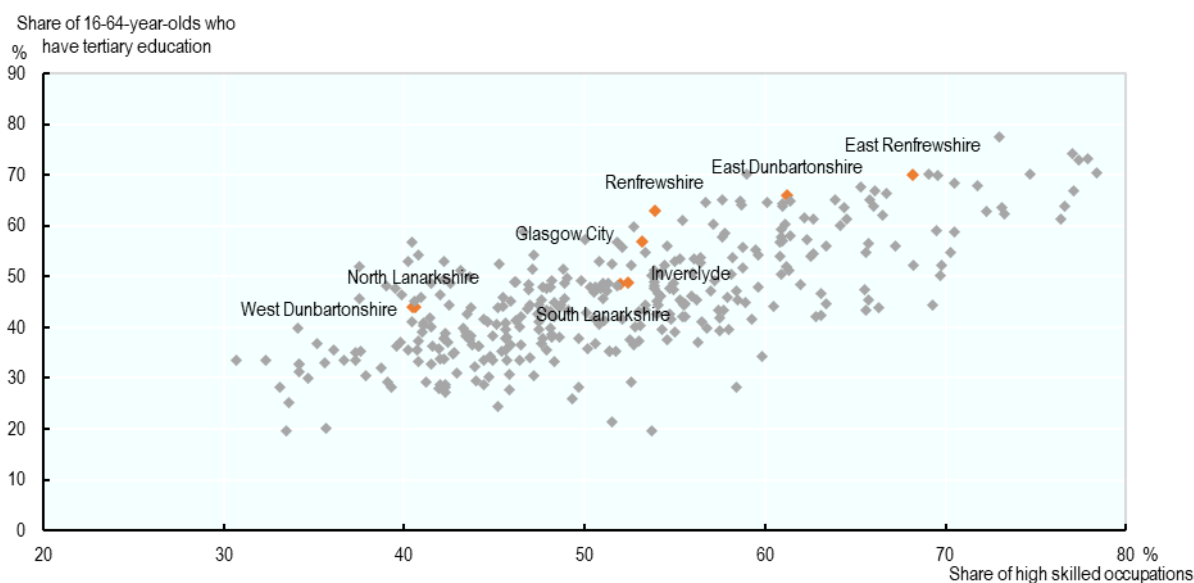
Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

There are striking differences in the occupational composition and educational attainment within GCR. For example, in East Renfrewshire, the share of high-skilled workers was 68% in 2023, while it was slightly above 40% in North Lanarkshire and West Dunbartonshire, (Figure 2.17). There are also large differences in educational attainment. In East Renfrewshire, the Local Authority has the highest share of degree holders, and in 2023, over 70% of the 15-64-year-olds obtained a degree. This value is 26 percentage points higher than in West Dunbartonshire, the Local Authority with the lowest share of degree holders. Similar differences are observed in the share of the population with no qualification. In North Lanarkshire, 15% of 16-64-year-olds do not have a qualification. In contrast, this statistic stands at only 4% in East Renfrewshire.

Figure 2.17. There are large differences in occupational composition and educational attainment across councils in the Glasgow City Region

Share of high-skilled occupations and educational attainment by Local Authority, UK, 2023



Note: Markers represent Local Authorities in the UK. High-skilled occupations are defined as “Managers, Directors and Senior Officials”, “Professional Occupations”, and “Associate Professional & Technical Occupations”. Oadby and Wigston, the City of London, and the Isles of Scilly were excluded due to the lack of data.

Source: OECD’s calculations based on NOMIS [Annual Population Survey].

Educational attainment differs even within Local Authorities and is lower in income-deprived areas.

For example, there are large differences in the share of 17-21-year-olds entering university within Glasgow City. In the zone with the lowest university enrolment, almost none of the 17-21-year-olds enter university, while in the best zone on this metric, this statistic stands at 82% (Scottish Government, 2020^[26]). Even in Local Authorities with high university enrolment like East Renfrewshire, there are zones, such as parts of Neilston and Uplawmoor or Arthurlie and Gateside, where few 17-21-year-olds enter university. Educational attainment is correlated with income deprivation. In the least deprived areas of Scotland, 17-21-year-olds are more likely to enter university than in the most deprived areas. At the same time, the share of the working-age population with no qualification increases with income deprivation of the area. The differences in educational attainment matter because they correlate with labour market outcomes. In GCR, more than eight in ten people (84%) with tertiary education are employed versus less than five in ten (46%) among people with no education.

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Notes

¹ Glasgow City Region is Glasgow's Functional Urban Area (FUA). A FUA comprises a densely inhabited city and the surrounding commuting zone and aims to include the full economic function of a city.

² Using primary urban areas (PUAs) definition applied by the Centre for Cities, Glasgow includes the following Local Authorities: East Dunbartonshire, East Renfrewshire, Glasgow City, Renfrewshire.

³ Despite the de-industrialisation, some heavy industries, such as shipbuilding and aerospace industry, remain in the metropolitan area (Invest Glasgow, n.d.^[28]).

⁴ Travel to work areas are statistical entities in the UK which have been created to demonstrate areas in which people live and work (ONS, 2024^[27]).

⁵ Households are defined as living in poverty if their income is less than 60% of the UK median income.

3

Aligning regional skills supply and demand and supporting re- and upskilling of adults

This chapter reviews the adult skills system in Scotland and explores how the system is geared to provide re- and upskilling opportunities responsive to regional labour market changes. The chapter analyses measures for participation in adult learning in the region and discusses what regional priorities this raises. It then explores the key features of the adult skills system within the Glasgow City Region, including the main types of re- and upskilling, sources of funding, and different providers, and identifies options to reduce barriers to participation in adult learning and increase employer engagement at the regional level.

In Brief

Taking steps towards a regional skills system in the Glasgow City Region

- **The requirement for re- and up-skilling of adults is growing within the Glasgow City Region (GCR) as the labour market changes.** Although the region already has one of the most highly skilled working-age populations in the UK – over two-fifths are qualified to a degree level – there is no room to standstill as demands for high skills are expected to grow. At the same time, GCR also has a high share of workers with no qualifications (12% in 2023). Despite the ongoing labour market changes, adult participation in adult learning in GCR is below the UK and EU averages and lower than in many other European metropolitan regions.
- **In light of limited participation in adult training, skills deficits have increased in the region.** The region has experienced growing skills shortages, gaps and under-utilisation in recent years. For example, in 2022, the share of firms with a vacancy and a skill-shortage vacancy in the Glasgow Regional Outcome Agreement Area (covering three of the eight LAs) was second highest in Scotland at 27%. The area also shows a high share of skills under-utilisation.
- **The responsibility for adult skills policies is devolved from the UK to the Scottish Government, but the system remains relatively centralised at the Scottish level.** Adult learning programmes are coordinated and managed through various national skills agencies, which strongly influence funding allocations regionally and locally, as well as the nature and content of provision and participation volumes. The three leading providers are colleges, universities, and independent training providers. Community Learning and Development and employability programmes complement these.
- **The funding landscape for adult learning is complex, and Scotland-wide input and output targets firmly guide core funding allocations.** Financing adult skills policies includes core funding, e.g., course provision in colleges and universities, and short-term financing. Core funding for colleges and universities is guided by Scotland-wide targets for input (students) and outputs (credits) rather than outcomes or employer needs. This presents a fundamental challenge at the regional level.
- **In GCR, the importance of skills in supporting economic development is increasingly recognised.** GCR is home to six colleges and six higher education institutions, as well as various independent training providers. Although not the region's primary *raison d'être*, skills policies are increasingly featured in GCR's key regional strategies, e.g. the latest GCR *Regional Economic Strategy* and the *Regional Skills Investment Plan*. Nevertheless, the link between regional economic development and skills policies remains relatively weak.
- **In the context of national skills reforms, skills devolution is discussed as one way to strengthen regional skills provision in GCR.** In GCR, stakeholders struggle to align regional skills provision with labour market demand. Challenges include i) the financing mechanisms for further and higher education institutions driven by input and output targets rather than outcomes; ii) insufficient funding for retraining and enhancing skills for workers; iii) a funding allocation across work-based learning, colleges, and universities that limits the re- and upskilling opportunities for adult workers; and iv) a lack of detailed regional labour market data to tailor

educational offerings to regional demands. GCR is using the momentum of ongoing reforms of the skills system to push forward the idea of further regionalisation.

- **There are options to strengthen participation in adult learning through various national, regional and local measures.** Financial incentives for individuals to participate in education and training are weighted towards younger, full-time students pursuing a university degree. These national schemes are supplemented by local schemes run by LAs, in particular, to provide targeted support for vulnerable adult learners. Yet, often, these do not cover the tuition fee. Multiple stakeholders offer career guidance for adults, and there are options at the regional level to simplify and streamline services and develop bespoke GCR guidance material. Flexible adult learning provision, including increased use of micro-credentials, presents an opportunity for the region to engage more adults in re- and upskilling.
- **There are several mechanisms for employer engagement in GCR, but these could be simplified, and the engagement of small and medium-sized employers strengthened.** Glasgow City Region has two central employer engagement bodies: the *Glasgow Economic Leadership Board* and the *Glasgow Employment and Skills Board*. Each represents various (mainly larger) employers across critical sectors in the regional economy. GCR could take steps to review and strengthen mechanisms for employer engagement on skills issues, including through a *Regional Skills Board*, which would also include representation of providers and learners. In addition, links between business and skills support for employers could be strengthened by piloting Employer Hubs in the region.

Introduction

In changing labour markets, re- and upskilling is essential to support individual career progression, increase productivity, and create sustainable economic growth. The world of work is changing fast, and so is the demand for skills. Ongoing skills investment over people's lifetime is critical to future productivity and success as the economy and labour market evolve. Reskilling (i.e. developing new skills unrelated to one's current skill set) and upskilling (i.e. learning new skills to enhance one's current skill set) can help individuals stay relevant in the labour market and move up the career ladder. These practices are relevant for all workers, regardless of skill level, and for companies to stay productive.

The Glasgow City Region (GCR) recognises the critical importance of adult skills provision to drive regional economic growth in a way that makes the economy more inclusive and meets Scotland's net zero target. While the main *raison d'être* of GCR is implementing the more than GBP 1 billion City Deal, the region recognises the importance of skills to support its ambition of inclusive and climate-neutral economic growth. This is evidenced in key strategic documents such as the 2020 *Looking Forward to the Future* report from the *GCR Economic Growth Commission* (Policy Scotland, 2020^[1]) and the 2021 *Regional Economic Strategy* (RES) (Glasgow City Region, 2024^[2]). Despite plans to reform the Scottish skills system, the adult skills system in Scotland remains highly centralised, and the options for LAs and the region to align regional skills supply with demand remain restrained.

This chapter analyses the role and responsibilities of various stakeholders at the Scottish, regional and local levels in delivering re- and upskilling opportunities for adults in the Glasgow City Region. The first section of the chapter provides key data on participation in adult learning and the nature of skills demand and supply in GCR. Section two outlines the key features of the skills system in Scotland, exploring the main types of re- and upskilling, sources of funding, and providers. The third and fourth sections look more specifically at the adult skills system in GCR and analyse the challenges and opportunities for strengthening the link between skills supply and demand at the regional level. Lastly, sections five and six review options to reduce barriers to participation in adult skills development in GCR and to strengthen employer engagement in the regional skills system.

Participation in adult learning in Glasgow City Region

The requirement for re- and up-skilling is growing within the Glasgow City Region as the economy is continually disrupted. Ongoing changes in the labour market due to the green and digital transitions combined with short-term economic shocks following the COVID-19 pandemic and Russia's war of aggression in Ukraine are increasing the need for re- and upskilling in GCR. The region already has one of the most highly skilled labour markets, with 52% of the working-age population qualified to a degree level in 2022. Yet, there is no room for a standstill as future demand for skilled workers to fill positions in administration and support services, wholesale and retail, and human health and social work are expected to grow (Glasgow City Region, 2021^[3]; Skills Development Scotland, 2022^[4]). The region also faces immediate shortages in energy, construction, transport, manufacturing and waste sectors to support the green transition and become the first circular city in Scotland to meet carbon-netrual goals by 2030. (Glasgow City Council, 2024^[5]). At the same time, GCR has one of the highest shares of the working population with no qualifications (12% in 2021), the 2nd highest level among the UK's Core Cities. Recent analysis suggests that in 2030, 94% of the UK workforce will need to re- and upskill (Allas, Fairbairn and Foote, 2020^[6]), equating to around 839 000 workers within the GCR alone.

This section analyses different measures of participation in adult learning in the Glasgow City Region. It shows that despite the increasing need for re- and upskilling of the workforce in the region, this is not translating into growth in adult learning, as evidenced through a range of measures. Following

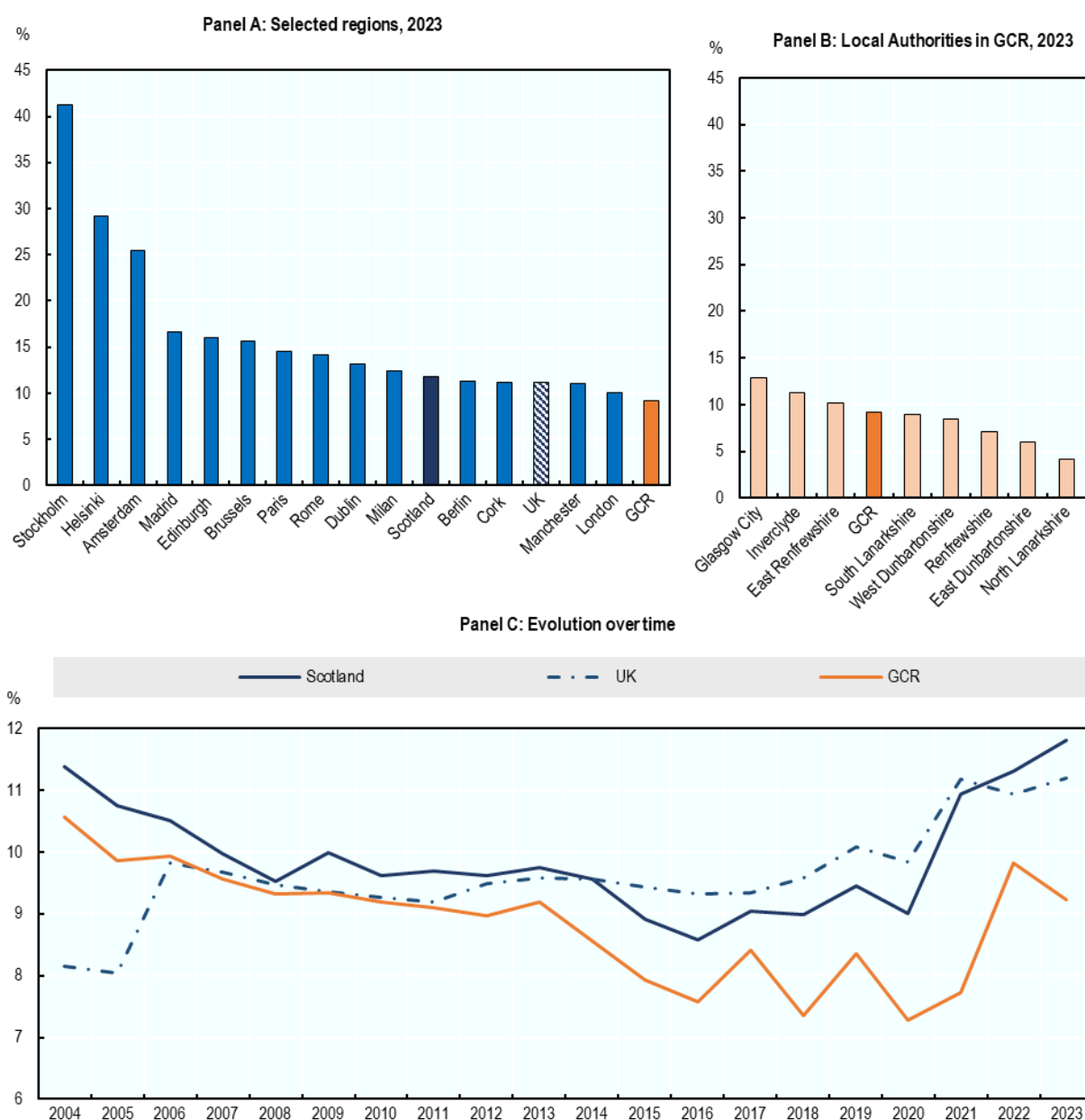
general OECD trends, this is especially the case for low-skilled workers, self-employed and part-time workers. At the same time, skills shortages in the region are persistent and increasing.

Participation in adult learning is low in the Glasgow City Region, and it varies across its Local Authorities

Participation in adult learning in the Glasgow City Region is below the UK and EU averages and lower than in many EU regions. In 2023, 9% of 25-64-year-olds in GCR participated in work-related training in the last four weeks¹, respectively two and three percentage points less than the UK and the Scottish averages (Figure 3.1, Panel A). GCR fares even worse in comparison to most European regions. In 2023, participation in adult learning was more than four times higher in Stockholm (41%) than in GCR and over three times higher in Helsinki (29%). Low participation in adult learning was also observed across LAs in GCR, ranging from 4% in North Lanarkshire to 13% in Glasgow City (Figure 3.1, Panel B). Moreover, little improvement in adult learning was observed in GCR in the last 15 years (Figure 3.1, Panel C). In 2004, 11% of 25-64-year-olds participated in training in the four weeks preceding the interview. That number gradually decreased and reached a low of 7% in 2018. After a jump to 10% in 2022, participation in adult learning decreased again to 9% in 2023.

Figure 3.1. Adult participation in education and training in the Glasgow City Region is low in international comparisons

Participation in education and training in the last four weeks, 25-64-year-olds



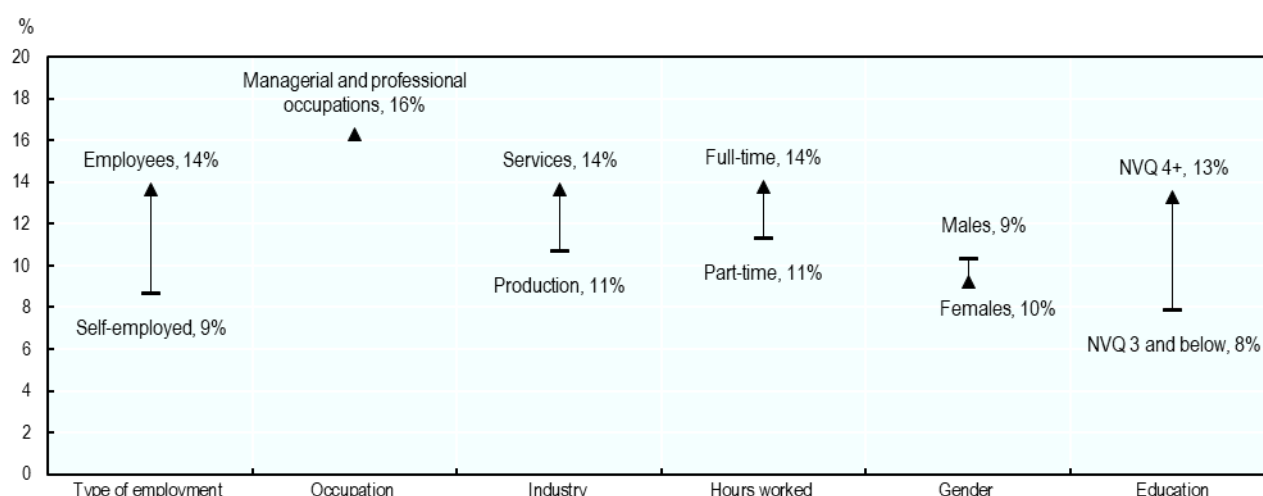
Note: Panel A refers to NUTS2 regions. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire. The participation measures cover participation in formal and non-formal education and training.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Education – Regions] for the remaining data.

Participation in adult learning in the Glasgow City Region differed along individual characteristics, such as education and type of employment. Males and females aged 25 to 64 were almost as likely to participate in adult learning, at 9% and 10% respectively (Figure 3.2). In contrast, large differences in participation in adult learning were observed between those with and without university education. Among those with a university education, 13% participated in work-related training, compared to 8% without a university education. Employees were more likely to participate in training (14%) than self-employed (9%). The share that participated in training was also higher among those working full-time (14%) and in the service sector (14%). Participation in training among managerial and professional occupations, at 16%, was higher than the GCR's average but still below the training participation observed in the general population in regions such as Stockholm, Helsinki or Amsterdam.

Figure 3.2. Individual characteristics have an impact on adults' participation in job-related training in the Glasgow City Region

Participation in education and training in the last four weeks, 2023



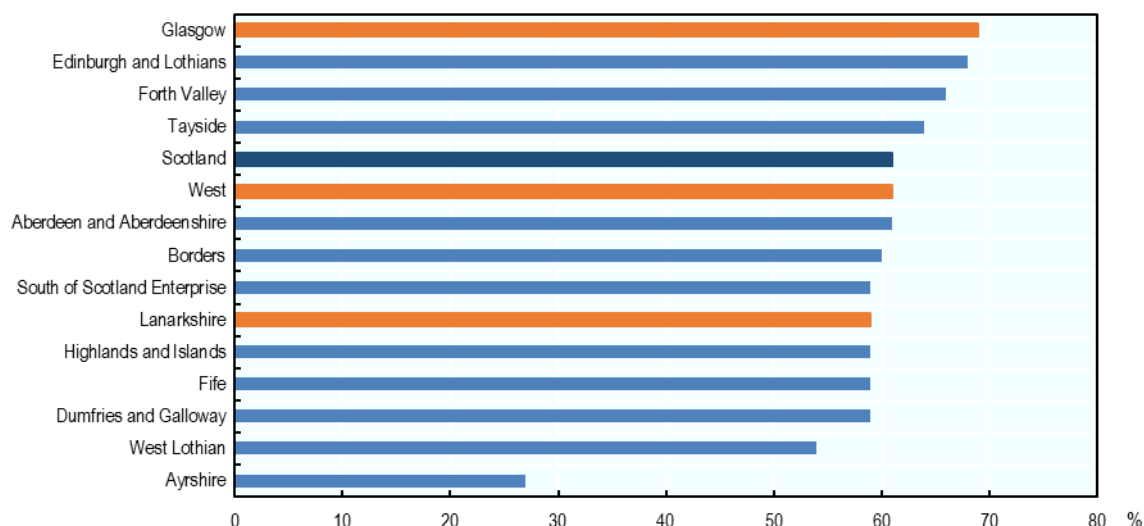
Note: Data for Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire. Estimates are for those in employment aged 16 and above who reported they had participated in job-related training in the last four weeks. Data refer to people in employment aged 16-64. Job-related training includes on-the-job training, training away from the job and pre-employment training.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

The Glasgow Regional Outcome Agreement area outperforms other Scottish regions in the share of employers that arrange or fund training for their staff. The Scottish Employer Skills Survey, supported by the Scottish Government, highlights critical features behind employers' training behaviour. In 2022, 61% of the Scottish employers surveyed reported having arranged or funded training for their staff in the previous 12 months (Figure 3.3). In addition, 59% of employees reported having received training in the previous 12 months. This proportion was higher than in 2020 (55%) but lower than pre-pandemic levels (62% in 2017). The greatest proportion of staff trained were by employers in the Glasgow Regional Outcome Agreement (ROA) Area, which includes Glasgow City and parts of East Dunbartonshire and East Renfrewshire (69%). The proportion was lower in the West ROA (which includes parts of East Renfrewshire, Inverclyde, Renfrewshire and West Dunbartonshire) and in Lanarkshire ROA (which includes North Lanarkshire, South Lanarkshire and parts of East Dunbartonshire) (at 61% and 59%, respectively). Among those establishments that did not provide training, the majority believed that their employees did not need training, 70% in the Glasgow ROA, 67% in the Lanarkshire ROA and 69% in the West ROA.

Figure 3.3. The Glasgow ROA has the highest proportion of staff trained among Scottish regions

Proportion of staff trained over the past 12 months, 2022



Note: Glasgow Regional Outcome Agreement (ROA) includes Glasgow City and parts of East Dunbartonshire, East Renfrewshire; Lanarkshire ROA includes parts of North Lanarkshire, South Lanarkshire and parts of East Dunbartonshire; West ROA includes Inverclyde, Renfrewshire, West Dunbartonshire and parts of East Renfrewshire. The Employer Skills Survey defines training as 1) Off-the-job training, which is training that the employer funds or arranges and that takes place away from the employee's immediate work location/position and 2) On-the-job training, which is training that the employer funds or arranges and takes place where the employee normally works (e.g. at their desk). These would be activities recognised as training by staff rather than the sort of learning by experience which could take place all the time.

Source: Scottish Government (2023[7]), "UK Employer Skills Survey 2022 – Scotland Report", www.gov.scot/publications/uk-employer-skills-survey-2022-scotland-report/.

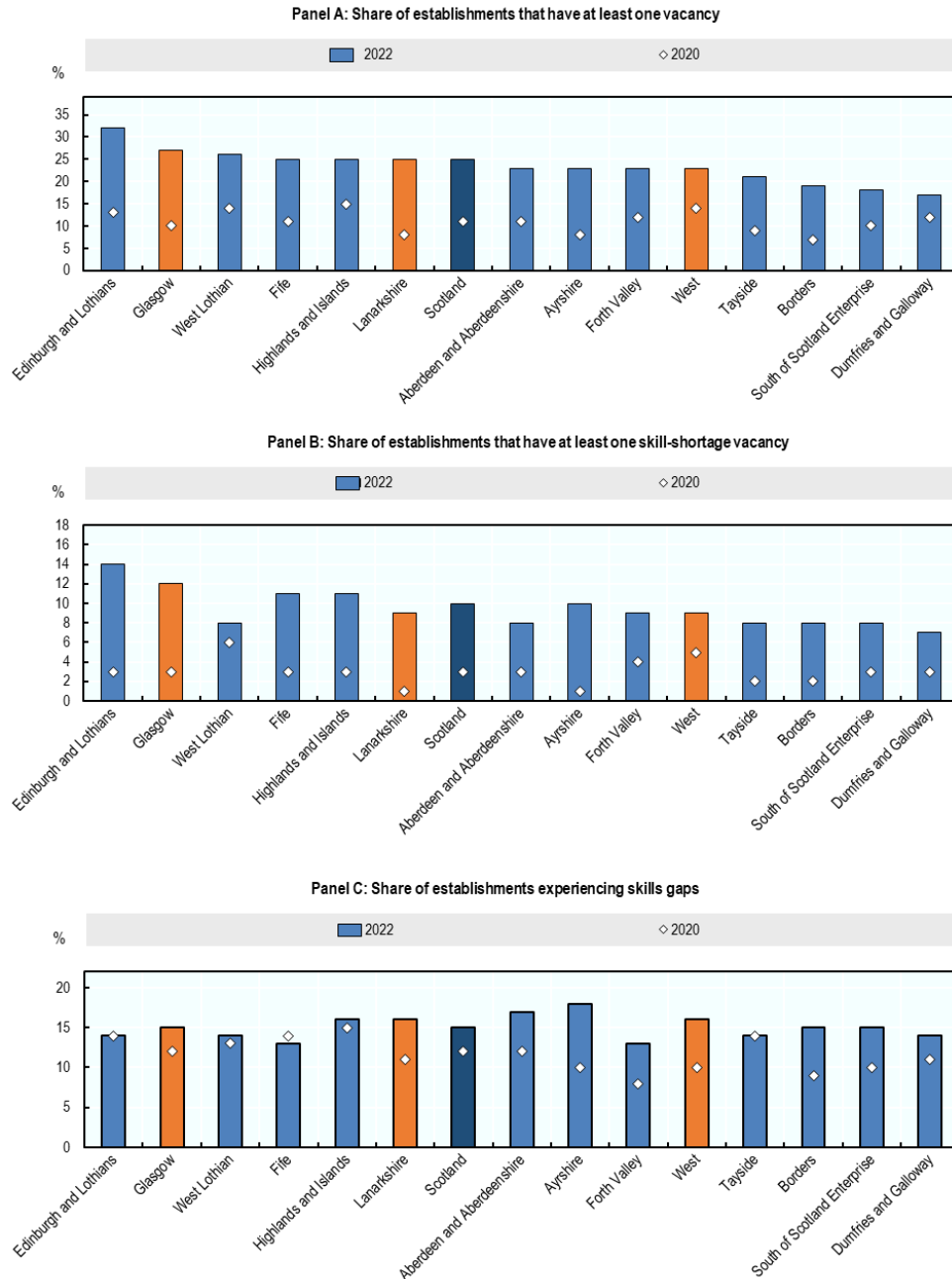
Employers' training behaviour in Scotland varies across sectors and firm sizes. In 2022, on average, slightly more than two in three Scottish businesses (61%) had provided training for their staff in the last 12 months. The share is lower in the Primary Sector and Utilities (49%), Construction (59%), and Manufacturing (55%). In contrast, higher proportions of employers were trained within the public sector (e.g. public administration 71%) and financial services (66%). Furthermore, larger employers are more likely to provide training to their staff (47% among employers with 2 to 4 employees vs. 96% of employers with 100+ employees). Moreover, the most common barriers to training were a lack of time (47%) and a lack of funds (36%). Only 15% of staff receiving training had worked towards a nationally recognised qualification, equating to 9% of the Scottish workforce. In addition, training expenditure per employee and trainee has remained relatively stable in Scotland over time and is similar to the UK average (i.e. GBP 2 870 per trainee and GBP 1 680 per employee). That said, 43% of employers report that they are not content with their levels of training and would like to do more (Scottish Government, 2023[7]).

Skills shortages in the region are persistent and increasing

The Glasgow Regional Outcome Agreement Area has the second highest incidence of overall and hard-to-fill vacancies in Scotland. In 2022, 27% of employers in the Glasgow ROA had at least one vacancy. Moreover, 12% of employers in that area had a hard-to-fill vacancy due to a lack of applications with appropriate skills, qualifications or experience (i.e. a "skill-shortage vacancy"). In Scotland, these figures were only higher in the Edinburgh and Lothian ROA, with 32% of employers having at least one vacancy and 14% having a hard-to-fill vacancy (Figure 3.4, Panels A and B). The share of firms with vacancies and skill shortage vacancies increased in all Scottish ROAs between 2020 and 2022. Moreover, in 2022, 15% of firms in Glasgow ROA indicated that they experienced skills gaps (i.e., at least one

employee who is not fully proficient), a three percentage point increase compared to 2020. Skills gaps were even more prevalent, at 16%, in the Lanarkshire and the West ROAs.

Figure 3.4. The share of firms with a vacancy and a skill-shortage vacancy in the Glasgow ROA was second highest in Scotland



Note: A skill-shortage vacancy is defined as a specific type of hard-to-fill vacancy that occurs when an employer cannot find applicants with the required skills, qualifications, or experience to do a job. Glasgow ROA includes parts of East Dunbartonshire, East Renfrewshire, and Glasgow City; Lanarkshire ROA includes parts of East Dunbartonshire, North Lanarkshire, and South Lanarkshire; and West includes East Renfrewshire, Inverclyde, Renfrewshire, and West Dunbartonshire.

Source: Scottish Government (2023^[7]), "UK Employer Skills Survey 2022 – Scotland Report", www.gov.scot/publications/uk-employer-skills-survey-2022-scotland-report/.

Overview of the adult learning system in Scotland

The adult skills system in Scotland is highly centralised. The responsibility for further and higher education and adult learning is devolved from the UK Government to the Scottish Government. Yet, within Scotland, the design and planning of skills remains very much a national government task overseen by four national agencies. LAs play a role in the system by providing employability services and Community Learning and Development (CLD). For the purpose of this report, the adult skills system is defined as all types of continued education and training. This may include any formal or non-formal learning (general, specialised or vocational) undertaken after initial education and training or after entry into working life, which aims to: i) improve or update knowledge, skills or competencies (upskilling), ii) acquire new skills for a career move (re-skilling) or iii) ensure personal or professional development (Cedefop, 2024^[8]). This section provides an overview of the main stakeholders and types of provision in the Scottish adult skills system and ongoing discussions around future reforms.

Multiple stakeholders are involved in the adult skills system in Scotland

While responsibility for post-school skills policies and adult learning is devolved to the Scottish Government, the Scottish system for continuous education and training remains relatively centralised. The Scottish Government's remit in the skills area is extensive, covering pre-school, primary, secondary, further, and higher education and work-based learning and vocational training programmes such as apprenticeships. At the national level, the parts of the skills system that provide education and training opportunities for adults are overseen by four national agencies: the *Scottish Funding Council* (SFC), *Skills Development Scotland* (SDS), the *Student Awards Agency for Scotland* (SAAS) and the *Scottish Qualification Authority* (SQA). These national agencies strongly influence funding allocations, the nature and content of provision, and patterns and volumes of participation in education and training (Table 3.1)

Table 3.1. Main national agencies involved in the adult skills system in Scotland

Authority	Main tasks
Scottish Funding Council (SFC)	SFC is Scotland's tertiary education and research authority, which oversees the delivery of tertiary education, research and innovation. The authority manages the funding and Outcome Agreements for all universities and colleges to guide the delivery of education and training. SFC also oversees several skills and lifelong learning policies and programmes, including College Foundation Apprenticeships, the Young Person's Guarantee in Colleges, and University Graduate Apprenticeship places.
Skills Development Scotland (SDS)	SDS is Scotland's national skills body. Its primary purpose is to support people and businesses in developing and applying their skills. The authority is responsible for overseeing the funding and delivery of Modern Apprenticeships. It also delivers Career Information Advice and Guidance (CIAG) services across the country and works with employers to help them invest in existing skills and develop new talent.
Scottish Enterprise (SE)	SE is the Scottish economic agency. It focuses on activities that help Scottish businesses grow and scale through innovation, investment, and internationalisation. While skills policies are not part of its portfolio, the agency is involved in supporting, e.g., collaborations between employers and further and higher education institutions.
Scottish Qualification Authority (SQA)	The SQA is Scotland's national accreditation and awarding body. The authority oversees the national framework for qualifications and sets and maintains standards for many other awarding bodies and accredited qualifications.
Student Awards Agency for Scotland (SAAS)	The SAAS is the national agency responsible for providing information, support and funding for higher education students. The agency assesses applications for living costs and bursaries for eligible students studying in the UK.

Source: Scottish Funding Council (2024^[9]), *About us*, www.sfc.ac.uk/about-us/ (accessed on 27 May 2024); SAAS (2024^[10]), *About SAAS*, www.saas.gov.uk/about-saas (accessed on 27 May 2024); Skills Development Scotland (2024^[11]), *About*, www.skillsdevelopmentscotland.co.uk/about (accessed on 27 May 2024); and SQA (2024^[12]), *About us*, www.sqa.org.uk/ (accessed on 27 May 2024).

There are various mechanisms to support continuous education and training for adults within the Scottish skills system, which involves different agencies, providers and funding streams. The main adult learning pathways include academic routes through further and higher education and work-based learning through apprenticeships and vocational education and training (VET). Further and higher education usually involves national and higher qualifications, while vocational qualifications or work-based learning include the Scottish Vocational Qualifications (SVQs), National Progression Awards, and Skills for Work. The relationship between the different types of qualifications is organised through the *Scottish Credit and Qualifications Framework* (SCQF), overseen by SQA (Scottish Credit and Qualifications Framework Partnership, 2024^[13]). Qualifications in the SCQF are classified using two measures: level and credit. The levels (running from Level 1 to 12) show the complexity of learning, and the credits indicate the learning volume (one SCQF credit represents ten notional learning hours). Further details on different routes for adult education are provided in Table 3.2.

The leading providers of continuous education and training in Scotland are colleges, universities and independent training providers. Scotland has 19 universities and higher education institutions (HEIs) and 24 colleges nationwide. While a large part of the education and training provision in these institutions is targeted at youth, universities and colleges also provide continuous education and training for adults across the different levels of qualifications in the SCQF. Many colleges offer specific adult education courses designed to meet the needs and interests of adult learners. These courses may cover various subjects, from basic literacy and numeracy skills to vocational training, apprenticeships and professional development. Universities in Scotland also play a significant role in supporting the continuous education and training of adults, often through mechanisms similar to those of colleges but with a stronger focus on higher education. Funding for colleges and universities, including apprenticeships, is overseen mainly by SFC and to some extent SDS (parts of apprenticeship funding) (see Table 3.1). SDS also allocates funding to independent providers and workplace training opportunities through various programmes.

The adult skills system also includes more specialised options for adult learning locally through employability services and Community Learning and Development (CLD) activities. These activities supplement the core provision from colleges, universities and independent providers. They tend to be funded by local authority budgets and national funding from the Scottish and UK governments, such as the UK Shared Prosperity Fund (UKSPF), and they focus on supporting the most vulnerable groups. As explored more broadly in Chapter 4, these activities often draw on various providers, including voluntary, charitable and not-for-profit organisations. With an emphasis on vulnerable groups, their focus is on adult education and broader personal and social learning.

Furthermore, individuals already in employment may also access work-based learning provided in their workplace, but this often does not lead to a recognised qualification. Work-based learning may be provided to individuals in work either by external providers on behalf of their employer or by the employer themselves. Employers often fund this type of training without additional public funding. These forms of training can be of various types involving on and off-the-job components, either through structured learning (courses) or less structured learning (such as on-the-job training, work shadowing, and seminars). Data from the *Scottish Employer Skills Survey* suggests that workplace learning opportunities are most likely to be accessed by those already more highly skilled (Scottish Government, 2023^[7]).

Table 3.2. Main types of adult skills provision in Scotland

Type of learning	Purpose	Providers	Programmes	Qualifications
Basic skills/ education	Accreditation of qualifications in basic skills or national qualifications at the primary and lower secondary education level	Colleges, Local Authorities, publicly funded bodies (libraries, prisons, community centres, health centres); third sector organisations	Accredited units in literacy, numeracy, digital skills, English for Speakers of Other Languages (ESOL) or national level 1-5	SCQF 1-5
Second-chance upper secondary education	Access to qualifications at the upper secondary level or higher education	Colleges and universities	Higher and Advanced Higher Certificates Scottish Wider Access Programme (SWAP) University pre-access courses	SCQF 7-8
Upper-secondary Vocational education and training (VET)	Competence-based, practically oriented-qualifications	Colleges, independent providers and employers	Scottish Vocational Qualifications (SVQs)	SCQF 4-11
	Access to employment or progression to Higher National Qualifications	Colleges	National Certificates	SCQF 4-6
	Short-cycle tertiary vocational qualifications	Colleges	Higher National Certificate (HNC) and Higher National Diploma (HND)	SCQF 7-8
Apprenticeships	Occupational qualifications and core skills through combined work and study	Schools, colleges and universities, independent providers, third sector organisations	Foundation / Modern / Graduate Apprenticeships	SCQF 5-11
Employability services	Development of skills relevant to the labour market, life skills and access to work experience	Local Authorities, independent providers, third sector organisations, Jobcentre Plus	Training opportunities through locally run employability programmes	Usually, not formally recognised qualifications
	Certification of acquired workplace skills	Colleges	Certificate of Work Readiness	N/A
Community Learning and development	Basic skills and broader personal and social learning	Schools, colleges, Local Authorities, third-sector organisations and private sectors	Various	Usually, not formally recognised qualifications
Work-based learning	Re- and upskill individuals in work	By employers themselves or in co-operation with independent providers or colleges	Various	Usually, not formally recognised qualifications

Source: Wittaker, S. and Boeren, E (2018^[14]), *An overview of provision in Scotland in seven types of education for adults*, Centre for Research in Education and Diversity, www.docs.hss.ed.ac.uk/education/creid/Briefings/Briefing38.pdf. Scottish Credit and Qualifications Framework Partnership (2024^[13]), *The SCQF Interactive Framework*, <https://scqf.org.uk/about-the-framework/interactive-framework/>. Scottish Government (2023^[15]), *Fit for the Future: developing a post-school learning system to fuel economic transformation*, <https://scqf.org.uk/about-the-framework/interactive-framework/>. Employability in Scotland (2024^[16]), *Employability Services*, www.employabilityinscotland.com/employability-services/. Education Scotland (2024^[17]), *Community Learning and Development*, <https://education.gov.scot/learning-in-scotland/sector/community-learning-and-development-cld/>.

The Scottish skills system is under review and reforms in the near future are likely

The current skills priorities of the Scottish Government, running to 2032, are set by the **National Strategy for Economic Transformation (NSET)** launched in 2022 (Scottish Government, 2022^[18]). The NSET is the Scottish Government's 10-year strategy for economic transformation and builds on *Scotland's Future Skills Action Plan* from 2019 (Scottish Government, 2021^[19]) and the *Enterprise and Skills Review* from 2017 (Scottish Government, 2017^[20]). Together, these reviews and strategies recognise that education and skills are essential drivers of a thriving, inclusive and entrepreneurial economy and outline reforms to secure a stronger skills system in the future.

The Scottish Government has recently commissioned various reviews of different parts of the skills system. From 2021-2023, the Scottish Government commissioned several reviews of the existing skills system in the country. These included a review of the tertiary education sector (Scottish Funding Council, 2021^[21]), the post-school learning system (Scottish Government, 2023^[22]), the career guidance system (Skills Development Scotland, 2023^[23]), the qualifications and assessment system (Scottish Government, 2023^[24]), adult learning (Scottish Government, 2023^[25]) and most recently, a review of the future of the Scottish post-school learning system (the so-called Withers Review) (Scottish Government, 2023^[15]). The Withers Review considered skills functions and remits of Scotland's national public bodies, making 15 recommendations for future adaptations to support the NSET.

Building on the reviews, the Scottish Government has announced major reforms to the skills and education system. Shortly after the launch of the Withers Review in June 2023, the Scottish Government announced that it would embark on a comprehensive programme for reforms of the post-school education and skills system, including the development of a new national model of public funding for all colleges, universities, apprenticeships and training and a model for student support and engagement that take into account all provision pathways, including, e.g. apprenticeships and CLD (Scottish Government, 2023^[22]). As part of this work, the Scottish Government is committed to working with partners across Scotland to identify ways in which they can strengthen approaches to regional skills planning. At the time of writing, these reforms are still in the planning phase.

Funding for adult learning comes from multiple pots with different criteria and aims

Multiple agencies and other stakeholders oversee the delivery of learning and training for adults. SCF provides core funding for colleges and universities through a credit-based funding model (colleges) and the "main teaching grant" (universities). SFC announces financing of colleges and universities every year, and Outcome Agreements set out what each educational institution should deliver in return for SFC funding. The Outcome Agreements are negotiated between each institution and SFC. In addition, colleges, universities and independent training providers receive financing for the delivery of apprenticeships from both SCF (foundational and graduate apprenticeships) and SDS (modern apprenticeships) (see Chapter 5 for further description of the funding model for apprenticeships in Scotland). Additional funding flows into the system through SAAS, which is responsible for calculating and covering the part of student tuition fees covered by the Scottish Government.

SFC provides college funding through a credit-based funding model, where funding levels depend on the type and subject of the course. In practice, SFC provides teaching funding to colleges that undertake to deliver a specified volume of activity measures in "credits" (1 credit is equivalent to 40 hours of learning). For teaching, where SFC is the sole source of funding, the credits to be claimed by colleges equal the number of planned SQA (or other awarding bodies) credits to be delivered. Recognising that some subject areas are more expensive to deliver than others, SFC has categorised all programmes across five price groups. In the academic year 2023/24, the price for a credit in each price group ranges from GBP 269.60 to GBP 467.16 (Scottish Funding Council, 2023^[26]). According to colleges, the credit funding price requires classes of at least 16 to 22 students for the courses to be financially sustainable. In

practice, funding is closely linked to the courses and degree programmes chosen by eligible students (input) rather than the demand from employers (outcome). Overall, although individual colleges Outcome Agreements will pay attention to regional skills assessments and regional skills investment plans, their primary target is the delivery of places (and attracting students to fill these places) rather than responsiveness to the regional economy (and developing changed provision to meet these needs).

The bulk of core funding for universities comes through the “main teaching grant”, which is a grant per student. The central teaching grant was worth GBP 700 million (or just under GBP 5 800 per student) in 2022-23 and 2023-24. In addition, universities charge Scottish students a tuition fee. However, due to the fundamental principle that higher education in Scotland is free of charge for students, the tuition fee is paid by the SAAS (Ogden and Thomas, 2024^[27]). The SFC allocates each university a number of “funded places” for eligible Scottish students, which attract funding from the main teaching grant. In contrast, universities face no caps on the number of international students, whom they can also charge higher tuition fees.

In recent years, a series of re- and upskilling funding initiatives have been in place temporarily to provide further mechanisms to enable providers to respond to employer and learner demands. These include ring-fenced funds such as the *Flexible Development Fund* and the *University Upskilling Fund* overseen by SFC and the *Individual Training Accounts* (ITA) overseen by SDS (Box 3.1). However, all of these funds are no longer in place.

Box 3.1. Examples of recent Scottish re- and upskilling funds

Flexible Workforce Development Fund

The objective of the Flexible Workforce Development Fund was to provide an opportunity for employers to access funding to create training programmes that meet their needs. By accessing the fund, employers could choose the training that best meets their needs and, thus, use the available funding to address priority skills gaps, including transitioning to net zero. Training was provided by colleges, the Open University in Scotland and independent training providers. In 2022/23, the fund equated to GBP 7 million for training to be delivered to UK Apprenticeship Levy-paying companies in Scotland (see Chapter 5) and GBP 3 million for training delivered to SMEs. Following the Scottish Budget 2024 and 2025 announcement, no funding is available for the fund in academic years 2023/24 and 2024/25.

National Transition Training Fund

The Scottish Government introduced the National Transition Training Fund as part of its response to the economic impact of the COVID-19 pandemic. The fund was implemented in two rounds. The first round commenced in 2020, primarily to support and provide training to individuals aged 25 and above who had been made unemployed or were threatened with redundancy following the pandemic. In the second round introduced in 2021, individuals exposed to industrial restructuring and redundancy were supported to re- and upskill to retain employment.

Upskilling Fund

The Upskilling Fund was first implemented in 2019 to provide universities with funding to offer short, flexible provisions to support people living and working in Scotland to re- and upskill with higher-level skills needs in strategically important curriculum areas. This provision should help facilitate continued economic recovery and transformation. The Scottish Funding Council provides funding annually to universities. In 2023/24, funding equated to just under GBP 7 million. So far, funding has enabled the piloting different shorter, flexible, and credit-based learning courses and micro-credentials. The fund is not a part of the 2024/2025 budget.

Individual Training Account (ITA) fund

The ITA was introduced in 2017 to support re- and upskilling adults out of work or in low-paid/low-skilled jobs and looking to progress. Through the ITA, individuals received GBP 200 towards a single training course or training episode per year. The fund sought to improve work-related skills and qualifications accessed from approved courses and providers. ITA courses covered agriculture, business, construction, early years and childcare, health & safety, science, technology, engineering and mathematics (STEM), social care and transport. The programme was managed by Skills Development Scotland and provided up to 18 500 funded places annually. An evaluation from 2022 showed that younger people and men were more likely to book an ITA course. In addition, construction accounted for the highest level of ITA course bookings. The evaluation also showed that the ITA funding limit of GBP 200 per individual guided people's choice of course (i.e. not choosing courses which exceeded the limit). Of the more than 2 000 participants surveyed, 63% rated their overall experience as "very good" and 27% as "quite" good. Since 2023, the ITA has been put on hold by the Scottish Government.

Note: 1. Annual "pay bill": The annual pay bill includes all payments to employees that are subject to employer national insurance contributions, such as wages, bonuses, and commissions.

Source: Scottish Funding Council (2024^[28]), *Flexible Workforce Development Fund*, www.sfc.ac.uk/skills-lifelong-learning/flexible-workforce-development-fund/; Scottish Government (2022^[29]), *National Transition Training Fund (NTTF): year 1*, Scottish Government, www.gov.scot/publications/national-transition-training-fund-nttf-year-1-report/; and Scottish Government (2023^[30]), *Individual Training Accounts: evaluation*, Scottish Government, www.gov.scot/publications/individual-training-accounts-evaluation/.

The adult skills system in the Glasgow City Region

Within the broader Scottish context, the Glasgow City Region has its own distinct adult skills system. GCR is home to six of the country's 24 colleges, six of the country's 19 higher education institutions and a range of independent training providers. While GCR – nor other Scottish regions – does not have a formal place in the structure of the Scottish system for continuous education and training, the region increasingly recognises the fundamental importance of skills to foster regional productivity, economic growth, social inclusion and moving towards net zero. In this context, regional stakeholders increasingly engage in the national reform debate and seek to inject more regional flexibility into an otherwise centralised adult skills system. This section provides an overview of the governance structures of GCR and the landscape for adult skills provision across the eight LAs and nine further and higher education institutions in the region.

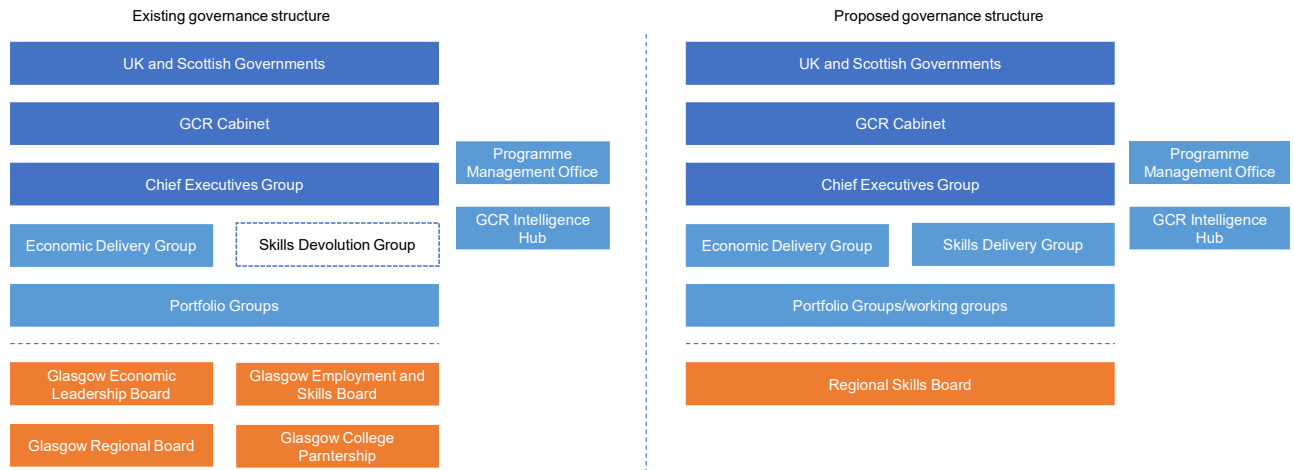
The governance structure of the Glasgow City Region is closely linked to the City Deal

The Glasgow City Region was established to implement the Glasgow City Region City Deal. Signed in 2014 by the eight LAs, the Scottish Government and the UK Government, the Glasgow City Region City Deal is the first in Scotland and one of the largest and most advanced in the UK. It represents over GBP 1 billion investment over 20 years in infrastructure, research, business innovation, and job opportunities for residents in the region. The partnership benefits from City Deal funding from both the UK and Scottish Governments (more than GBP 500 million provided from each) and LAs (additional GBP 130 million). A key focus area of the City Deal is the development of improved infrastructure to facilitate regeneration and connectivity in the region (Glasgow City Region, 2024^[31]).

The main decision-making body in the Glasgow City Region is the Cabinet, involving the leaders of all eight participating Local Authorities in the region. Contrary to other UK City Regions (e.g. Greater Manchester and London), GCR does not have an elected mayor representing the entire region. The Cabinet is supported by a Chief Executives Group, which oversees the delivery of the Cabinet's operational functions, including the Programme Management Office. The Programme Management Office includes around 30 full-time staff members, who act as the secretariat for the Cabinet and are the central point for managing, appraising and monitoring programme delivery. In addition, there are a series of management and delivery groups involving representatives from across the eight LAs, including the Economic Delivery Group and different Portfolio Groups connected to the work programme of the *Regional Economic Strategy* (RES) (see below). The group responsible for re-skilling and up-skilling is the *Skills and Employment Portfolio Group*. The governance structure also includes the *Regional Economic Partnership* (REP), which consists of the eight LAs' chief executives, government agencies (e.g. SDS), third sector and chambers of commerce. The group monitors the delivery of and reviews GCR strategies and action plans. A recent addition to the governance structure was the *Regional Skills Devolution Group*, which has been established to explore options for greater devolution of skills policies to the regional level (see the following section).

The Glasgow City Region also includes the GCR Intelligence Hub, which provides high-quality economic intelligence to support the delivery of the City Deal and the RES. The GCR Intelligence Hub was established in 2019 with support of the Scottish Government and national and regional agencies, including Office of Chief Economic Advisor, Scottish Enterprise, Skills Development Scotland and the University of Strathclyde. The purpose was to build in-house regional capabilities to support significant regional investment projects in the Glasgow City Region building on existing available data. The Hub has four main functions: policy research, economic modelling, strategy development, and project evaluation. The work covers various economic issues, including demographics, land use, sustainability, inward investment, economic growth, tourism, transport, enterprise, skills, employment and housing. In particular, the Hub has developed business cases for infrastructure projects as part of the City Deal and supported the writing of the RES in cooperation with the Economic Delivery Group. The Hub has only done limited work in the skills field for now. The work of the Hub has no annual work plan but is project-based, following requests from GCR, individual LAs or even external stakeholders. Increasing demand for the work of the Hub has led to a more than doubling of the team over the last couple of years. Figure 3.5 provides a simplified overview of the existing governance structure in GCR and proposed changes to this structure, which are further reflected in this chapter and the following chapters.

Figure 3.5. Overview of the existing and proposed governance structure in GCR



Note: The figure to the left is a simplified overview of the existing governance in the Glasgow City Region, and the figure to the right shows the proposed changes to this structure following this review. The dark blue colour is used for decision-making bodies, the light blue colour for non-decision-making bodies and the orange colour for bodies to engage with external, non-government stakeholders such as employers, education and training providers and learners. The white colour is used for the existing Skills Delivery Group, a temporary body established as a follow-up to ongoing Scottish Government reviews of the Scottish skills system.

Source: Author's elaboration based on interviews with stakeholders in the Glasgow City Region.

Although not the region's primary *raison d'être*, skills policies are increasingly featured in key regional strategies and documents. The first important step in discussing skills priorities in the region was taken with the *Regional Skills Investment Plans* (RSIP) from 2014-2019 and 2019-2024 (Glasgow City Region, 2019^[32]). The RSIPs are comprehensive strategy documents that seek to tackle economic, employment and skills challenges through various initiatives. The strategies were co-produced with several key partners, including the region's colleges and universities, and are supported by SDS as part of their Skills Investment Planning work (Skills Development Scotland, 2024^[33]). Launched in 2021, the *Regional Economic Strategy* (RES) sets out an evidence base for the regional economy and identifies future challenges and opportunities for economic development across the eight LAs in the region. The RES identifies three long-term challenges for the regional economy: economic inclusion, productivity, and climate change. The RES extends the commitments from the RSIPs to continue to work with regional partners to enhance "*the agility and resilience of the skills system regionally so that it can better adapt to challenges and opportunities emerging from global technological and economic trends*" (Glasgow City Region, 2021^[34]). More specifically, re- and upskilling policies are reflected in two out of the 12 projects that make up the first phase of the RES work programme – the *Future Skills Programme* and the *Foundational Economy Pilot* (Box 3.2). In addition, two other programmes – the *Fair and Healthy Work Programme* and the *Green Business Support Programme* also have links to skills through the development of good working conditions and healthy working lives in the private sector and business support for the transition to net zero.

Box 3.2. Projects with a skills focus in the Glasgow City Region's *Regional Economic Strategy*

The Future Skills Programme

The programme aims to support the development of regional skills programmes designed to meet the needs of the regional economy. The programme includes actions to design regional skills programmes across various sectors – including hospitality, local government, health and social care, logistics and transport – or types of skills. It also aims to establish a GCR Skills Partnership. The implementation of the programme and its actions is led by the GCR Programme Management Office. In the research and design stage of the programme, the Programme Management Office has engaged with Local Authorities to identify challenges related to skills shortage and mismatches, existing arrangements to address them, and opportunities for a GCR intervention to overcome challenges faced in the selected sectors.

The Foundational Economy Pilot

The “Foundational Economy” concept originated in 2013 and is a way of conceptualising or grouping sectors of the economy that supply essential goods and services used by everyone in everyday life. It includes a place’s key workers, crucial supply chains and infrastructure, and culturally important goods and services (e.g. social care, tourism, retail, food, health services, hospitality, education and networks and communications). The Foundational Economy covers over 60% of jobs and 40% of businesses within GCR, including a large proportion of low-paid jobs in the economy. Focusing on productivity growth in the foundational economy can offer a way of overcoming challenges and ensuring inclusive economic growth. The RES programme aims to create a pilot project to support the growth of the foundational economy in GCR. To guide the design of the pilot project, the GCR Intelligence Hub has reviewed the business support offer for the Foundational Economy nationally and regionally and explored how GCR can effectively enhance the Foundational Economy. The pilot project has not yet been initiated.

Source: Glasgow City Region, (2022^[35]), *Regional Economic Strategy – Action Plan 2022/23*, Glasgow City Region, Glasgow, <https://glasgowcityregion.co.uk/wp-content/uploads/2022/08/GCR-RegionalEconomicStrategyActionPlan-23August2022.pdf>; and Glasgow City Region (2021^[36]), *Glasgow City Region Foundational Economy*, Glasgow City Region, Glasgow, <https://glasgowcityregion.co.uk/wp-content/uploads/2021/07/Foundational-Economy-June-2021-1.pdf>

Despite recognising the importance of skills to support regional economic development, the link between these policies could be further strengthened. The RES and the RSIP are important documents that recognise skills as vital for regional plans for economic growth. Yet, in practice, the two policy areas – economic development and skills – remain relatively separated in the regional governance set-up and strategies. While the RES is overseen by the Economic Delivery Group, which reports directly to the Chief’s Executive Group, the responsibility for the RSIP formally lies with the Skills and Employment Portfolio Group, and in practice, is not closely followed neither by the portfolio group nor the Chief’s Executive Group. In addition, despite the critical work on the *Future Skills Programme* and the *Foundational Economy Pilot*, links to skills policies in other programmes or work areas are missing, e.g. in the *Green Business Support Programme* and the *Fair and Healthy Work Programme*.

Actors in the adult skills system in the Glasgow City Region

With six colleges and six universities based in the region, the Glasgow City Region is an integral part of the Scottish adult skills system (Table 3.3). These include distinct and world-leading specialist institutions such as the *Glasgow School of Art* and the *Royal Conservatoire of Scotland*. GCR covers three college regions: Glasgow, Lanarkshire and West (Scottish Parliament, 2023^[37]). Together, the six colleges in GCR represent 42% of college activity in Scotland. While the primary target group of colleges and universities remain youth under 25, continued education and training for adults is a priority for both education institutions, including those based in GCR. In addition to the further and higher education institutions, a broad community of private and third-sector training providers operates in GCR.

Table 3.3. Colleges and universities with campuses in the Glasgow City Region

Local Authority	Colleges	University
Glasgow City	City of Glasgow College	Glasgow Caledonian University
	Glasgow Clyde College	Glasgow School of Art
	Glasgow Kelvin College	Royal Conservatoire of Scotland
		University of Glasgow
		University of Strathclyde
East Dunbartonshire	New College Lanarkshire (campus Kirkintilloch)	
Inverclyde	West College Scotland (campus Greenock)	
North Lanarkshire	New College Lanarkshire (campus' Motherwell, Cumberland and Coatbridge)	
Renfrewshire	West College Scotland (campus Paisley)	University of the West of Scotland (campus Paisley)
South Lanarkshire	South Lanarkshire College (campus East Kirkbride)	University of the West of Scotland (campus Hamilton)
West Dunbartonshire	West College Scotland (campus Clydebank)	

Note: There are no college or university campuses in East Renfrewshire.

Source: Glasgow City Region (2019^[32]), *Regional Skills Investment Plan 2019-2024*, Glasgow City Region, Glasgow, www.skillsdevelopmentscotland.co.uk/media/ulvmizcl/regional-skills-investment-plan-glasgow-city-region.pdf

A newly established college partnership aims to strengthen collaboration between colleges and to reduce within-regional competition around funding and students. The tight funding environment and the credit price funding model incentivise colleges to compete on students and funding. Consequently, co-ordination with other colleges and education providers has been lacking in some parts of the system. To overcome this challenge, the six colleges in GCR have recently established a college partnership which facilitates meetings between the principals of the six colleges. The partnership also involves the Glasgow Regional Board's Executive Director, a coordinating body for the three colleges based in Glasgow City. The partnership aims to strengthen further specialisation of the courses offered by each of the six colleges and avoid duplication and competition resulting in inefficient use of funding. While still in the early stages, this partnership is promising and could be closer linked to the GCR governance structure to ensure that steps towards further college specialisation are aligned with current and future regional skills demand (see the following section). A closer link to the region could also facilitate the dialogue between the colleges and LAs – particularly for colleges with campuses in several local areas.

Linking skills supply and demand at the regional level: moving towards a regionalised skills system in the Glasgow City Region?

In the context of a rapidly changing labour market and following the recommendations of the Withers Review, discussion on regional skills devolution has intensified in Scotland. Devolution of adult skills policies has been on the Scottish policy agenda for many years, and the Government has already taken several steps to strengthen regional flexibility through funding and delivery structures. This is illustrated, for example, by the introduction of the *Regional Skills Assessments* and *Regional Skills Investment Plans* managed by SDS and the *Regional Outcome Agreements* for colleges and universities overseen by SFC. Together, these initiatives seek to anticipate better regional skills needs, co-ordinate skills activities around regional priorities, and support the alignment of funding for further and higher education with regional needs. Yet, as described by the Withers Review, regional stakeholders still struggle with challenges such as the inadequate alignment of provision with employer requirements, a lack of agility in the post-school system leading to skills shortages in strategic sectors and an imbalance in the provision for youth vs. adults and work-based vs. class-room-based education and training (Scottish Government, 2023^[38]). As mentioned previously, the Scottish Government has published the *Purpose and Principles for Post School Education, Research and Skills* in June 2023. The report sets out the initial priorities in response to the recommendations provided by the Withers review, including on skills planning. However, at the time of writing, this work is still in its very early stages.

This section reviews the main challenges faced by the GCR and discusses options to overcome these through regional skills devolution. The section focuses on the main barriers to and possible solutions to ensure regional skills alignment: 1) changes in the national funding structure to increase flexibility; 2) more granular data to inform regional policies; and 3) a regionalised skills system to respond to regional needs.

National funding structures limit regional flexibility to adjust provision to demand

A significant barrier to aligning regional skills supply with demand is the mechanisms for allocating core funding to colleges and universities. As outlined in previous sections, the core funding process for further and higher education is strongly guided by nationally set targets and priorities. The Scottish Government, through SFC, sets caps on the number of Scottish university students and targets for colleges based on achieved credits. Consequently, funding allocations are heavily influenced by input and/or output targets (i.e. the number of learners and the qualifications achieved). Especially for colleges, the funding structure limits the options to trial and test new courses, as each course must attract a certain number of participants to cover the delivery costs. Downward pressure on overall core funding levels in the context of rising costs and inflationary pressure further complicates the situation and limits the options to innovate and offer courses that meet employer demand in the short and medium term. Despite using Outcome Agreements to meet their regions' changing social and economic needs, consulted regional stakeholders stressed that the scope to innovate and adapt provisions from previous years is limited. Examples of areas where GCR struggles to deliver future-oriented skills programmes are the decarbonisation of heating in homes and buildings (e.g. training of heat pump technicians), the maritime sector (e.g. advanced STEM skills) and the local government sector (e.g. training of planners).

National funding structures also influence the possibility of the Glasgow City Region providing training that is adjusted to the needs of adult learners. Adults looking for re- and upskilling opportunities often require more personalised and flexible study options and support, and thus, there is a lower likelihood of high volumes of students looking for the same training. In addition, the financial support structure for individuals to participate in continuous education and training often means that working students must pay fees for their studies (see the following section). These factors may discourage colleges from providing courses targeted to adult learners.

An additional challenge from the funding system is the annual funding cycles combined with the instability of temporary ring-fenced funding pots. In recent years, ring-fenced funding for re- and upskilling (e.g. the *Flexible Workforce Development Fund* and funding for apprenticeships) have provided added focus on regional flexibility. However, many of these funds have remained modest in scale relative to the core budget. Many stakeholders see them as “bolt-on” to core provision rather than integrated and viable education and training pathways. The ring-fenced funds have also suffered from being temporary and fluctuating from year to year, which can impede long-term planning and the ability of regional stakeholders to use the funding to guide regional skills provision. A recent example is the pausing of both the *Flexible Workforce Development Fund*, the *University Upskilling Fund* and the ITAs. In addition, national commission processes attached to each fund can work against regional collaboration as stakeholders are eager to access extra funding sources. At a more general level, some regional stakeholders wonder whether the system allows for the optimal mix of funding across learner groups (youth vs adults) and types of learning (work-based learning, colleges and universities).

A lack of granular labour market information further adds to the challenge

In recent years, the Scottish Government has supported the development of more detailed labour market information (LMI) at the regional level. The Evidence and Impact Team in SDS is important in making granular labour market information available for regions and LAs. Essential products from the team include the annual *Regional and Sectoral Skills Assessments*, a monthly *Economy, People and Skills Briefing* and monthly updates to the SDS evidence tool – the *Data Matrix*. The *Regional Skills Assessments* are published annually for several regions in Scotland and include data on the levels of LAs, Regional Outcome Agreement Areas (ROAs) and the City Region. They intend to provide a familiar and coherent evidence base built up from existing official datasets and forecasts, including, amongst others, the *Scottish Employer Skills Survey* and commissioned forecasts for the next ten years. Data is supplied around three themes and available to download from the SDS website through the *Data Matrix*: skills supply, skills demand, and skills mismatch (Skills Development Scotland, 2024^[39]). SDS also provides an in-depth analysis of the skills needs of specific sectors. Recent examples include their work on Climate Emergency Skills Action Plan Pathfinders to assess up- and reskilling requirements associated with the transition to net-zero and the Digital Economy Skills Action Plan, which provides insights on skills needs for the digital transition (Skills Development Scotland, 2023^[40]; 2023^[41]). Lastly, SDS holds a series of nationwide webinars and seminars to promote and discuss the results of their work.

Despite ongoing improvements, the use of regional labour market information varies across the Local Authorities in GCR. Whilst regional partners value robust official data collected nationally (e.g. through the *Employer Skills Survey*), stakeholders consulted as part of this project reported concerns that the national data lacked granularity and an in-depth understanding of skills requirements in specific jobs and careers of the future. In addition, consulted stakeholders pointed out several shortcomings in national data on post-school skills provision. What is missing, in particular, are national or regional skill outcome measures that can follow students' trajectories in the longer term (e.g. completion rates, the proportion of completers entering positions in their field of study and the proportion of completers staying the region to take up work, wages earned). In the Netherlands, the Graduate Tracker has been developed by the Dutch PES (*Uitvoeringsinstituut Werknemersverzekeringen*) to track students after they leave school through register data (Box 3.3).

Box 3.3. The Graduate Tracker (the Netherlands)

In 2018, the Dutch Public Employment Service (*Uitvoeringsinstituut Werknemersverzekeringen*) initiated a graduate tracking system to enable young people to transition from education. The initiative combines several administrative databases to track young graduates in the first ten years of their careers. It provides youth with information to help them make informed decisions on their choice of initial education based on labour market information. To analyse the labour market position of graduates, the Dutch PES has partnered with SEO Amsterdam Economics (a research agency affiliated with the University of Amsterdam), which analyses anonymised administrative data from the microdata of Statistics Netherlands (*Centraal Bureau voor de Statistiek*). The microdata consists of various data, including educational data, personal characteristics, income, and type of contract, which are linked individually for more than 200 000 graduates annually. This initiative can help young people transition from education to work by providing a clearer picture of the economic consequences of their educational decisions, given the lower risk of unemployment. Information on labour market positions is determined by the time required to find a job, gross hourly wage, annual income, and the percentage of permanent employees.

Source: UWV (2021^[42]), *Customising LMI to different user groups – the approach of the Dutch Public Employment Service*, www.cedefop.europa.eu/files/cedefop_m_van_smoorenburg_uwv.pdf

The Glasgow City Region Intelligence Hub presents an opportunity for the region to strengthen the regional labour market and skills intelligence and thus support the alignment of supply with demand. While the primary task of the GCR Intelligence Hub is not to provide labour market and skills intelligence, it has produced extensive work on sectoral trends in the regional economy as well as complementary regional skills analysis. The Intelligence Hub could take on an even stronger role in collecting and analysing labour market and skills data in GCR to complement (rather than duplicate) and embellish existing national analyses provided. The Hub could lead the development of an annual regional skills assessment to identify regional skills needs, which could be combined with a rotating cycle of in-depth research studies and skills assessments in key sectors and occupations. This work should build on existing available data and help to maximise awareness and take-up of existing national and regional resources while also producing region-specific work. For critical sectors such as the green and digital economy, the hub could build on the results of recent work done by SDS through the Climate Emergency Skills Action Plan and the Digital Economy Skills Action Plan, which both include insights on the needs of the regional economy in the Glasgow City Region. The Hub could also take the lead on developing a more uniform approach to employer skills surveys in the region and liaising with the Scottish Government on gaps in the existing data infrastructure.

Possible elements of a new regional skills governance structure

In the context of wider reforms of the adult skills system, devolution may present itself as an option to create a more agile and flexible system guided by outcomes. As shown in Chapter 2, GCR is an integrated economic area. In 2023, 66% worked in the same Local Authority as their place of residence, 16% commuted to Glasgow City and 17% commuted to work outside of GCR, with 37% of residents commuting to a different LA to work. Combined with the increasing institutional capacity at the regional level in GCR and the identified challenges with the existing national system outlined above, this presents essential arguments for why the question of regional skills devolution is and should be considered as part of ongoing national reforms. In this context, the *Regional Skills Devolution Group* and key stakeholders from the region have been established to develop a “skills devolution ask” concerning planning and delivery of skills provision.

To move forward with this idea, there is a need to discuss which specific elements of the adult skills system could or should be devolved to the regional level. Elements might include a new model for funding colleges and universities that are outcome-based and potentially overseen by the newly established College Network (which facilitates cooperation across the six colleges in the region) in partnership with the City Region and a more flexible funding model for apprenticeships (see Chapter 5). In addition, potential new investments in re- and upskilling initiatives could be implemented through a *Regional Skills Fund* established in cooperation with SFC and as an alternative to the previous nationally commissioned funds. A *Regional Skills Fund* could provide a mechanism to inject additional flexibility into regional skills programmes by supplementing the core funding routes. Funds might be deployed to develop regional careers and skills programmes aligned with sectors of priority to the regional economy. Steps towards regional skills devolution could build on lessons learned from other OECD countries, including the Greater London Authority in the UK and the Education and Training Boards in Ireland (Box 3.4).

Box 3.4. Examples of regional skills systems across the OECD

The Greater London Authority's Region Skills Fund (UK)

The Greater London Authority is the devolved regional governance body of the Greater London area, consisting of an executive Mayor and the 25-member London Assembly. It has existed since 2000 to improve the co-ordination between the 32 Local Authorities in the area. Since 2019, parts of the Adult Education Budget have been devolved from the UK Government to the Greater London Authority. While the Adult Education Budget is a small piece of the overall training system, this change has allowed London to adapt its adult training provision to regional and local needs. The authority has set up two advisory bodies to implement the devolved budget and guide future requests for the devolution of skills policies. First, the Skills for Londoners Board advises on skills and employment programmes, including the Adult Education Budget. Second, the Skills for Londoners Business Partnership aims to improve and better align provision to meet London's skills needs. Together, these bodies have provided input on adjusting provision to regional and local needs, which has resulted in several changes on the ground. The authority had expanded funding for unemployed Londoners and those on low wages to help them access new employer opportunities. It has also increased training providers' flexibility in delivering and designing courses that adjust to the regional labour market needs. One example of a Greater London Authority programme is the Mayor's Academies, which aims to build on core funding for colleges, universities and independent training providers to provide targeted investments that can meet regional industry and learner needs. Among other things, the programme has created a series of sectoral Academy Hubs that bring together skills providers, employers, and other partners to provide more industry-relevant training recognised through the Academy accreditation system. The programme is overseen and evaluated by the authority.

The Education and Training Boards in Ireland

Regional implementation and delivery of adult skills policies have been strengthened in Ireland in recent years, including the creation of the Education and Training Boards (ETBs). While Ireland only has two government levels (national and county governments), the ETBs operate at the regional level – i.e. combining several counties – to align skills policies across levels of government and adjust skills provision to regional and local labour market needs. The ETBs were established in 2013 under the Education and Training Boards Act 2013. They replaced the former 33 Vocational Education Committees as the primary education providers locally in Ireland. There are 16 ETBs responsible for providing education and training services in their respective region. The overall purpose of the ETBs is to promote lifelong learning opportunities, support skills development, and foster community engagement in education and training initiatives. Their core tasks include overseeing initial and further or adult education, managing schools, providing adult and further education and training, delivering

youth services (youth support officers and funding initiatives), coordinating training programmes, and performing quality control of the school and adult education offers. The ETBs include 21 members, comprising 12 Local Authority nominees, two staff nominees, two parents nominees, and five members from bodies representing community/business/learners' interests.

The initial education responsibilities of the ETBs are funded and overseen by the Department of Education, whilst the vocational education and training and adult education part of the 16 ETBs are overseen by the Department for Higher Education, Research, Innovation and Science through the Irish State Agency for Further Education and Training (SOLAS). The yearly strategic performance agreements between SOLAS and each ETB are the primary mechanism to ensure the quality of and spending on vocational education and training and adult education. The performance agreements establish focus areas and goals for each ETB, subject to regular review through dialogues between SOLAS, the ETBs, heads of colleges, and education providers. With the strategic performance agreements, SOLAS increasingly seeks to link funding to agreed targets. Through the performance framework and the accompanying online Dashboard, ETBs can follow their performance vis-à-vis annual targets and see how they perform relative to other ETBs.

Source: OECD (2021^[43]), *Future-proofing Adult Learning in London, United Kingdom*, OECD Review on Local Job Creation, OECD Publishing, Paris, <https://doi.org/10.1787/c546014a-en>; and Education and Training Boards Ireland (2024^[44]), *About ETBI*, www.etbi.ie/etbs/.

Significant changes to the governance structure of the Glasgow City Region would be needed to lift any potential new tasks in the adult skills field. To be able to take on new responsibilities for designing and implementing adult skills policies, GCR would have to review its existing governance structure. In particular, there would be a need to expand the Programme Management Office's capacity and establish a body within the governance structure that can oversee new responsibilities in the skills area. One option could be to turn the *Regional Devolution Group* into a *Skills Delivery Group* operating in parallel with the *Economic Delivery Group* and reporting directly to the Chief Executives Group. This group would consist only of representatives from Local Authorities, GCR and the Scottish and UK Governments and could take the lead in setting up and monitoring regional performance (together with the Intelligence Hub) and overseeing the delivery of the RSIP and parts of the RES. A Skills Delivery Group could also be responsible for strengthening cooperation with key stakeholders in the regional skills system, including education providers and employers (see below).

Changes in the governance structure of the Glasgow City Region present an opportunity for the region to take a stronger role in facilitating cooperation across stakeholders in the regional skills system. Establishing mechanisms for collaboration and networking amongst stakeholders and communities is essential to enable the diffusion of ideas, knowledge exchange and sharing of good practices in a regional skills system (OECD, 2019^[45]). To support existing efforts across regional stakeholders to coordinate and align skills provision, GCR could establish a *Regional Skills Board* bringing together government and non-government representatives, including providers (e.g. colleges, universities independent training providers, third-sector organisations and LAs), employers and possibly learner representatives (as the Irish Education and Training Boards). The board would replace or supplement the existing professional communities and networks operating across GCR. The board could support continued co-ordination and specialisation of further education provision through stronger collaboration between the colleges in GCR. This could take inspiration from a recent initiative in Atlantic Canada to facilitate college cooperation as a way to address labour shortages in the province (Box 3.5).

Box 3.5. College co-operation in Atlantic Canada (Canada)

The Atlantic Colleges Atlantique is an association of the seven public institutions delivering college programming in Atlantic Canada. The association has initiated the Colleges Transformation des Collèges Project with the Future Skills Centre in Canada. The project aims to address labour shortages and skills gaps in Atlantic Canada by proposing seven pilot projects initiated and deployed over 24 months. The projects will address gaps identified as priority sectors, e.g., Early Childhood Education, Information and Technology, and Licensed Practical Nurses. These projects will test, evaluate, and generate potential solutions to optimise and transform the college education and training system in Atlantic Canada. At the heart of the project is establishing a virtual *Innovation Centre* to help coordinate and connect the pilot projects. The range of colleges, engaged partners, and languages (both French and English) will help maximise the applicability and transferability of key learnings from the projects to colleges across not only the province but also the country. Another objective of the project is to strengthen the collective competence of the college system to support students from all communities.

Source: Future Skills Canada (2024^[46]), *College Transformation des Collèges*, <https://fsc-ccf.ca/projects/college-transformation-des-colleges/>.

Overcoming individual barriers to participation in re- and upskilling

Despite the increasing need to re- and upskill the workforce, many adults across OECD countries face multiple and interrelated barriers to participation in learning. Adult learners face many potential barriers to participation in adult education, including situational barriers (e.g. caring responsibilities or lack of employer support), institutional barriers (e.g. a lack of learning opportunities tailored to their specific needs) and dispositional barriers (e.g. concerns about their ability to succeed) (OECD, 2023^[47]). Across OECD countries, some of the most common barriers are a lack of time for work-related reasons, lack of time for family reasons, and lack of financial resources when employers do not fund training (OECD, 2023^[47]).

Governments can use various instruments to facilitate and encourage participation. Policy instruments that are disposable to governments to encourage participation in continuous education and training include financial incentives for individuals, financial incentives for employers, career guidance, flexible adult learning, and education and training leaves. Depending on the barriers to participation different instruments can be deployed. The following section analyses existing national, regional and local measures and discusses options for GCR to strengthen measures related to three dimensions: i) financial incentives for individuals, ii) career guidance and iii) flexible adult learning. Financial incentives for employers are covered in the following section on employer engagement, while this report does not cover education and training leaves.

Financial incentives to increase the participation of all individuals

Many adults do not participate in learning because of a lack of financial resources to cover participation costs. Costs for participation in adult education may be either direct costs to cover participation fees or indirect costs due to a loss of income when participating in training during working hours. A lack of financial resources can be a barrier for adults, and often, there are no or limited options for loans for adult learning. The barriers are particularly high for low-skilled adults who usually have a fragmented employment history with periods of unemployment and low-level, low-paid positions with limited opportunities for employer-paid training. The time and resources invested in training do not always

pay off for these individuals. Targeted financial incentives for individuals can strengthen participation in adult learning. Governments across the OECD subsidise adult learning to encourage participation due to its many individual and societal benefits. Financial incentives for individuals can take different forms, including education allowances, loans at preferential rates, adult learning premiums, scholarships, subsidies, tax incentives and education vouchers.

In Scotland, as in many other OECD countries, financial incentives for individuals are mainly implemented through national schemes that only cover limited parts of the continuous education and training system. In the Scottish post-school system, students can access financial support measures. Available measures include grants, fee waivers, bursaries, scholarships, and discretionary and hardship funds. Their conditions and eligibility criteria vary by the learner's age, background characteristics, course, and provider's nature. Domestic students pursuing degrees in universities are entitled to free tuition and provision. In colleges, access to financial support is more complex. It depends, e.g. on nationality/residency status, course level, full/part-time studies, start date of the course and individual circumstances (e.g. household income, marital status and number of dependents). Most domestic students pursuing full-time courses are fully funded by Educational Maintenance Allowance or SAAS (depending on the student's age). Students are responsible for paying course fees for part-time courses but may qualify for a part-time fee grant from SAAS. The support available depends on how many credits the individual is studying. In addition, students on low income or who receive benefits may be eligible for a fee waiver, subject to fee waiver places available (Student Information Scotland, 2024^[48]). Overall, the incentives tend to be weighted towards younger, full-time students pursuing university degrees, and there are only limited options available for students pursuing continued education and training (full or part-time).

National schemes are supplemented by local schemes run by LAs, e.g. to provide targeted support for vulnerable adult learners. At the local level, LAs seek to support adult learning through various measures, including financial incentives. Local measures often supplement national schemes, e.g., providing support for living costs such as travel or childcare. However, given the structure of national schemes, most individuals still find themselves in a situation where they must cover (parts of) their learning costs. Consulted stakeholders in GCR expressed concerns that financial incentive measures for adult learning must be stronger to inspire more (low-skilled) adults to engage in learning. More generally, stakeholders expressed that the system was not geared to support lifelong learning, where individuals continue learning at different stages and in various formats. The Individual Training Account was one crucial exception to this overall trend. As described in Box 3.1, the ITA provided up to GBP 200 per individual per year to support low-skilled adults to participate in education and training. However, the fund was limited in scale and volume and has now been paused.

The Glasgow City Region has options to strengthen financial incentives for individuals through national, regional and local routes. Following the multiple reviews of the Scottish skills system, particularly the recommendations from the Withers Review, the Scottish Government is re-assessing the national incentives framework. GCR could take advantage of this moment to provide input to the national government on how the system can be changed to cater more to adult learners seeking to participate in learning at different stages of their lives. At the same time, the LAs in GCR could look inward and review existing financial measures across local areas to support participation in adult learning. This work could be led by a working group linked to the GCR governance structure (e.g. through the suggested Skills Delivery Group). The group could draw together experts in the GCR with experience from deploying local incentives (e.g. discretionary awards and hardship bursaries) and thus pool knowledge about what works in the region. The group could also draw lessons from other OECD countries, e.g. on other approaches to ITAs and Lifelong Learning Entitlements (Box 3.6). Building on these experiences, one option to feed into the national level is to re-launch the Scottish ITA but with a stronger focus on supporting the low-skilled workers at risk of labour market exclusion and to link available funding to support for training in in-demand sectors and occupations.

Box 3.6. Examples of individual financial incentives for adults to participate in adult learning

Individual Training Accounts or Vouchers in Latvia and the United States

An individual learning or training account (ILA or ITA) is a subsidy scheme that attaches training rights to individuals (rather than employers or jobs) to fund current or future education and training activities. Often, these accounts are voucher-based schemes, where training rights are made portable from job to job and from one employment status to another. This is important in a world where many individuals must retrain for new positions or occupations due to changing labour markets and skill demands. However, ILAs or ITAs must be carefully designed to ensure they are aligned with labour market needs and support take-up by low-skilled workers.

In **Latvia**, the Latvian State Employment Agency issues vouchers for vocational and non-formal basic competency programmes to the unemployed. These can be used exclusively for priority training areas defined by the Latvian Training Commission. The Commission considers assessments of labour market priority undertaken by State Employment Agency (e.g. based on an analysis of vacancies, patterns of employment and unemployment, labour market forecasts and sectoral trends). The maximum funding and length of the training varies with the qualification level of the programme (from around EUR 600 to EUR 1 220 and from 480 to 960 hours).

Low-skill adults have access to Individual Training Accounts (ITAs) in the **United States**. The target group of the vouchers is low-skilled adults who can receive funding to access approved training programmes, which prepare them for work in sectors and occupations experiencing high growth and, hence, demand. The individual selects the training provider in consultation with the Career Advisor. The decision of which skills are in demand is based on labour market information at the state or local level. Programmes approved for funding are advertised on a state-wide programme and provider list. ITAs are funded under the *Workforce Innovation and Opportunity Act*, and Workforce Investment Boards oversee the implementation.

Plans for Lifelong Learning Entitlements in England (UK)

From 2025, **England (UK)** will introduce the Lifelong Loan Entitlement, which will create a single funding system to help people pay for college or university courses and train, retrain, and upskill flexibly in their working lives. This could be through a full-time degree, individual modules or other courses such as higher technical qualifications. From 2026, the loan will be available for full courses with degrees/technical qualifications and modules of high-value technical courses. Eligible learners can access a tuition fee loan, with new learners accessing up to the full entitlement of GBP 37 000, equal to four years of study in today's fees. Lifelong Loan Entitlement tuition loans will be available for people up to 60. Targeted maintenance grants will also be available for some groups, such as learners with disabilities or support with childcare. Learners can see their loan balance through their personal Lifelong Loan Entitlement account.

Source: OECD (2019^[49]) *Getting Skills Right: Creating Responsive Adult Learning Systems*, www.oecd.org/employment/emp/adult-learning-systems-2019.pdf; OECD (2019^[50]), *Getting Skills Right: Engaging Low-skilled Adults in Learning*, www.oecd.org/employment/emp/engaging-low-skilled-adults-2019.pdf; OECD (2019^[51]), *Financial Incentives to Promote Adult Learning in Australia*, <https://doi.org/10.1787/c79badcc-en>; and UK Government (2024^[52]), *Lifelong Learning Entitlement overview*, www.gov.uk/government/publications/lifelong-learning-entitlement-le-overview/lifelong-learning-entitlement-overview.

Career guidance to orient adults towards sectors and jobs in demand

Career guidance is essential to help adults navigate a constantly changing labour market. Career guidance can be defined as services that help workers of any age make meaningful education, training and occupational choices and manage their careers (Cedefop et al., 2021^[53]). Career guidance is used to raise awareness of available education and training services and increase the participation of individuals who either have limited knowledge about existing offers or cannot navigate these offers on their own.

Career services in Scotland are delivered by multiple providers across different parts of the Scottish national and local governments, as well as the UK government. As described in the Scottish Government's Career Strategy, career service providers in Scotland may be categorised into three overall groups: 1) those whose primary function is to offer career guidance (e.g. SDS and employability providers), 2) those for whom career guidance represents an essential part of their services (e.g. schools, colleges, universities, Jobcentre Plus and LAs), and 3) those with an interest in career guidance (e.g. trade unions, charities and local community groups) (Scottish Government, 2020^[54]).

The leading Scottish career guidance provider is SDS, responsible for delivering Scotland's all-age national careers service. SDS has career advisers in every state secondary school that aims to support youth transitioning from school to work (see Chapter 5). In addition, the agency delivers services from 30 premises and 147 community venues. For GCR, SDS deliver from 8 premises and 66 community venues. SDS also has an online presence through the *My World of Work* platform (Skills Development Scotland, 2024^[55]), an internationally recognised example of an online career guidance tool, and a telephone helpline. For individuals out of work/receiving income support benefits, SDS co-operates with Jobcentre Plus (JCP) – the UK's public employment service – through the Integrated Employment and Skills (IES) Partnership. This agreement ensures that individuals can be referred for support between the two organisations depending on their needs. For all customers where JCP is the lead partner, the partnership enables JCP to make referrals where they feel a customer may benefit from career guidance as part of their career development (Scottish Government, 2020^[54]).

The broad number of providers at the national and regional levels represents the system's strengths and weaknesses. On the one hand, it is an apparent strength of the Scottish career guidance system that the delivery model is rooted in schools, colleges, universities, JCP offices, LAs and local communities. On the other hand, there is a risk of fragmentation and inconsistency in individual support. At the same time, resources seem to be skewed towards services for youth. The regional career guidance offer for adults could be strengthened by mapping and bringing together various stakeholders operating in the region. In particular, the work could aim to map and streamline access points and referral routes between different parts of the career guidance system to make it easier for individuals to manoeuvre. This work could also look into options to provide more fair and equitable access, especially for low-skill adults and ensure high-quality advice. In addition, GCR could discuss with the Scottish Government options to rebalance the career guidance offer to cater to the growing numbers of adults needing re- and upskilling opportunities. Lastly, GCR could seek options in collaboration with the GCR Intelligence Hub and SDS to strategically use available regional labour market information to guide career services in the region (particularly those not provided by SDS). This could result in developing bespoke GCR career guidance materials for different career service advisers.

Reforms of the career guidance system for adults could take inspiration from existing programmes across OECD countries. In Bristol (UK), they have implemented the Future Bright Programme, which targets adults in work who need support to progress in their careers and further develop their skills. In Portugal, where the Qualifica Programme is a government initiative that includes a network of 313 centres that provide information, guidance and other services for adults needing up- and reskilling. In Iceland, 14 lifelong learning centres operate nationwide to provide career and educational guidance and services to adults in the labour market with limited formal education.

Box 3.7. Examples of career guidance programmes for adults

The Future Bright Programme in Bristol (UK)

The Future Bright Programme is in place to provide career coaching for currently employed people who need support to progress in their careers and further develop their skills. The programme takes a holistic individual approach, pairing participants with a dedicated career progression coach for one-on-one coaching in their area over three to six months. Eligible persons are aged 18 or over and are currently in paid work (including zero hours and self-employed) living in Bath & North East, Somerset, Bristol, and South Gloucestershire. The coaches help participants to find or apply for a new job, look for available training, advance the participant's interview skills, and advise with CV writing. While individuals can enrol on their initiative, local job centres are crucial in the implementation programme. Participation is anonymous, and participants' employers are not informed of their employees' participation, which is an advantage for employees looking to shift career paths. An evaluation of the programme has shown positive results. Since 2021, 4 000 individuals have received coaching through the programme, 1 858 have entered training, and 265 have improved their work situation and income as a direct result of participation in the program.

The Qualifica Programme in Portugal

The Qualifica Programme is a government initiative launched in 2016 to promote adult training and education – focusing on enhancing skills and qualifications to improve adults' employability. The programme comprises a national network of 313 centres that provide information, guidance and other services for adults needing up- and reskilling. The centres can refer adults to qualifying or educational pathways and can help adults get prior learning certified. The centres also provide training and support tailored to the individuals' needs. Services may vary amongst the centres depending on location and resources. Another output of the Qualifica programme is the Qualifica passport. It allows adults to track their qualifications and skills acquired and identify further learning pathways, guiding them towards future skills development opportunities. This tool is available online on the Qualifica passport webpage, allowing adults to design possible and suitable qualification routes via a simulator. Lastly, as part of the Qualifica programme, the Portuguese government has created a Qualifica Industry Programme. Launched in September 2023, this programme supports re- and upskilling in the industrial sector to promote job retention and prevent the risk of unemployment in companies. The program targets specifically micro- and SMEs, supporting the qualification and re-qualification of workers.

Lifelong Learning Centres in Iceland

In Iceland, 14 lifelong learning centres operate nationwide to provide career and educational guidance and services to adults in the labour market with limited formal education. The centres focus on employed and unemployed adults, and both groups may access the services free of charge. A key priority of the centres is to support the recognition of prior learning for adults with limited formal education. The Education and Training Service Centre is the coordinating body of the lifelong learning centres. The Education and Training Service Centre's main task is to supervise the development of guidance and counselling provided in the centres in cooperation with employers and education providers. The

Education and Training Service Centre is a private company jointly owned by the Icelandic Confederation of Labour, the Confederation of Icelandic Employers, the Federation of State and Municipal Employees, the Ministry of Finance and the Association of Local Authorities in Iceland.

Source: West of England Combined Authority (2022^[56]), *Future Bright Interim Evaluation*, www.westofengland-ca.gov.uk/wp-content/uploads/2023/12/3251.Future-Bright-Impact-Report-HD.pdf; Portuguese Government (2024^[57]), *Programa Qualifica*, www.qualifica.gov.pt; Portuguese Government (2024^[58]), *Government creates Qualifica Industry Program*, <https://eportugal.gov.pt/en-GB/noticias/governo-cria-o-programa-qualifica-industria>; and ETSC (2024^[59]), *About us*, <https://frae.is/fraedslumidstodin/about-us/>.

Adapting the learning offer to the needs of adults who have other responsibilities

Adult learning systems need to be flexible to provide learning offers that recognise and seek to overcome the constraints of working people with family or other responsibilities. A flexible adult learning offer allows adults to combine and move quickly between education, training and employment over the life course. There are at least four main ways in which adult learning provision can offer greater flexibility: i) timing and allowing, e.g. for part-time studies or weekend and evening courses; ii) location (e.g. providing training at work or in alternative learning spaces); iii) delivery mode (e.g. online courses); and iv) course type (e.g. modular courses) (OECD, 2023^[47]).

In the Glasgow City Region, especially colleges and universities are working to modernise delivery methods to enhance access to learning. Examples of more flexibility in learning offers in GCR include modular and short vs. regular training intervals; in-person vs. remote learning; on- and off-the-job training; mechanisms to accumulate and record accredited skills outcomes attained over time (e.g. through micro-credentials); and online-only options for self-supported learning. When still in place, the SFC upskilling fund supported the development of such offers, especially in the university sector. An example was the University of Glasgow's Upskilling Project, which facilitated skills-focused, demand-led micro-credential courses to support employees and employers across Scotland to up- and reskill in response to socioeconomic challenges. The Project offered fully funded places to learners through the SFC Upskilling Fund. Each industry-led course is worth five to ten academic credits, lasts five or ten weeks and is entirely online or flexible (University of Glasgow, 2024^[60]). While the Scottish Government supports the continued roll-out of micro-credentials in further and higher education (The Quality Assurance Agency for Higher Education, 2023^[61]), this type of flexible training offer could be further developed in GCR building on experiences across OECD countries (Box 3.8). In addition, other measures such as evening and weekend courses could also be better exploited. In the future, GCR could explore options to test and trial new measures in a more collaborative way.

Box 3.8. Micro-credentials across the OECD

Micro-credentials are short, targeted learning activities that allow learners to re- and upskill quickly and efficiently. While traditional credentials include formal degrees and qualifications, micro-credentials certify or highlight the learning and outcomes of short-term learning experiences, such as short course training, often not recognised as stand-alone formal educational qualifications by relevant education authorities. Micro-credentials have swiftly spread across OECD countries in recent years. Education and training institutions increasingly offer micro-credentials by rebranding or restructuring their existing programmes and creating new ones. This is often done with other institutions, industries and learning platforms. A growing number of companies and non-profit organisations are also offering micro-credentials. Micro-credentials can be a means of social inclusion by facilitating a wide range of learners, including from disadvantaged or vulnerable groups, to access education and training opportunities. However, integrating micro-credentials into the existing adult learning system remains a challenge in many countries, primarily revolving around the recognition and equivalence of these credentials alongside traditional qualifications. A recent OECD report has pointed to various options to improve the micro-credential system in countries, including 1) establishing quality assurance frameworks (e.g. through minimum standards for programmes at the national or sub-national level), 2) spreading awareness and understanding of micro-credentials to facilitate broader take-up, e.g. through digital platforms, registries or individual learning accounts), 3) integrating micro-credentials into adult learning systems (e.g. by linking them to National Qualification Frameworks) and 4) collection of data and evaluation programmes.

Source: OECD (2024^[62]), “Building the Future of Skills Development through Micro-credentials”, Paris, www.oecd.org/els/emp/skills-and-work/Future_of_skills_micro_credentials.pdf; and OECD (2023^[63]), “Micro-credentials for Lifelong Learning and Employability: Uses and Possibilities”, *OECD Education Policy Perspectives* No.66, Paris, OECD Publishing, <https://doi.org/10.1787/9c4b7b68-en>.

Strengthening employer engagement in the regional skills system

Employers play a central role in preparing adult learning systems for the future. Successful adult learning programmes require the engagement of a diverse set of stakeholders, including employers and employers organisations. Employers hold essential information on existing and future skills needs and how to deliver training accordingly. In addition, employers are vital to promoting a positive learning culture and facilitating access to training by providing relevant information, as a large part of adult learning occurs at work. Lastly, as employers benefit from job-related education and training through increased productivity, innovation and employee retention, they often play a central role in financing adult learning provision. This section reviews existing measures for employer engagement in the skills system in GCR and discusses options to strengthen existing local and regional mechanisms to benefit employers and learners.

Support for employers to invest in re- and upskilling is limited

Inconsistencies in the Apprenticeship Levy system risk employer engagement and additional skill investments. While the UK Apprenticeship Levy aims to strengthen employer engagement in the system, the national implementation by the Scottish Government is not seen positively by many Scottish employers, as interviews for this review revealed. The money collected from Scottish employers through the UK Apprenticeship Levy is only partly used to finance apprenticeships or other adult skills/work-based learning activities. One consequence is that apprenticeships are more expensive for employers in Scotland than in England (see Chapter 5). Another issue is the pausing of the *Flexible Workforce Development Fund*, which employers otherwise have found very useful in supporting re- and upskilling activities for employees.

International research shows that where funds are not hypothecated, and employers have little control over how the money is spent from levy training funds, they are less effective in securing employer engagement (OECD, 2017^[64]). In GCR, the fragility of the employer engagement infrastructure and the inconsistency of funding have led to concerns about the stability of future employer engagement in the regional skills system.

One option for the Glasgow City Region could be to create stronger links between support for employer engagement in skills provision and more traditional business support services. All eight LAs in GCR have their business-facing support services, which tend not to include a strong focus on skills development. In particular, business support services are delivered through Business Gateway, a national programme that provides online and in-person support for businesses on planning, building control and environmental health. In addition, many LAs have used funding from the UK Shared Prosperity Fund (UKSPF) to enhance local business support interventions further locally. Given the increasing focus on skills development in the region, it could be valuable to better link the local business support measures with support for re- and upskilling in businesses. Another essential aspect would be to reach out to and ensure access for micro-enterprises and SMEs. One option could be to develop a bespoke GCR Employer Hub that links business support with skills development support through one or more physical and/or online hubs. The hub could build on funding from the Business Gateway programme and the UKSPF and could start as a pilot project in a couple of LAs in the region. In Ireland, the Skills to Advance programme overseen by the Education and Training Boards helps employers identify their skills needs and provides training for employees needing re- and upskilling support. In Greater Manchester (UK), the Business Growth Hub combines business and workforce development support for employers in the region (Box 3.9).

Box 3.9. Programmes to support employers to re- and upskill in Greater Manchester (UK) and Ireland

Skills to Advance Ireland

In Ireland, a national re- and upskilling programme – Skills to Advance – for employers and employees has existed since 2019. The programme has two overall objectives: 1) helping employers identify their skills needs and supporting them in developing training offers for their employees, and 2) providing training for employees needing re- and upskilling support. The training opportunities target workers i) in occupations and sectors changing – specifically in light of the green and digital transition, ii) in lower-skilled jobs, or iii) above 50 years. The programme aims to equip employees with the skills needed to succeed in their current jobs or to change to other professions. The Irish Education and Training Boards manage and operate the various training offers via regional branches, overseen by SOLAS (the state agency for further education and training). Employees can access offers via three routes: 1) by enrolling directly in relevant training options to advance their work options, 2) by accessing offers through their employer, and 3) as part of regional development initiatives where employees enrol in regional skills development offers. Training is provided across various sectors, e.g. hospitality and tourism, leadership and management, health and welfare, engineering, and construction. The programme also has a dedicated partnership in the green sector, where large Irish companies and skills providers are engaged in developing courses targeted at green skills development. The training options are specifically targeted at SMEs. SMEs eligible for training (e.g. because they have high shares of low-skilled workers) will work with Skills to Advance advisers to conduct a learning needs analysis. The resulting training options are free of charge.

The Greater Manchester Business Growth Hub (United Kingdom)

Since its launch in 2011, the GM Business Growth Hub has been a central point of contact for businesses in Greater Manchester. The hub combines services for business across various sectors in the different stages of development. Through the advisers in the hub, companies can get one-to-one support, e.g., to understand their workforce development needs and be guided towards available re- and upskilling programmes and funding opportunities. The hub has a dedicated service for apprenticeships (the Apprenticeship Growth Service), which supports employers in engaging with and taking up apprentices. Other parts of the services focus more on general business development, e.g. how to explore export options. Most of the services the hub provides are free of charge for businesses. To access the services, businesses are asked to provide basic information about their companies (e.g. type of sector and number of employees) through an online questionnaire. A total of ten advisers work in the hub, representing each of the ten Local Authorities in the Greater Manchester Combined Authority. The hub has received funding from the UK Shared Prosperity Fund via the Greater Manchester Combined Authority.

Source: SOLAS (2024^[65]), *Skills to Advance*, www.solas.ie/programmes/skills-to-advance/; and Business Growth Hub (2024^[66]), *Our Impact*, available online at: www.businessgrowthhub.com/ourimpact (accessed on 07.05.2024).

Multiple mechanisms for employer engagement exist at the national, regional and local levels in Scotland

At the national level, the employer engagement infrastructure across the skills system is fragmented, and mechanisms for employer engagement are limited. From 2002 to 2016, the primary mechanism for employment engagement in the UK Government was the *Sector Skills Councils*, which presented a structured way to engage industry, employer, trade and professional bodies across various sectors of the economy. With these bodies no longer in place, the Scottish Government has moved to more diverse mechanisms of employer engagement, with variation across sectors. Generally, these tend to be limited in outreach, often prioritising a small number of large employers in specific sectors, e.g. through advisory boards. Many of these public/private partnerships do not have skills policies at the top of their agenda. While there are essential exemptions (e.g. the way SAAB cooperates with employers on apprenticeship provision), the overall consequence is that Scotland suffers from low employer engagement in the skills system. This is evident in the apprenticeship system, where only 10% of all employers offer apprenticeships (and only 5% of businesses with 2-4 employees) (Scottish Government, 2023^[7]) (see Chapter 5).

At the regional level, two well-established boards facilitate exchanges and collaboration between employers and the regional administration. These include the *Glasgow Economic Leadership* (GEL) Board, which provides strategic guidance to GCR on economic development issues and the *Glasgow Employment and Skills Board*, which oversees the work of the Developing the Young Workforce (DYW) programme across GCR and has a broader remit to help connect employers with the labour market and find solutions for recruitment and skills issues. Both boards involve a range of (mainly larger) employers across the public and private sectors. In addition, the GEL Board has representation from academia. While the GEL Board is primarily focused on regional economic development, the *Glasgow Employment and Skills Board* is dedicated to strengthening employer engagement in employment and skills policies in the region (Box 3.10).

Box 3.10. Employer engagement bodies in the Glasgow City Region

Glasgow Economic Leadership (GEL) Board

The GEL Board was established in 2011 after the 2008 economic crisis to support economic development in the Glasgow City Region based on a sector-led approach. The board members are leaders from academia, industry, and the public sector (e.g. the Chief Executive of Glasgow Airport, the CEO of Glasgow Chamber of Commerce, and the Vice Principal at the University of Strathclyde). The board aims to align and boost private and public investment in Glasgow City and the region. The board's work is organised around critical sectors (i.e. life sciences, tourism, creative economy, green economy, financial and business services and higher and further education) of the regional economy, with each sector stream being led by one of the board members. Depending on the sector, the board also has links to small and medium-sized businesses (e.g. in Life Science). While skills policies are not the board's primary focus, the topic is covered ad hoc and as a cross-cutting issue. Together with the Glasgow City Region, the board is currently exploring options to link the board closer to the governance structure of the city region and to strengthen its focus on investment and skills as drivers for business and economic growth.

Glasgow Employment and Skills Board

The Glasgow Employment and Skills Board comprises more than 30 employer representatives, which seeks to support up- and reskilling and lifelong learning policies across current and emerging sectors in the Glasgow City Region. Previously known as the Glasgow Employer Board, the Glasgow

Employment and Skills Board became a formal membership group in 2012 with the support of the Glasgow Chamber of Commerce. In 2019, the Glasgow Chamber of Commerce turned the board into the main forum for employment and skills topics. The board has led in implementing the Developing the Young Workforce (DYW) programme in the city region and national consultations on employment and skills issues. In addition, the board has developed various strategic initiatives, including “Skill the Gap” (a one-day event in March 2023 to provide information on ways to up- and reskill staff and share innovative practices to address skills shortages), initiatives to support the recruitment of young people, and business support for recruitment and skills (e.g. paid work placements).

Source: Interviews with various stakeholders in the Glasgow City Region. Glasgow Economic Leadership Board (2024^[67]), *Glasgow Economic Leadership*, <https://glasgoweconomicleadership.com/>; and Developing the Young Workforce Glasgow (2024^[68]), *Recruit, retrain, upskill!*, <https://dywglasgow.com/recruit-retain-and-upskill/>.

Numerous partnerships exist between employers, Local Authorities, colleges, and universities at the local and institutional levels. Critical stakeholders in the region (e.g. LAs, colleges and universities) use local and institutional-level partnerships to connect with employers, understand their demand and facilitate training and job placement opportunities. Most of these partnerships are linked to the administrative boundaries of the LA or college or even to a specific department within the authority or education institution. The system can be challenging and resource-intensive for employers to access and navigate, and many remain unsure about how and with whom to interact. According to consulted stakeholders, there is a need for more simplified engagement structures with fewer entry points. This would benefit both employers (e.g. through better alignment between skills provision and employer needs) and individuals (through more explicit routes into employment and work-based learning).

Members of the Glasgow City Region could take steps to review and strengthen mechanisms for employer engagement on skills issues, including through a Regional Skills Board. GCR needs one or more explicit and well-defined routes through which employers can influence skills policies and provision in the region. Discussions about how this could be done are already ongoing. In particular, one option presented by the Withers Review is to establish a regional board (Scottish Government, 2023^[15]). As outlined in the previous section, this could take the form of a *Regional Skills Board*, which would bring together employers, providers, and learners in the region on wider workforce and skills development issues. The board’s purpose would be to guide skills planning and education and training delivery at a regional level. The board could be linked to a new Skills Delivery Group consisting of only local, regional and UK/Scottish Government representatives.

From an employer perspective, a *Regional Skills Board* should build on existing employer engagement structures, including the GEL Board and the Glasgow Employment and Skills Board. The board members could include representatives of various employers in the Scottish economy, including SMEs. SMEs comprise more than 99% of all private sector jobs in Scotland (Scottish Government, 2023^[69]), yet they continue to be underrepresented in crucial employer engagement bodies, including the ones in GCR. The selection of members for a new board can be guided by mapping employer and industry networks in the region, which also supports establishing a series of partnership agreements as the basis for future collaboration with employers beyond the board. One of the board’s first tasks could be to develop a new employer engagement strategy on skills for the region, closely linked to the RES and the RSIP. The new strategy should also seek to align thinking on critical economic sectors across GCR stakeholders and guide new initiatives in the highest priority sectors.

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Note

¹ The participation measures cover participation in formal and non-formal education and training. Formal education and training refer to learning activities that are institutionalised, intentional and planned through public organisations and recognised private bodies and constitute the formal education system of a country. For adults, it consists mostly of vocational education, special needs education and some parts of adult education. Non-formal education and training are defined as any institutionalised, intentional and organised/planned learning activities outside the formal education system. It comprises courses, seminars and workshops, private lessons or instructions and guided on-the-job training, but excludes non-guided on-the-job training. “Last four weeks” refers to the four weeks before the interview conducted as part of the Labour Force data collection ([Participation in education and training \(based on EU-LFS\)](https://ec.europa.eu/eurostat/tgm/table.do?tab=table&init=1&language=en&code=sdg_4.6.2&plugin=1) (europa.eu)).

4

Enhancing labour market inclusion of the economically inactive

This chapter examines the employability system in the Glasgow City Region, focusing on how the system is set up to support people furthest from the labour market into work. The chapter provides insights on the main characteristics of the economically inactive in the Glasgow City Region and analyses how they are supported through the local and regional employability system and the integration of employability services with other services such as basic skills, health and mental health services.

In Brief

Strengthening support for the economically inactive through regional co-operation, partnerships and labour market information

- **The inactivity rate in the Glasgow City Region (GCR) is high, but many inactive in the region would like to work.** The inactivity rate in GCR was 25% in 2023 – higher than the rest of the UK (21%), many cities in the UK and the OECD. After excluding students, the inactivity rate in GCR remains one percentage point above the Scottish average (17% vs. 16%). At the same time, 15% of the inactive would like to work. The inactivity rate differs across the eight Local Authorities in GCR, with the highest rate observed in North Lanarkshire (28%) and Inverclyde (27%), all above the UK average.
- **The primary cause of inactivity across all Local Authorities (LAs) in GCR is long-term sickness.** In 2023, the leading causes of economic inactivity in GCR were long-term sickness (45%), followed by looking after family/home (30%) and retirement (13%). The high incidence of inactivity due to long-term sickness is likely driven both by the high share of people with a disability in the population and the high inactivity rate in this group. Across age, gender and ethnicity, the inactivity rate is exceptionally high for males aged 35 to 49 and females aged 50 to 64 and for individuals from an ethnic minority born outside of the UK. The inactivity rate in GCR decreases with education attainment.
- **LAs in Scotland play a leading role in engaging economically inactive and unemployed people through devolved employability programmes.** Employability services are not a statutory requirement for Scottish LAs. Yet, their engagement in supporting those furthest from the labour market is strong and has been further strengthened following the devolution of responsibilities for employability services from the UK to the Scottish Government and the implementation of the *No One Left Behind* (NOLB) Programme – the first fully devolved employability programme in Scotland.
- **Despite potential benefits from stronger regional co-ordination, GCR plays a limited role in designing and delivering employability services.** In GCR, employability services are mainly comprised of locally designed programmes delivered by the eight LAs. Administrative borders restrict the provision of services, and regional approaches to design and delivery have only been tested in a few instances, but they have had positive results. The region could consider the potential benefits of a more regionalised approach, e.g., drawing on experiences from the Greater Manchester Combined Authority in England.
- **The Scottish employability system operates in parallel with the UK Government's Jobcentre Plus offices.** Jobcentre Plus is a UK Government-funded national agency that helps people find jobs and provides income replacement benefits to those who are eligible (e.g. *Universal Credit*). There is an overlap in target groups between the Scottish and UK systems, meaning that individuals are followed by multiple systems in parallel, and cross-referrals from Jobcentre Plus offices to LAs are common. Co-ordination between the two systems is hampered by differences in the approach to clients and a lack of data-sharing systems. Inspiration to develop more joined-up working methods across relevant authorities can be found, e.g. in France and Denmark.
- **The collection and use of labour market information (LMI) has increased in recent years. Still, there is a potential for LAs to exploit national, regional and local data further to**

guide outreach and programme design. LMI is available at Scotland's national, regional and local levels to inform employability provision. Local data collection is guided by the *Employability Measurement Framework* introduced by the Scottish Government as part of the NOLB plan. Building on these sources, LAs could take a more data-driven approach to designing and targeting local employability programmes and support systematic evaluation.

- **Entry points and referral procedures are not entirely streamlined and connected at the local level, and some individuals risk falling between the cracks of the system.** Introducing the Keyworker Model as part of the NOLB programme has simplified the client journey and streamlined the registration of individual-level data. Yet, the distinction between Keyworker Service Providers and other external providers remains vague, and individuals continue to enter the system without being registered and assigned to a Keyworker. Continued rollout of the Keyworker Model across LAs is essential to simplify and improve clients' journeys and avoid registration and data collection gaps. In addition, by drawing on experiences from Germany and the United States, LAs could strengthen outreach measures to provide services for those furthest from the labour market.
- **Third-sector organisations are vital for the Scottish employability and skills system.** The third sector in Scotland comprises over 46 000 voluntary sector organisations, 6 000 social enterprises and 25 000 charities. With the decentralisation of funding for employability to the local level, third-sector organisations increasingly rely on LAs to secure financing for their activities. LAs could seek to streamline commissioning processes across funding streams, strengthen provider networks to enhance collaboration and engage third-sector organisations in decisions on local delivery.
- **Supporting the economically inactive often requires joined-up interventions that combine services from different policy areas (e.g. social, health, education and training services).** In GCR, models for co-location of employability and health services are under development, including through local Employability Hubs. These are places where individuals can show up and get in contact with representatives from different services and providers. Building on international evidence and aligned with the NOLB approach, LAs should continue their efforts to build up and further develop the Employability Hubs.

Introduction

The inactivity rate in the Glasgow City Region is high, and many inactive would like to work. A high level of inactivity is a long-standing phenomenon in GCR. In 2023, the overall inactivity rate in GCR, at 25%, was higher than in the rest of the UK and many cities in the UK and the OECD. However, some improvement in the economic activity of GCR residents has been observed over the last two decades, with the inactivity rate decreasing from 27% in 2004. Despite these improvements, economic inactivity remains a fundamental challenge for the economy of the Glasgow City Region, including through pressure on local government finances through increased spending on social services and potentially limiting economic growth through lower labour market participation.

This chapter reviews skills and employability services for individuals furthest from the labour market, including those who are economically inactive. The first section provides an in-depth analysis of the characteristics of those furthest from the labour market in the Glasgow City Region. The following two sections provide an overview of Scotland's employability system in general and the Glasgow City Region more specifically and discuss the strengths and weaknesses of the system to identify, reach out to and provide support for the economically inactive in the region. Section three analyses the provision of basic skills for those furthest from the labour market and the link between employability services and other services such as health and mental health services.

Who are the economically inactive in the Glasgow City Region?

The inactive population is diverse, and the barriers that inactive people face in entering the labour market vary. The inactivity rates differ across socio-economic groups and are relatively high among people with disabilities, ethnic minorities, women aged 50-64, men aged 35-49, and people with lower educational attainment. This section further characterises the inactive population in the GCR, focusing on the differences in disability status, gender, age, ethnicity, and level of education.

Long-term sickness

In the Glasgow City Region, a high share of the working-age population is inactive due to long-term sickness. In 2023, the primary cause of inactivity in GCR was long-term sickness (45%), followed by looking after family/home (30%) and retirement (13%) (Figure 4.1). In 2023, 8% of 16-64-year-olds were inactive because of long-term sickness, two percentage points higher than the UK average. However, it should be noted that over the last two decades, the share of the working-age population that was inactive for this reason decreased in GCR from 10% in 2004.

Figure 4.1. The primary cause of inactivity in the Glasgow City Region is long-term sickness

Reasons for inactivity among the inactive population, excluding students, 2023



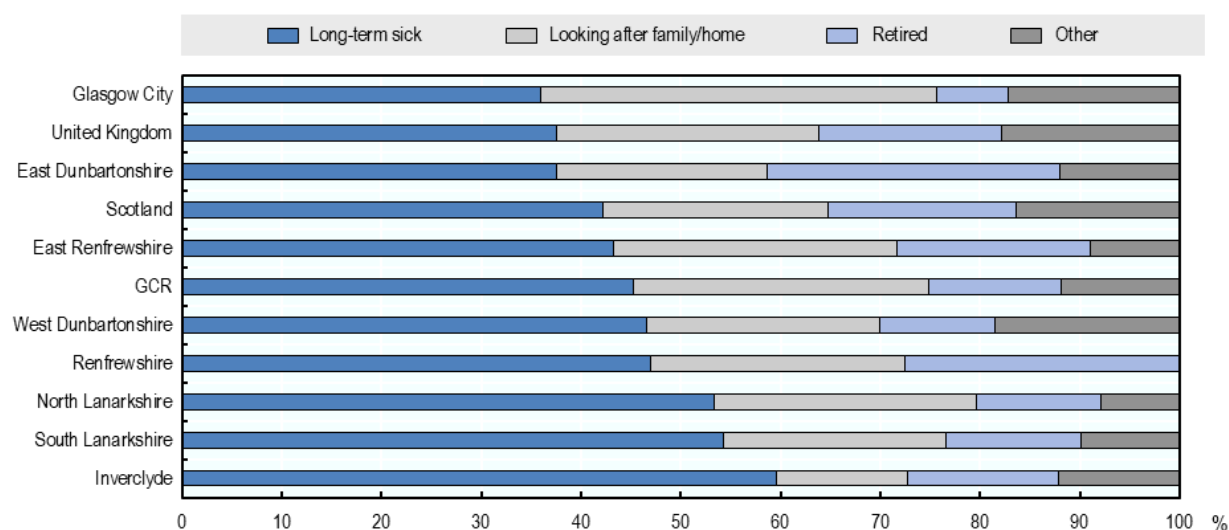
Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

While long-term sickness is the primary cause of inactivity in all Local Authorities of the Glasgow City Region, the phenomenon's scale varies. In 2023, in North Lanarkshire, South Lanarkshire and Inverclyde, long-term sickness was the cause of inactivity for more than half of the inactive, well above the UK average (38%) (Figure 4.2). In contrast, 36% of the inactive in Glasgow City were long-term sick. In South Lanarkshire, a high percentage of the working-age population was inactive due to long-term sickness despite the low inactivity rate.

Figure 4.2. Long-term sickness is the primary cause of inactivity in all Local Authorities of the Glasgow City Region

Share of the 16-64-year-olds who are inactive based on the reason for inactivity, excluding students, 2023

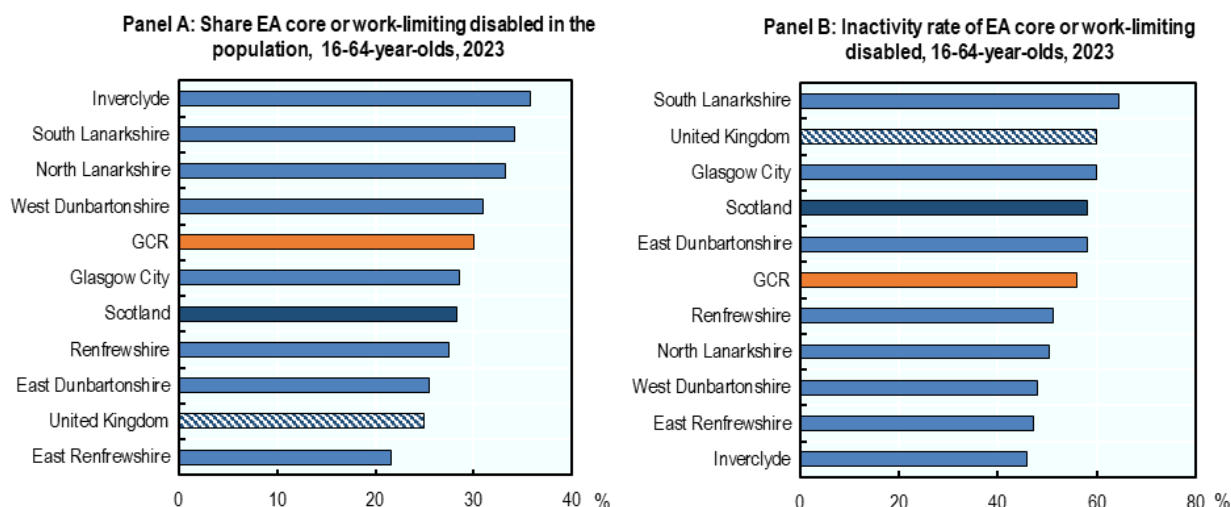


Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

In the Glasgow City Region, the high incidence of inactivity due to long-term sickness is likely driven both by the high share of people with a disability in the population and the high inactivity rate in this group. Almost 30% of the population of GCR had a disability in 2023, which was five percentage points higher than the UK average and two percentage points above the Scottish average (Figure 4.3). Yet, the inactivity rate among those with a disability in GCR, at 56%, was below both the UK average (60%) and the Scottish average (58%). In the EU, the inactivity rate among those with a disability was more than ten percentage points lower than in GRC (45%) but ranged from 23% in Czechia and 27% in Finland to 87% in Bulgaria and 77% in Greece (Eurostat, n.d.^[1]). However, comparisons across countries should be treated with caution, given that the categorisation of people with a disability may differ.

Figure 4.3. In the Glasgow City Region, there is a high share of people with a disability in the population and the inactivity rate in this group is also high



Note: EA ("Equality Act") Core disabled includes those who have a long-term health problem which substantially limits their day-to-day activities in accordance with the core definition in the Equality Act 2010. Work-limiting disabled includes those who have a long-term disability which affects the kind or amount of work they might be able to do (ONS, n.d.[2]). Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

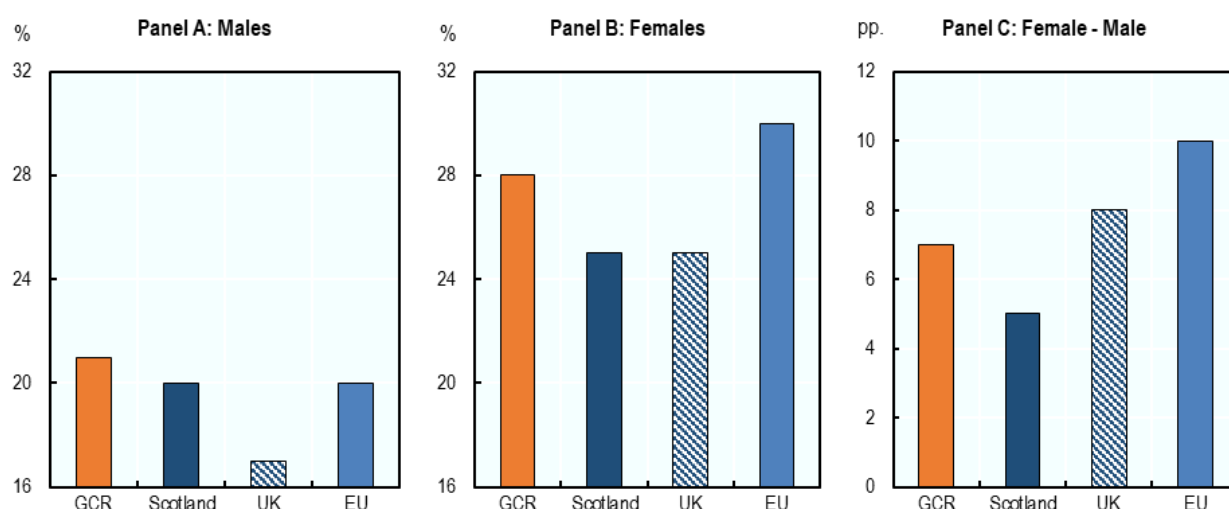
Source: OECD's calculations based on NOMIS [Annual Population Survey].

Gender and age

While the inactivity rate among women in the Glasgow City Region is higher than among men, the gender gap is relatively small compared to the UK and EU averages. In GCR more than one in five men is inactive. Like in the UK and EU, in GCR, women's inactivity rate is higher than men's (Figure 4.4). In 2023, 28% of women were inactive compared to 21% of men. However, the gender gap in inactivity, at 7 percentage points in GCR, was smaller than in the UK (8 percentage points) and the EU (10 percentage points). Compared to the UK, the inactivity gap is larger for males than females. The inactivity rate among women was three percentage points higher in GCR than the UK average but five percentage points lower than the EU average. A comparison to the UK and EU averages reveals that, in relative terms, males fare worse than women for economic inactivity in GCR. The inactivity rate of males in GCR is four percentage points higher than the UK average and one percentage point higher than the EU average.

Figure 4.4. While the inactivity rate among women in the Glasgow City Region is higher than among men, the gender gap is relatively small compared to the UK and EU averages

Inactivity rate, 15-64-year-olds, 2023



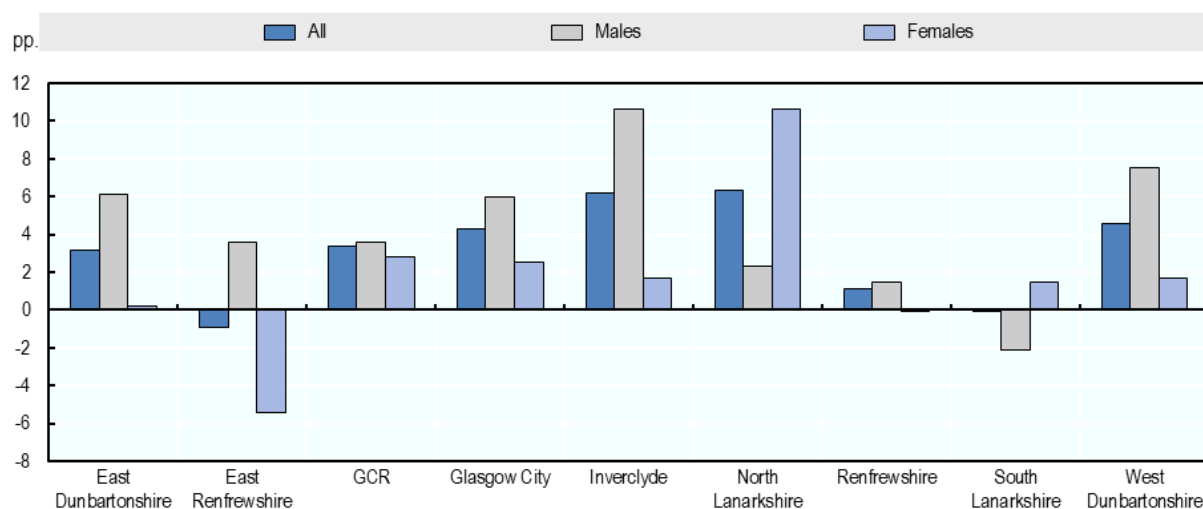
Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey] for UK data and Eurostat [Labour market – Regions] for the remaining data.

The Local Authorities in the Glasgow City Region differ regarding the relationship between gender and inactivity. In North Lanarkshire, the inactivity rate was higher than the UK average mainly for women in 2023 (Figure 4.5). In contrast, in Inverclyde, the difference between the inactivity rate and the UK average was driven purely by men. In East Renfrewshire, women had lower inactivity rates than the UK average, while the opposite was true for men.

Figure 4.5. In some Local Authorities in the Glasgow City Region, the inactivity rate among males is worryingly high compared to the UK average

Differences in the inactivity rate compared to the UK average, percentage points, 2023



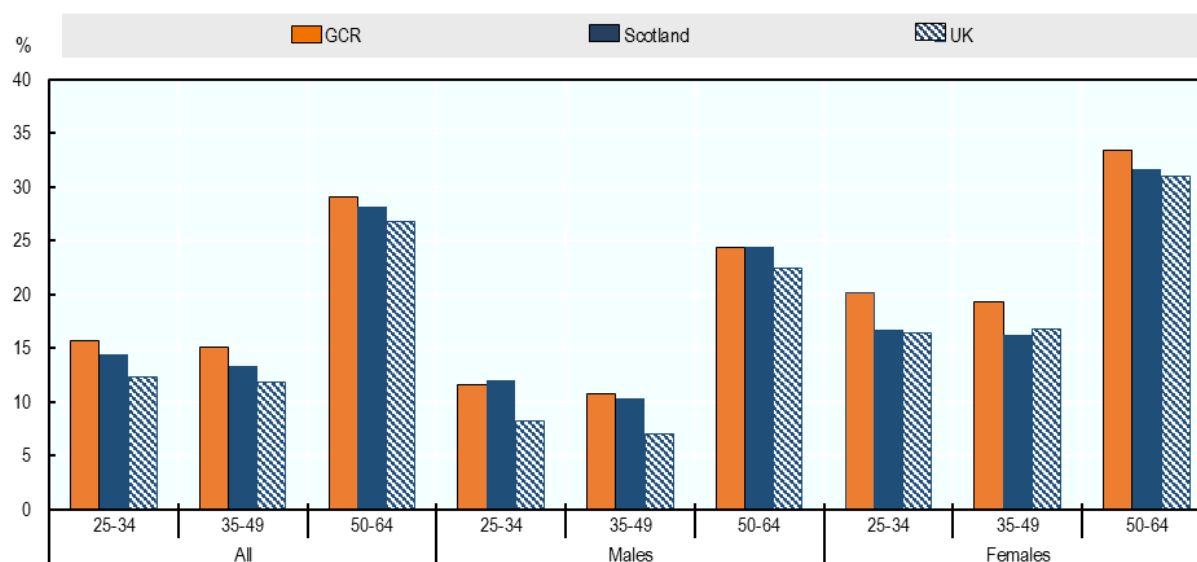
Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

The inactivity rate in the Glasgow City Region was higher than the UK average for males aged 35 to 49 and females aged 50 to 64. The inactivity rate in GCR increases with age. Among the 25- to 34-year-olds, 16% were inactive in 2023 (Figure 4.6). The inactivity rate increased to 29% for 50- to 64-year-olds. The inactivity rate in the youngest population group is 3.5 percentage points above the UK average. The inactivity gap differed in terms of age and gender. For women, the biggest gap in activity rate compared to the UK was among the 25-34-year-olds, while for men among the 35-49-year-olds, in both cases it was slightly less than four percentage points.

Figure 4.6. In the Glasgow City Region, the inactivity rate is particularly high among males aged 35 to 49 years and females aged 25 to 34 years, compared to the UK average

Inactivity rate by age and gender, 2023



Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

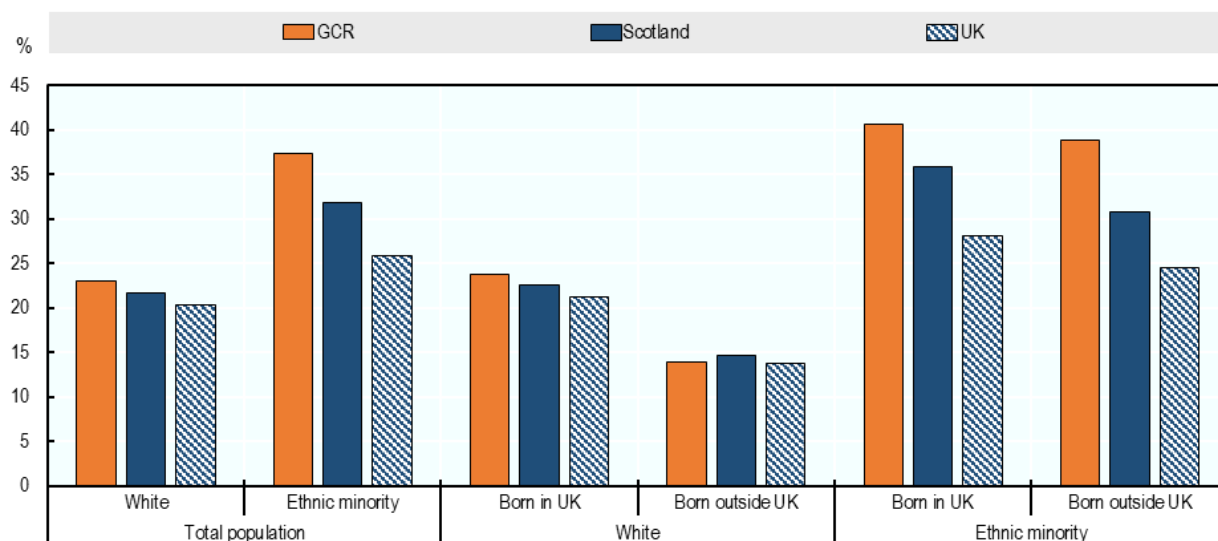
Source: OECD's calculations based on NOMIS [Annual Population Survey].

Ethnicity and place of birth

In the Glasgow City Region, the inactivity rate among ethnic minority people was higher than among the white population compared to both the UK and Scottish averages. In 2023, 39% of the ethnic minority population was inactive, a fourteen percentage points higher share than for the white population (Figure 4.7). Ethnic minorities, regardless of their place of birth, were overrepresented among the inactive people, in comparison to both the Scottish and the UK averages. The inactivity rate of the white non-UK-born population (14%) was lower than for the white UK-born population (24%).

Figure 4.7. In the Glasgow City Region, the inactivity rate is high among ethnic minority people born outside of the UK

Inactivity rate, 15-64-year-old population, Glasgow City Region, 2023



Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

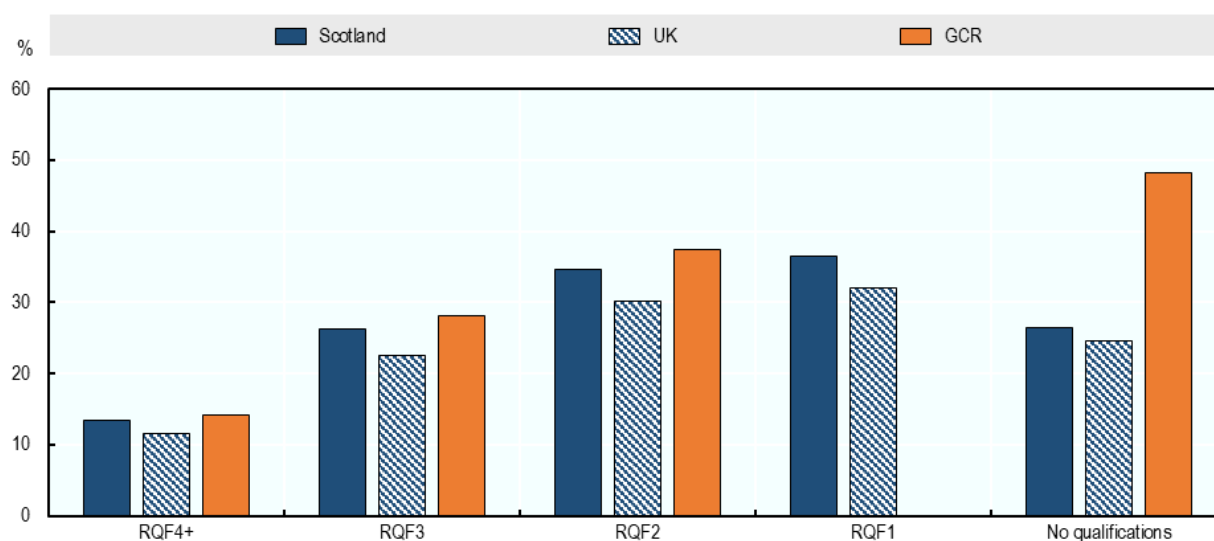
Source: OECD's calculations based on NOMIS [Annual Population Survey].

Educational attainment

The inactivity rate in the Glasgow City Region decreases with educational attainment. The inactivity rate in 2023 was the highest for those without education, at 48% (Figure 4.8). This is twice as high as the UK average (24%) and 22 percentage points above the Scottish average. The inactivity rate was lower among university graduates (RQF level 4+), at 14% in 2023. This is slightly above the UK and the Scottish averages at 11% and 13% respectively. In addition, the inactivity rate was higher in GCR compared to the UK average for those with RQF3 (corresponding to Higher in the CfE) and RQF2 (corresponding to National 5 in the CfE) by five and seven percentage points respectively. Between 2008 and 2018, the inactivity rate among those without a university education was stable, but an increase has been observed since 2018. At the same time, the inactivity rate for university students has been decreasing since 2018.

Figure 4.8. In the Glasgow City Region, the inactivity rate for people without a qualification was twice as high as the UK average

Inactivity rate by educational attainment, 15–64-year-olds, 2023



Note: RQF refers to the Regulated Qualifications Framework. Data for RQF1 is missing for GCR because of the small sample size. Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

Governing the employability system in Scotland – from national to local level

Employment services have traditionally been the responsibility of the UK government, but in recent years, the Scottish Government has gained increasing powers in this field. The Scotland Act of 2016 transferred new powers to the Scottish Government to provide employment support. Since the implementation of the Act in 2017, the Scottish Government has taken significant steps to develop Scotland's devolved employment services, including the earlier temporary programmes *Work First* and *Work Able Scotland*, the first devolved employability programme *Fair Start Scotland* and the *No One Left Behind* programme. From the budget year 2022/2023, funding for employability services has been allocated directly to LAs, putting them at the centre of the delivery structure. In the following sections, the employability system in Scotland is analysed with a focus on the *No One Left Behind* plan.

Following the recent devolution of employability services, the Scottish Government is building up a Scottish approach to support those furthest from the labour market

With the adoption of the Scotland Act of 2016, the Scottish Government took over the responsibility for employability services for two groups: persons with disabilities and those at risk of long-term unemployment. The Scotland Act, based on recommendations given by the report of the Smith Commission in late 2014, sets out amendments to the Scotland Act 1998 and devolves further powers to Scotland (UK GOvernment, 2016^[3]). The Act took effect in April 2017, when the first two transitional arrangements for devolved employability support were implemented: *Work First Scotland* and *Work Able Scotland*. These services supported over 9 000 people with health conditions and disabilities until April 2018, when *Fair Start Scotland* (FSS) was launched (Scottish Government, 2019^[4]). *Fair Start Scotland* was Scotland's first devolved employability programme, providing 12-18 months of voluntary, tailored, and

person-centred pre-employment support across nine geographic areas in Scotland. From its launch to March 2023, there had been more than 57 000 starts on the programme and 20 013 job starts (Scottish Government, 2023^[5]). The FSS programme was initially commissioned for three years but was extended to March 2024, when it was closed.

In March 2018, the Scottish Government published *No One Left Behind: Next Steps for the Integration and Alignment of Employability Support in Scotland*, which has since guided reforms of employability services in Scotland. With the *No One Left Behind* (NOLB) plan, the Scottish Government sets out six objectives for future employability services in Scotland to create a more joined-up employability system. These are: 1) a system that provides flexible and person-centred support, 2) is easier for people to navigate, 3) is better integrated and aligned with other services, 4) provides pathways into sustainable and fair work, 5) is driven by evidence, and 6) that supports more people to move into the right job, at the right time (Scottish Government, 2018^[6]).

In November 2020, the Government published the *No One Left Behind: Delivery Plan*, which sets out the next phases of the work with the NOLB plan. Building on the Partnership Agreement for Employability signed by the Scottish Government and the Convention of Scottish Local Authorities (COSLA) in December 2018 (Scottish Government & Convention of Scottish Local Authorities, 2018^[7]), the delivery plan emphasises the collective leadership of partners at national, regional and local levels to deliver more effective and joined-up employability support across Scotland. Among the critical next steps identified were the transfer of funding from national programmes into local governance, the increasing and sustained shift towards user engagement and service design, the development of a national *Shared Measurement Framework*, implementation of communication and engagement strategies and steps to integrate employability work with other public services (Scottish Government, 2020^[8]).

Introduced in April 2019, the NOLB employability programme reflects a new approach to employability delivery, which moves away from funding and delivering separate and distinct employability programmes to a more flexible and localised approach. The NOLB employability programme is an all-age employability support service designed to help people prepare for employment, training, education or volunteering. The programme covers a broad range of target groups (including youth, persons with disabilities and long-term illness, parents, care leavers, refugees, ethnic minorities, people with convictions or offenders, the elderly and those resident in the most deprived areas). It is delivered locally directly by LAs or through a network of private and third-sector providers overseen by LAs.

Within the programme, Local Authorities are given the freedom and flexibility to target support where needed, based on the demands of the local labour market and the needs and aspirations of clients. All participants will receive support from a Keyworker who will work with them to develop an individual plan to help them achieve their goals (Employability in Scotland, 2024^[9]). Clients can access various services, including volunteering, work placements, supported employment, mental health support, skills training, confidence building, CV development and job search support. The programme is voluntary, and individuals can access the programme through several referral routes, including self-referrals (Box 4.1).

Box 4.1. No One Left Behind (NOLB) programme – key features

- **Target groups:** The target groups for NOLB are broad, covering individuals with a disability, people with convictions, care-experienced young people, single parents, minority ethnic people and people living in the most deprived areas in Scotland. It is an all-age employability service.
- **Referrals:** Individuals can access the programme through self-referral or referral through various channels, including education providers, Local Authorities, third-sector organisations, Jobcentre Plus local offices, and other local services.
- **Participation requirements and success criteria:** Individuals sign up for the programme voluntarily. They can access the support they require on an ongoing basis and engage and disengage at times that best suit their needs. The programme builds on a broad understanding of success, ranging from job outcomes to steps towards education or work.
- **The Keyworker model:** Through the programme, individuals receive support from a Keyworker who is responsible for registering clients and guiding them through the system. The Keyworker co-operates with the client to develop an individual plan that includes activities designed to prepare participants for progression.
- **Providers:** The primary providers of the programme are Local Authorities and external providers such as private and third-sector providers. External providers receive funding through commissioning or grant procedures.

Source: (Scottish Government, 2018^[6]), No One Left Behind: Next Steps for the Integration and Alignment of Employability Support in Scotland, [No One Left Behind: Next Steps for the Integration and Alignment of Employability Support in Scotland \(employabilityinscotland.com\)](https://employabilityinscotland.com).

Local Authorities play a vital role in the delivery of the NOLB programme and other employability services for the economically inactive

Both as a plan and an employability service, NOLB puts LAs at the centre of employability support, although providing employment services is not a statutory duty of local governments. The starting point for the NOLB plan is that LAs play a crucial role in developing and delivering employability services to address local labour market needs. This was reiterated in the Partnership Agreement for Employability between Scottish national and local governments, which states that the two parties will “*work in partnership to shape employability provision nationally and to deliver it locally*” (Scottish Government & Convention of Scottish Local Authorities, 2018^[7]). Moreover, the *Scottish and Local Government Employability Action Plan* sets out a detailed framework for facilitating exchanges between the Scottish Government and local governments (Employability in Scotland, 2024^[10]). Nevertheless, providing employability support is not a statutory duty of local government in Scotland (Ministry of Housing, 2018^[11]).

Local Employability Partnerships (LEPs) guide the local implementation of the NOLB plan and programme. The LEPs, established in every LA, bring together a range of partners (including *Skills Development Scotland* (SDS), local representatives from the health sector, colleges, businesses, third sector, *Developing the Young Workforce* (DYW) (see Chapter 5), and the education sector). The LEPs are responsible for commissioning and providing services in line with local delivery plans. These plans are underpinned by a *National Delivery Plan Framework* published in 2021, which establishes expectations of what the local delivery plans should cover and supports LEPs in designing and delivering employability support that allows for local flexibility (Employability in Scotland, 2024^[12]). The LEPs build on a long-standing tradition of partnership working in LAs. A recent evaluation showed that NOLB has further

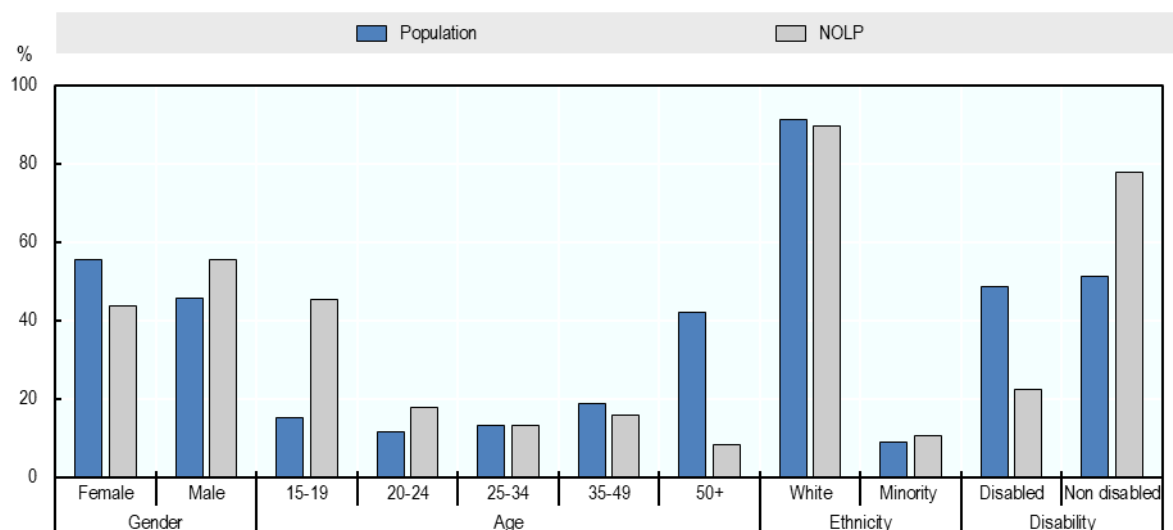
strengthened partnership working between employability stakeholders at the local level (Employability in Scotland, 2021^[13]).

In addition to the LEPs, other measures have been developed at a national level to ensure national coherence in a system with a high degree of local flexibility. Vital elements to provide national coherence and support the design and delivery of local services are the *Employability Customer Charter* (a charter co-designed with users which sets out commitment and standards for what clients can expect from local employability services) (Scottish Government, 2022^[14]), the *Scottish Approach to Service Design* (a framework to guide the design of user-centred public services) and the supporting *Service Design Toolkit* (Scottish Government, 2024^[15]) and the *Shared Measurement Framework* (a framework to create a shared understanding of how to measure the impact of employability services; see Box 4.7) (Employability in Scotland, 2022^[16]).

Data from the first years of NOLB shows that participants are relatively young compared to the FSS programme and that only a small minority of participants have a disability or are from an ethnic minority. Data on the NOLB programme is collected by LAs through the *Shared Measurement Framework* and is shared with the Scottish Government every quarter. From April 2019 to March 2023, 44 000 individuals started receiving support through NOLB. Of these, more than half (54%) were unemployed while 25% were economically inactive. Slightly less than two thirds (63%) were under 25, 29% were between 25 and 49, and only 8% were 50 or above. In total, 44% of the participants were female, and 55% were male. Ethnic minority groups accounted for 11% of the participants, and only 22% of participants had a disability (Figure 4.9). 15 941 individuals participated in NOLB in GCR between April 2019 and June 2023, which was 36% of all participants in Scotland. Around a third of these were residents in Glasgow City.

Figure 4.9. Characteristics of people starting on the “No One Left Behind” programme

Starts on programme in Scotland, April 2019 – June 2023



Note: Population data for age is for 16–19-year-olds (rather than 15-19) and 50-64-year-olds (rather than 50+). Population data for people with a disability refers to EA core disabled.

Source: Scottish Government [Scotland's Devolved Employment Services: statistical summary October 2023] for “No One Left Behind” data and OECD's calculations based on NOMIS [Annual Population Survey] for population data.

Implementation of the national employability system in the Glasgow City Region

In the Glasgow City Region, employability services are provided through a mix of programmes, providers and funding pots, often delivered through local partnerships. The approach to employability work varies across the eight LAs in GCR, and co-operation across administrative borders is limited. Funding comes mainly from the Scottish Government through the NOLB programme and the UK Government's Shared Prosperity Fund (UKSPF). In most LAs, this is complemented by funding from their own resources and other local stakeholders such as charities. In the following sections, the employability system in GCR is analysed with a focus on 1) the division of work and funding between local and regional stakeholders, 2) co-operation with Jobcentre Plus offices overseen by the UK Government, 3) the use of labour market information (LMI) to target services; 4) measures to support outreach, registrations and referrals and 5) co-operation with the third sector.

The employability system in the Glasgow City Region is highly decentralised, with most funding being channelled directly from national to local governments

In the Glasgow City Region, employability programmes are made up mainly of locally designed programmes delivered by the eight Local Authorities. Following the spirit of the NOLB programme, each LA in GCR designs its own employability services delivered in-house or through partnership working or commissioning with Arms Length External Organisations (ALEOs), third sector organisations, private providers, colleges and Community Learning and Development (CLD) providers. Providers delivering programmes directly through the NOLB programme are called Keyworker Service Providers. These providers must apply the Keyworker model in their interactions with individuals and target a broad group of individuals (see Box 4.1). Most LAs have additional programmes in place targeting more specific sub-groups such as parents, youth (see Chapter 5), or persons with disabilities (Table 4.1).

In all Local Authorities, partnerships are vital for delivering employability services, but the LEPs take various forms, and their ability to guide and align local delivery varies. The primary purpose of the LEPs is to ensure that employability services remain focused on the interests of service users and reflect the principles outlined in the NOLB strategy. Across GCR, most partnerships meet monthly, meetings are led by the Local Authority Employability Lead and the LA acts as secretariat. Consulted stakeholders expressed that partnership meetings are generally well attended and that partners work well together, but the purpose and role of the different stakeholders could be better clarified to guide future work. This corresponds to findings from a recent self-assessment review of LEPs (Employability in Scotland, 2021^[13]). Going forward, it could be helpful to map existing employability resources as a basis for partnership working and to follow the example of some LAs to develop sub-working groups that meet more regularly to discuss operational issues. In addition, stronger co-ordination of LEPs at the regional level through the Skills and Employment Portfolio Group or the suggested new Skills Delivery Group (see Chapter 3) could be helpful to facilitate knowledge-sharing and guide local work. LEPs could also take a stronger role in building local Employability Hubs (see below).

Funding for local employability services comes from various sources, with the NOLB programme and the UK Shared Prosperity Fund (UKSPF) as the primary funding pots. For the budget year 2022/2023, funding for employability services has mainly come from two sources: 1) the NOLB funding stream, which allocates funding to LAs directly from the Scottish Government, and 2) the UKSPF overseen by the UK Government and allocated to the LAs through GCR (Box 4.2). In contrast to previous funding distributed via the main European funds (e.g., the European Social Fund), these funding streams go directly to LAs, sidestepping the involvement of, for example, colleges, chambers of commerce, third-sector organisations, and, for the UKSPF, the Scottish Government.

Table 4.1. Overview of main employability programmes for adults in the eight Local Authorities in the Glasgow City Region

Local Authority	Programme name	Target group	Provider name	Provider type
Glasgow City	Multiple programmes	Individuals of working age living in Glasgow City Council seeking employment, education or training	Jobs and Business Glasgow	ALEO
East Dunbartonshire	Employability and Learning Services	Individuals of working age living in East Dunbartonshire	Employability and Learning Services	In-house
East Renfrewshire	Multiple programmes	Individuals of working age living in East Renfrewshire who are seeking employment, education or training	WorkEastRen	In-house
West Dunbartonshire	Multiple programmes	Individuals who are working age living in West Dunbartonshire who are seeking employment, education or training	Working4U	In-house
Inverclyde	Employment Support Service	Individuals aged between 18 and 60 living in Inverclyde who are seeking employment	Inverclyde Community Development Trust	ALEO
	Progress Pathway	Individuals aged between 18 and 60 living in Inverclyde who are seeking employment and have a health, well-being and/or disability which is an additional barrier to gaining employment	Stepwell	Social enterprise (UK-wide providers)
	Inverclyde Advice and Employment Rights Centre	People in work who are experiencing difficulties with their employer	Inverclyde Advice and Employment Rights Centre	Third-sector organisation
	All in Inverclyde (Supported Employment)	Residents in Inverclyde who are 16+ and who have complex barriers to work	Enable Scotland	Third-sector organisation
North Lanarkshire	Routes to Work	Individuals of working age living in North Lanarkshire who are seeking employment or training	Routes to Work	ALEO
	Supported Employment and North Lanarkshire Industries	Individuals in North Lanarkshire facing barriers and requiring support to gain employment.	North Lanarkshire Councils Supported Enterprise	In-house
South Lanarkshire	Gateway to Employment	Individuals of working age living in South Lanarkshire who are seeking employment or training	Routes to Work South	ALEO
	Supported Employment	Adults and young people with additional support needs	SLC	In-house
	Upskilling	In-work upskilling and support for parents	SLC	In-house
	Making it Work	Parental employability support – keyworker, based training	Routes to Work South	ALEO
	Volunteering for employability	People engaging on any of the keyworker-based programmes above	VASLAN	Third-sector organisation
Renfrewshire	Multiple programmes	Individuals of working age living in North Lanarkshire who are seeking employment or training	Invest in Renfrewshire	In-house

Notes: The table presents an overview of selected employability programmes in each of the eight Local Authorities in the Glasgow City Region. It does not include employability programmes that target youth or parents. ALOE: Arms-Length External Organisation.

Box 4.2. The UK Shared Prosperity Fund (UKSPF)

The UKSPF is a central pillar of the UK government's Levelling Up agenda, which aims to reduce the imbalances between areas and social groups across the United Kingdom. The fund provides GBP 2.6 billion for local investment over three years, from March 2022 to March 2025. It is intended as a “successor” to European funding (e.g. from the European Social Fund), with local governments as lead authorities. All areas of the UK receive an allocation from the Fund via a formula rather than a competition. The fund has three priorities: 1) Community and Place, 2) Supporting Local Businesses, and 3) People and Skills. The Glasgow City Region is the only region in Scotland that has adopted a regional approach to the UKSPF, which means that funding is allocated to the region instead of going directly to the Local Authorities. The region has developed its own formula to allocate funding across the Local Authorities based on various criteria (population density, skill levels, deprivation, degree of rurality, etc.). Over the three years, GCR will receive GBP 27 million. The region does not receive direct funding, but the Local Authorities have agreed that it can play a role in spending potentially unspent funding from Local Authorities, which should be pooled at the regional level over the programme period.

Source: UK Government (2022^[17]), *UK Shared Prosperity Fund: prospectus*, [UK Shared Prosperity Fund: prospectus - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/104444/UK_Shared_Prosperty_Fund_prospectus.pdf).

On the ground, LAs struggle with short-term funding streams and comprehensive and inconsistent national requirements for monitoring, reporting and evaluation. Each national funding stream comes with distinct monitoring, reporting and evaluation requirements and specifications for target groups. For LAs, it can be challenging to align these requirements to provide a seamless and integrated service offer based on local needs. Several LAs have chosen to buy support from external partners to provide administrative support for implementing and reporting national funds. In addition, LAs are struggling with the annual budget process, especially for the NOLB programme, which negatively impacts planning, resourcing, and staff turnover. This again negatively impacts service providers who struggle to deliver person-centred services due to the pressure of funding deadlines and clients who often must deal with multiple caseworkers due to high staff turnover.

Moving to multi-year budgeting practices for the NOLB programme (e.g., in a 3-year cycle aligned with the UKSPF) would strengthen delivery stability and help Local Authorities measure the impact of services over extended periods. In addition, simplifying and aligning reporting requirements across the two funding streams could reduce the administrative burden on LAs. Lastly, if all funding is combined into one single pot, this may support LAs to move closer to a “no wrong door approach” where individuals can access one coherent programme instead of finding their way through multiple programmes targeted at different sub-groups and providing access to different support services.

Another challenge with the existing funding model is that funding and, thus, support is restricted to the administrative borders of Local Authorities. One of the consequences of allocating funding directly to LAs is that support for individuals and employers is restricted to the administrative border of each local area. Yet, administrative borders are not always obvious for individuals and employers, especially in highly integrated labour market areas such as GCR (see Chapter 2). Ultimately, this can limit individuals' access to specialised services and negatively impact the engagement of local organisations, which have to co-ordinate services with staff in each Local Authority, as well as employers who often look for workers beyond administrative borders. For now, only a employability programmes operate across one or more administrative borders and allow citizens or employers to access support in a wider geographical area. This is despite the region's relatively good transportation and commuting options, including through its public transport network. One of the few examples is *Project Search*, a placement-based programme

for people with learning disabilities delivered in partnership between South Lanarkshire, North Lanarkshire and NHS (*National Health Service*) Lanarkshire.

Despite potential mutual benefits, the role of the Glasgow City Region in the design and delivery of employability services is limited

Until now, the Glasgow City Region has only played a limited role in the region's design and delivery of employability services. At the regional level, the Skills and Employment Portfolio Group facilitates collaboration around skills and employability services, which brings together a wide range of partners (see Chapter 3). Among other things, this group explores the added value from a regional approach to NOLB and seeks to progress collaborative employability models that support economic and business growth and fair work. The group has also overseen the implementation of three regional labour market projects piloted as part of the Glasgow City Region City Deal. The three projects (*Working Matters*, *Youth Gateway* and *In Work Progression*) were managed and co-ordinated at the regional level. The total programme funding of GBP 24.6 million was provided partly by the City Deal and partly by the LAs (Box 4.3).

Box 4.3. The Glasgow City Region's labour market projects

As part of the Glasgow City Region's City Deal, three regional labour market projects have been completed to support regional employment challenges.

- **Working Matters:** Working Matter was a programme for residents in GCR receiving health-related benefits and who were far from the labour market. Through the programme, individuals got support to begin their journey back into employment. The programme ran from August 2015 to March 2019 and engaged over 3 000 individuals. Through the programme, individuals received an intensive and integrated package of employability support, including advice and guidance, CV and interview preparation, confidence building, housing support, health and mental-health-specific support and vocational skills training. An evaluation of the programme showed that clients had achieved substantial progress in mental health management, positive health interventions and financial management outcomes. In terms of employment and training outcomes, 28% had achieved training-related outcomes, 22% had attained a new qualification, and 14% had secured an employment-related outcome
- **Youth Gateway:** Youth Gateway was an employment programme for young people (aged 16-24). The programme was led by Renfrewshire Council and delivered locally by each council's employability team. The programme engaged more than 18 000 youth from the region (25% above the target) and helped more than 8 000 of these into sustained employment (61% above the target). Youth Gateway emphasised early engagement with employers and in-work support to ensure that jobs were sustained. The programme was not evaluated.
- **In Work Progression:** In Work Progression was a pilot programme to support the training and development of staff in the care sector. The pilot supported businesses in improving their operations and, through this, supporting their staff. The pilot was delivered by a team of business advisers in Glasgow City Council but was available across the region. The support included a range of interventions delivered to businesses and employee training to support the progression of low-paid employees. The pilot met the amended target of engaging with 20 businesses, of which 15 remained engaged. Management information was provided by five of the 15 businesses. The information showed that during the project period, turnover increased (+28%), gross profits increased (+39%), employee numbers increased (+24%), the number of

full-time employees increased (+44%), and the number of employees receiving training increased (+22%) for these five businesses.

Source: Glasgow City Council (2024^[18]), *In Work Progression*, [In Work Progression - Glasgow City Council](#). Glasgow City Region (2018^[19]), *Youth Gateway exceeds all targets*, [Youth Gateway programme exceeds all targets - Glasgow City Region](#). Murphy, Hanna et al. (2019^[20]), *Glasgow In-work Progression Pilot Evaluation*, Learning and Work Institute, [CHttpHandler.ashx \(glasgow.gov.uk\)](#)

While regional collaboration has several potential benefits, Local Authorities are reluctant to pool funding and responsibilities for employability services at the regional level. Consultations with LAs have shown reluctance in some areas to strengthen the role of GCR in the employability field. Yet, previous experiences with the Glasgow City Region City Deal's employability strand and experiences from the UK and other OECD countries such as Sweden (Box 4.4) have shown several potential benefits from inter-municipality or regional co-operation around the design and delivery of employability services. These include opportunities to fill gaps in the local provision, test new programmes or upscaling programmes that have proven successful, strengthen employer engagement to facilitate transitions into work, allow individuals to access services in a wider geographical area beyond local administrative boundaries, strengthen evaluation capacities, reduce administrative burdens e.g. related to compliance and monitoring, realise economies of scale and facilitate knowledge-sharing and peer learning across LAs.

Box 4.4. Examples of inter-municipality and regional co-operation on employability services

Greater Manchester Combined Authority (UK): Regional co-operation through devolution

The Greater Manchester Combined Authority is a UK City Region covering ten councils and more than 2.8 million citizens. The ten councils have worked together voluntarily for many years on issues such as transport, regeneration and attracting investments. This history of collaboration and the establishment of the Greater Manchester Combined Authority laid the groundwork for a series of devolution deals agreed upon with the UK Government. This again supported the development of the Greater Manchester Combined Authority Model of Unified Public Services, which aims to provide integrated and place-based services. The model is supported by the pooling of national funding streams through the Greater Manchester Reform Investment Fund, established with the UK Government in 2016. With the fund, the government agreed to combine several funding lines into a single Greater Manchester pot to invest alongside local funding in reforms.

Among the policy areas that have been devolved are employability, health, and skills, which the Greater Manchester Combined Authority has combined into one programme - the *Working Well Programme* – that seeks to provide an integrated service offer for individuals facing multiple challenges. The programme covers a range of sub-programmes and services, including the *Work and Health Programme*, the *Pioneer Programme* and the *Specialist Employment Service*. All services are designed or co-designed and commissioned by the combined authority on behalf of the ten councils. However, to ensure buy-in from and accountability to councils, the model includes several mechanisms to ensure that programmes are targeted to local needs. First, each council must develop an “Ask and Offer” document, in which they write down their specific asks for the incoming provider commissioned at the regional level. The incoming provider must engage with and respond to the asks of each council when developing their delivery model. Second, Local Integration Boards have been set up in every council to oversee the implementation of regionally commissioned programmes and to track and monitor delivery. The Boards are overseen by Local Leads, which are staff responsible for helping the *Working Well* programme integrate into the support ecosystem in each of the ten councils). In practice, it is up to each council to make the most out of the provider, and the programme's operation will differ across the region. At the regional level, the programme is overseen by the Programme Office, which provides strategic

direction, intelligence on performance and active management to resolve any issues in the programmes, including liaison with Jobcentre Plus offices. They track programme delivery across more than 300 data registration points.

The Gothenburg Region (Sweden): Regional co-operation through the pooling of local resources

In the metropolitan region of Gothenburg in Sweden, 13 municipalities have decided to collaborate on the design and delivery of various services that are the responsibility of municipalities. The municipalities have created the Gothenburg Region, which is a municipal association that acts as an authority on behalf of the municipalities. Gothenburg Region is a sub-part of the administrative region, Region Västra Götaland, which covers 49 municipalities. Through the regional collaboration, the municipalities co-operate at strategic and operational levels around issues such as employment and skills, climate and environment, school and education and social welfare. In the employment field, the Gothenburg Region runs a number of inter-municipal projects, including to support the labour market integration of newly arrived migrants. The member municipalities have also initiated and are funding a knowledge platform for municipal labour market activities, which is a part of the region's unit for research and development. The Gothenburg Region is funded partly by annual membership fees from municipalities (16%) and partly by external revenues, including from the state, EU and the Region Västra Götaland (84%).

Source: Greater Manchester Combined Authority (2024^[21]), *Working Well*, [Working Well - Greater Manchester Combined Authority \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/working-well). Greater Manchester Combined Authority (2019^[22]), *The Greater Manchester Model*, [gtr_mcr_model1_web.pdf \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/gtr_mcr_model1_web.pdf). Göteborgsregionen (2024^[23]), *13 kommuner i samverkan*, [Göteborgsregionen \(GR\) | 13 kommuner i samverkan \(goteborgsregionen.se\)](https://www.goteborgsregionen.se/13-kommuner-i-samverkan)

Building on these examples, the region and its eight Local Authorities could seek to identify areas where a regional approach to the design and/or delivery of employability support could add value.

This work could be anchored in the Skills and Employability Portfolio Group or the suggested new Skills Delivery Group and linked to the work on the development of a new Regional Skills Investment Plan and Regional Skills Board (see Chapter 3). For example, a regional framework could be developed to procure specialist support services (e.g. specialised mental health services or services for persons with disabilities) that could help overcome issues in LAs with small target groups, limited resources and gaps in the provider landscape. A regional approach could also be relevant in areas where there is a need to test new programmes, e.g. through piloting or scaling up successful programmes, and where the pooling of local budgets could allow for efficiency gains, e.g. by reducing spending on administrative procedures and allowing for individuals to access services across all LAs. A regional approach could combine regional design and management with local flexibility (e.g. choice of provider). The development of the regional approach could be based on regional and local intelligence (e.g. through the Intelligence Hub and local management information systems) to identify areas where the potential benefits from co-operation are the highest.

Scottish Local Authorities operate in parallel with the Jobcentre Plus offices overseen by the UK Government

The Scottish employability system operates in parallel with the Jobcentre Plus offices overseen by the UK Government through the Department for Work and Pensions (DWP). Jobcentre Plus is a UK Government-funded national agency that helps people find jobs and provides income replacement benefits to those who are eligible (e.g. *Universal Credit*). Individuals looking for a job or needing to claim benefits can access the offices and get support from a work coach, e.g. for searching, finding or accessing training opportunities and gaining access to financial support by claiming benefits. Much of the services provided by Jobcentre Plus offices are delivered online or by phone, but there are also options for physical meetings or support through the local offices (UK Government, 2024^[24]).

Jobcentre Plus offices take a “work first” approach to employment support, requiring individuals who receive income benefits to actively search for employment opportunities and be available for work. The conditions for receiving the main UK income replacement benefit – *Universal Credit* – are set out in a claimant commitment that most individuals will have to accept at the beginning of their claim. The conditions fall into four groups: 1) No work-related requirements; 2) Work-focused interview requirements; 3) Work preparation requirements; and 4) All work-related requirements. Individuals in group one include, for example, those with limited capability for work-related activity because of health or disability, lone parents with a child under one and carers with regular and substantial caring responsibilities. Except for this group, all benefits claimants are subject to some activation requirements and possible sanctions in case of non-compliance (Entitled To, 2024^[25]). This is fundamentally different from the voluntary NOLB service.

There is an overlap in target groups between the two systems, meaning that individuals often are followed and supported by multiple systems in parallel, and cross-referrals, especially from Jobcentre Plus offices to LAs, are common. LAs focus on persons with disabilities and those furthest from the labour market. A significant number of those individuals, however, receive UK government income benefits administered by DWP through the Jobcentre Plus system. While data on benefit claimants is not yet publicly available for the NOLB, data from the FSS programme shows that a majority of people (78%) joining the programme have been benefit claimants (Scottish Government, 2023^[5]). Assuming this is also the case for the NOLB programme, many individuals receiving support from LAs will be registered in a Jobcentre Plus office and subject to claimant commitments. In practice, however, most Jobcentre Plus clients furthest from the labour market are referred to the NOLB programme and other locally provided services to receive employment support. According to the consulted LAs, most referrals to their employability programmes have come from Jobcentre Plus offices. The costs of support services offered to individuals who are referred from a Jobcentre Plus office to an LA are covered by the LA.

On the ground, Local Authorities and Jobcentre Plus offices have found ways to co-operate at strategic and, to some extent, operational levels. At the strategic level, Jobcentre Plus representatives are members of the LEPs in each LA. This allows for ongoing dialogue on the overall strategy, target groups and organisation of services. Collaboration is more ad hoc at the operational level and varies across LAs. Some LAs have taken the step to “embed” Keyworkers in their local Jobcentre Plus office to ease transitions between the two systems. However, in other LAs, operational collaboration is limited, which can negatively impact and complicate individual jobseeker pathways. Steps could be taken to strengthen collaboration between LAs and local Jobcentre Plus offices at the operational level, for example, through joint training sessions for work coaches and Keyworkers, the embedding of LA Keyworkers in Jobcentre Plus offices and the development of joint assessment systems and individual action plans to ensure alignment between goals and activities. Such initiatives can take inspiration from programmes in other countries, including the Comprehensive Support Programme (*Accompagnement Global*) in France and the Act on One Individual Action Plan in Denmark (Box 4.5).

Box 4.5. Joint working methods to support service integration (France and Denmark)

The Comprehensive Support Programme, France

In France, the Comprehensive Support Programme (*Accompagnement Global*) is a programme provided by the national PES (*France Travail*) in co-operation with the County Council (*Conseil départemental*). The programme targets the most vulnerable jobseekers who are not only unemployed but also struggle with other social challenges such as homelessness, health issues or financial issues. Participants receive support from an employment counsellor and a social counsellor within the programme, who regularly exchange information about the client's progress. The PES and social counsellor decide to place individuals in the programme in co-operation and, in most cases, is based on several bilateral interviews with the jobseeker undertaken by the PES and the County Council in parallel. The co-operation across employment and social services builds on a national partnership agreement signed by the Assembly of French County Councils and *France Travail*.

One individual action plan, Denmark

In Denmark, the Act on One Individual Action Plan was adopted in 2018 to give individuals with complex and multiple challenges one coordinating action plan that cuts across multiple public service areas and providers. With the Act, case workers in municipalities can develop one coherent and co-ordinated individual action plan that covers various services such as employment, social, housing, education and health services provided by different parts of the municipality or external providers. The development of the plan builds on co-operation between several departments within the municipality as well as representatives from external organisations. Citizens are given the choice to get one individual action plan or to continue with multiple plans. The Act was developed based on a pilot project which ran from 2016-2020 in nine municipalities, and which showed that most citizens with one plan experienced a more coherent and co-ordinated service and higher changes of getting into work or education, and reported higher well-being and health.

Source: OECD (2023^[26]), "Integrating local services for individuals in vulnerable situations", *OECD Local Economic and Employment Development (LEED) Papers*, No.2023/08, OECD Publishing, Paris, <https://doi.org/10.1787/1596644b-en>.

The use of different registration systems hampers the communication between LAs and Jobcentre Plus offices. Different Management Information Systems (MISs) are used across LAs and Jobcentre Plus offices. These systems are not linked, making the exchange of information on individual clients challenging. Better co-operation and information sharing between DWP and LAs might help increase labour market participation. Building on the experiences from the SDS 16+ Data Hub, it could be considered to establish an equivalent portal for adult employability work. The Data Hub is an online portal which allows a range of partners, including SDS, LAs, colleges, and DWP, to input and access a combined database of information on individuals as outlined in the legislation requirements (Skills Development Scotland, 2024^[27]) (see Chapter 5). Building up such a system would require the development of data-sharing agreements following existing legislation and possibly also a stronger alignment of IT systems across the organisations. A recent example from the Restart Programme in England and Wales shows the potential of building such systems (Box 4.6).

Box 4.6. Data-exchange systems to strengthen employment support: The Restart Programme in England and Wales

The Restart scheme is a programme for contracted provision of employment services introduced in July 2021 in England and Wales. The programme will run for three years, targeting long-term unemployed (12 to 18 months) recipients of means-tested unemployment benefits (*Universal Credit*). To address challenges with data exchange inherent in contracted-out employment services, the programme includes mechanisms for automated data exchange between the *Department of Work and Pensions* (DWP) and the external providers. Among other things, DWP gives employment service providers rich information on the client upon referral. Information received by providers includes an individual's contact information, information on formal qualifications and basic skills, employment histories, disability status, agreed restriction on job search or training activities, career goals and job preferences. In addition to the data shared at the outset, upon a client's referral, there is a "warm" handover during which a counsellor from DWP, a counsellor from the private provider, and the jobseeker meet. This can facilitate additional information exchange between DWP and the outside providers. DWP notifies providers of important client developments that are relevant to providing services to their clients. The system used by DWP enables case tracking between DWP and the outside providers. This includes information on whether an individual has a new claim for income support, changes affecting the client's work-related requirements (e.g. jury service, civic duties, domestic emergency, easements for domestic abuse or violence), or other relevant changes to their situation.

Source: OECD (2023^[28]), *Addressing the legal and IT challenges of data exchange to support contracted-out employment services in Sweden*, [Sweden Challenges Data Exchange.pdf \(oecd.org\)](#).

An alternative to strengthened partnership working between Local Authorities and Jobcentre Plus offices could be a more fundamental change in the structure of the Scottish and UK employment system. Despite efforts to co-ordinate activities between LAs and Jobcentre Plus offices, institutional barriers remain to streamline jobseeker pathways, especially for those furthest from the labour market. For these individuals, the client journey might involve multiple registrations, sharing of the same information with numerous caseworkers and the development of various actions plans across the two parallel systems. In addition, they might experience tension between the activation requirements posed by the work coach in the Jobcentre Plus office and the support proposed by the Keyworker in the NOLB programme. Ultimately, the long-term employability efforts by the LA to support these individuals might be interrupted or overruled by the Jobcentre Plus office (e.g. with job search requirements). To overcome these tensions in the system, an option could be to work towards a new institutional arrangement that supports an integrated approach to employment services. In particular, it could be considered to fully devolve the responsibility of employment services to the Scottish national level and develop a Scottish Active Labour Market Policy programme for jobseekers closer to the labour market.

Labour market information is available at regional and local levels, but more could be done to make use of the data to guide service design and target provision

Labour market information (LMI) is available at Scotland's national, regional and local levels to inform employability provision. As described in Chapter 3, SDS produces labour market and skills intelligence at the national and regional levels, and the GCR Intelligence Hub provides additional regional analysis focusing on regional economic and labour market developments. The Scottish Government's Improvement Service also hosts a NOLB Data Toolkit developed with the GCR Intelligence Hub. The toolkit gives an insight into various poverty indicators, locally, regionally and nationally and can be used in delivery planning (Improvement Service, 2024^[29]). At the local level, most LAs have implemented Management

Information Systems (MISs) (e.g. Hanlon and Advice Pro) to gather administrative data on client registrations, interventions and progression.

Local data collection through Management Information Systems is guided by the *Shared Measurement Framework* introduced by the Scottish Government as part of the NOLB plan.

Collecting the right individual-level data is crucial to measuring services' input, output, and impact, guiding service design, and adjusting provision. The Scottish *Shared Measurement Framework* aims to guide and standardise data collection from local MISs and other data sources to build a shared understanding of how to measure the impact of service for individuals and communities (e.g. through standard definitions and measures to quantify outcomes). In GCR, data collection is aligned across the NOLB and UKSPF to simplify reporting processes and allow for comparing activities and outcomes across funding sources. Data returns are submitted to the Scottish Government every quarter (Employability in Scotland, 2022^[16]).

Box 4.7. The Shared Measurement Framework

The Shared Measurement Framework was established as part of implementing the No One Left Behind Plan to support the development of an employability system driven by evidence and the experience of users. The framework sets out to create a shared understanding of measuring the impact of employability services, focusing on support delivered under the NOLB approach. The framework covers five themes:

- **Reach**, e.g. who needs support, who are services reaching/not reaching
- **Progression**, e.g. are people progressing and in what ways
- **Skills alignment**, e.g. what relevant skills, knowledge and experience are people developing
- **Experience of services**, e.g. are clients treated with dignity and respect and do individuals find it easy to access services
- **Value of services**, e.g. how do employability services contribute to national and local priorities

Within each theme a set of Key Questions have been developed to guide future data collection. To answer the questions, a mixture of quantitative and qualitative information will be collected, including through management information systems, independent evaluations, and other nationally available statistics. The framework is intended to be open source, allowing anyone delivering or considering the delivery of employability interventions to access and use it. The framework is still under implementation, with some definitions and data sources still to be developed (e.g. methods to measure disengagement in support and individuals' achievement of goals within expected timeframes).

Source: Employability in Scotland (2022^[16]), *Employability Shared Measurement Framework*, Edingburgh, [for-publication-shared-measurement-framework-updated-december-2022.pdf \(employabilityinscotland.com\)](https://employabilityinscotland.com/for-publication-shared-measurement-framework-updated-december-2022.pdf) (accessed on 28/05/24).

There is a need for Local Authorities to take a more data-driven approach to the design and targeting of local employability programmes. Although it is not a formal responsibility of LAs, improving local employability provision by continuously using local administrative data and analysis collected and provided by SDS and the GCR Intelligence Hub is essential to maximise available resources. While key data sources are available, consultations with stakeholders have revealed that many LAs, and not least the smaller ones, make limited use of data to inform programme design, target interventions to specific groups, and guide outreach and identification activities. LAs should strengthen their use of existing data, including the NOLB Data Toolkit, to understand needs and support matching. In addition, for any future region-wide programmes, a central MIS could be set up to allow for resource-efficient data collection and analysis at regional and local levels. Moreover, to enhance the quality of the data, LAs should continue working with the Scottish Government to ensure a streamlined interpretation of reporting requirements

through the *Shared Measurement Framework*. Lastly, within LAs, there are options to strengthen data-sharing mechanisms between different services or departments.

The growing responsibility of Local Authorities in designing and implementing employability programmes requires a systematic evaluation of the different programmes and instruments. In the context of tight public budgets and high economic inactivity, policies must be evaluated to ensure that resources are used efficiently and that individuals are supported in the best possible ways. At the national level, both the NOLB programme and the UKSPF require LAs to use a set of common indicators to ensure that similar interventions can be compared across different places and to synthesise evaluation activities. In addition, both funding streams include national-level evaluations, e.g. a fund-level process evaluation of the UKSPF (UK Government, 2024^[30]) and the evaluation of the *Young Person's Guarantee* as part of the NOLB programme (see Chapter 5). Nevertheless, locally-led processes or causal impact evaluations of individual programmes are not a requirement to receive funding from either of the national funds, leaving it to LAs to decide if and when to conduct evaluations of locally run programmes.

Programmes to evaluate employability programmes at local and regional levels could be developed to strengthen knowledge of what works and to guide future investments across the region. Consultations with stakeholders show a lack of coherent strategy for evaluating and categorising policies and programmes in GCR at the national or regional level. Especially for the smaller LAs, investment in (impact) evaluations is often not proportionate to their allocations and investment plans. This could call for a stronger role of the City Region – e.g. through the Intelligence Hub – to support evaluation work across the eight LAs, particularly of any future regional employability programmes. In the future, the region could look to places like the Brussels-Capital Region (Belgium), Denmark and Germany for examples of how to integrate evaluation practices into employability work (Box 4.8). As suggested by the Glasgow Centre for Civic Innovation, this could be complemented by efforts to embed lived client experiences in evaluations, e.g. through online or in-person methods, and to co-design services together with clients (Centre for Civic Innovation, 2024^[31]).

Box 4.8. National strategies for evaluation of Active Labour Market Policies (ALMPs)

Brussels-Capital Region

In Brussels, the Brussels Institute for Statistics and Analysis (*Institut Bruxellois de Statistique et d'Analyse*) collects, produces and disseminates statistics on the Brussels Region. It also carries out socio-economic analyses and evaluates public policies. The institute covers various themes: population, finances, income support, health, education, employment, and general economic questions. A recent example of an evaluation of employment policies is the impact of the integration contract, a supported employment programme implemented by the Public Employment Service in the Brussels-Capital Region. In the evaluation, the institute matched participants in the programme with similar non-participants based on observable characteristics (e.g. education, age and work experience), and they checked if the people who participated were more likely to be employed a year later. While the evaluation only focused on short-term employment outcomes, it remains an interesting example of regional-level evaluations of employment programmes.

Denmark

In Denmark, the Danish Agency for Labour Market and Recruitment (*Styrelsen for Arbejdsmarked og Rekruttering*, STAR) has a well-established practice for evaluating the effects of active labour market programmes building on three pillars. First, STAR gathers existing knowledge on labour market programmes that have already been implemented and evaluated in Denmark or other countries. Second, the agency provides new evidence on “what works” by carrying out randomised control trials, where the effects of ALMPs are measured by assigning a treatment group with a new ALMP. In contrast,

a comparable control group is assigned the “standard” labour market policy. The effects of the latest initiatives are measured by comparing exit to employment rates between the treatment and non-treatment groups. Third, STAR actively seeks to disseminate its results to municipalities that carry out the day-to-day implementation of ALMPs through local job centres. Municipalities also play a central role in STAR’s evaluation practices by providing feedback and insights on the outcomes and impacts observed from new labour market policies.

Germany

In Germany, the national programme for evaluation of ALMPs, *Treatment, Effects and Prediction* has been in place since 2008. The Federal Employment Agency (*Bundesagentur für Arbeit*) and the affiliated Institute of Employment Research developed the programme. Similarly to the approach of STAR in Denmark, the German programme builds on randomised control trials where labour market outcomes of participants and non-participants in ALMPs are compared. The two groups, the treated and the control group, will comprise individuals who share several characteristics and be compared to persons in the “treated” group who will be subject to the labour market programme. The individuals share the local labour market district, the legal sphere of unemployment status, age group, gender and benefit status. They can, therefore, work as statistical twins, which allows for comparisons of the effect of programmes by socioeconomic background and geographical area. The evaluations are carried out on all unemployed people except youth and disabled people since administrative data on these groups is more limited. Standardised reports are made available to the local PES offices so that they can use them to assess the value of different ALMPs to different target groups.

Source: OECD (2023^[32]), *Unleashing Talent in Brussels, Belgium*, OECD Reviews on Local Job Creation, OECD Publishing, Paris, <https://doi.org/10.1787/7a495020-en>. STAR (2024^[33]), *Hvad virker i beskæftigelsesindsatsen?*, [Hvad virker i beskæftigelsesindsatsen? \(star.dk\)](https://ec.europa.eu/social/BlobServlet?docId=18219&langId=en). European Commission (2017^[34]), *TrEffeR (Treatment Effects and Prediction)*, <https://ec.europa.eu/social/BlobServlet?docId=18219&langId=en>.

Registration and referral procedures have been simplified with the Keyworker Model, but outreach mechanisms could be strengthened, and the client journey could be further simplified

Outreach strategies are essential, especially for the economically inactive who are far from the labour market and may face multiple barriers to labour market participation. The first step in the labour market integration pathway is identifying the people who need support and contacting or engaging them in the available services. Individuals who most need support can be challenging to locate, mainly as they may not be in contact with the benefits system or employment and skills support services. Thus, employment services must try to reach out to these individuals proactively. Identification can be done, for example, through data exchange and tracking systems, partnership agreements with local organisations, and outreach workers who operate through local communities. Contact and engagement often entail information, counselling, and guidance services and rely on partnerships working with the organisations or individuals responsible for local service delivery (Corbanese and Rosas, 2017^[35]).

Local Authorities invest limited resources in identification and outreach to the economically inactive across the regions. Data from 2014 show that only 6% of employability resources were allocated by LAs to outreach activities (Cambridge Policy Consultants, 2014^[36]). Consultations with LAs confirm that this also remains the picture today. While outreach measures are well-developed for youth (see Chapter 5), there is room to strengthen mechanisms to identify and reach out to adults out of work. As a starting point, LAs could seek to strategically use administrative data from the MISs to understand who needs support in local communities and who the current system is/is not reaching. Combined with solid partnership working, e.g. through the LEPs and the *Community Learning and Development* (CLD) Partnerships (see below),

this could guide targeted outreach activities such as marketing campaigns and strategies for physical presence in local communities (e.g. through community centres, libraries or Employability Hubs (see below)). Efforts to strengthen outreach strategies could be co-ordinated with initiatives to develop an adult career guidance service in the region (see Chapter 3). Inspiration to build outreach measures can be found in countries such as Estonia (data-driven outreach strategy for youth), Latvia (outreach workers), Detroit (partnership working) and Germany (communication strategies) (Box 4.9). While some of these measures focus on reaching youth not in education or training, they provide insights that can be transferred to the adult population.

Box 4.9. Outreach strategies

The Youth Guarantee Support System, Estonia

The Youth Guarantee Support System (*Noortegarantii tugisüsteem*) supports young people aged 16-29 to return to education and enter the labour market. The Estonian Ministry of Social Affairs developed the tool from 2018 to 2020, building on a pilot project in two cities (Tartu and Võru) in 2016. The tool is implemented at the local level. The tool is an IT system that enables local governments to request data from different national registers to get information on young people in their areas who are not in education, employment or training (NEETs) and are not registered as unemployed. Building on this information, local governments reach out directly to the young persons identified and provide them with information on their possibilities to receive support. From here, the young persons have the right to access the Youth Guarantee support system in the country, which includes personalised support from a case manager. Yet, the young person also has the right to ask not to be contacted again. Until now, 76 out of 79 Estonian municipalities have joined the system.

Community partner approach to outreach in Detroit, United States

Since 2023, the City of Detroit in the United States have taken a new approach to reaching out and re-engaging its unemployed residents and filling the increasing number of unfilled vacancies in the city. Through the new approach, the city is looking to engage with community organisations that have a history of helping the long-term unemployed back into work and are better connected to the Detroiters who are further from the labour market and may have given up on the more formal support system. These organisations are invited to submit applications to work with the City as “In Detroit Organisations”. These organisations will be tasked with identifying long-term unemployed residents from the neighbourhoods they are already working in and enrolling them in an official employability or training programme. They will also coach and mentor each participant and monitor their progress. While many of these community-based organisations have been doing this work for years, through the programme, they are allowed to be paid based on the success of their clients. A third-party administrator will pay the organisations monthly as programme participants reach milestones. The performance-based cash incentives go up to USD 2 200 per participant.

The Prospects for re-entering the workforce Programme, Germany

The programme Prospects for re-entering the workforce (*Perspektive Wiedereinstieg*), which was implemented between 2008 and 2021, seeks to strengthen female labour market inclusion in Germany through intensified and targeted counselling for individuals after a longer, family-related leave from the labour market. The programme was managed by the Ministry for Family Affairs, Senior Citizens, Women and Youth and the Public Employment Service and implemented through 22 executing agencies at the regional level. A central outreach tool in the programme was an information webpage, which provided a checklist for labour market re-entry and a calculator showing the feasibility of the re-entry for the household. The webpage also provided practical information ranging from the address of the closest client centre, skills assessment, and career guidance. Information flyers, brochures, and different

information campaigns supported the webpage. An evaluation of the programme showed that participants mostly learned about the programme from the media (Newspapers, Internet, Radio and TV). This was followed by recommendations from friends and families and information from flyers, posters, booklets and information for the regional PES offices: the successor programme, Equality in the Labour Market. Creating Perspectives *Gleichstellung am Arbeitsmarkt. Perspektiven Schaffen*), have seen the continuation of the webpage and critical elements of the outreach campaign.

Source: Estonia Social Insurance Board (2024^[37]), *Youth Guarantee Support System*, [Youth Guarantee Support System | Social Insurance Board \(sotsiaalkindlustusamet.ee\)](#). City of Detroit (2022^[38]), *City seeks community partners to help long-term unemployed reenter work force; offers performance-based cash incentives*, [City seeks community partners to help long-term unemployed reenter work force; offers performance-based cash incentives | City of Detroit \(detroitmi.gov\)](#). BMFSFJ (2024^[39]), *Aktionsprogramm "Gleichstellung am Arbeitsmarkt. Perspektiven schaffen"*, [BMFSFJ - Perspektive Wiedereinstieg](#).

Once identified, individuals can access the employability system in the Glasgow City Region through many different routes, including self-referrals and cross-referrals. The most common referral routes into employment support services provided by LAs are through the Jobcentre Plus offices (for those aged 25 and above) and SDS career advisors (for those under 25). However, depending on how the LAs have structured their services, individuals can enter the system directly through LAs, their ALEOs, or the network of external providers such as third-sector organisations. In some councils, the registration process is centralised, meaning that individuals are required to first register with the council (e.g. through an online form or by phone), whereafter they can schedule an appointment with a Keyworker (face-to-face, online or phone) and get referred to relevant services. In other councils, the registration process is less stringent, and individuals can also make appointments directly with the ALEOs or external providers.

Entry points and registrations are not entirely streamlined, and some individuals risk falling between the cracks of the systems. The Keyworker Model ensures that all individuals are supported by one case worker who "guides" them through the system and into employment. However, the distinction between Keyworker Providers and other external providers is still under development, especially in the local areas with multiple entry points. Some individuals continue to enter these systems without being officially registered and assigned to a Keyworker. Continued rollout of the Keyworker Model and precise identification of Keyworker Providers as the first point of contact is essential to simplify client journeys and avoid gaps in registration. Going a step further, LAs could consider further streamlining entry points/registration procedures to ensure that all individuals are registered in the same place (e.g. with the council on one single Keyworker Provider), which will be responsible for referrals and progress tracking.

The complexity of the registration system, combined with the diverse provider landscape, makes it difficult for individuals, providers and employers to get an overview of existing services and cross-referral options. In a voluntary system with multiple entry/registration points, individuals need information on available services and job offers to guide their choice of provider and connect them to job opportunities. At the same time, providers need this information to guide cross-referrals and to connect individuals with employers. As suggested by the Glasgow Centre for Civic Innovation in their review of employability services in Glasgow City, LAs could consider creating such online platforms to provide "easy to access" information on employability services and job opportunities for individuals, providers and employers (Centre for Civic Innovation, 2024^[31]).

Local Authorities use various Management Information Systems (e.g. Hanlon and Advice Pro) to register data on clients, but these remain fragmented and are not geared to monitor client progress. In GCR, the data registration process for NOLB and UKSPF-funded activities is aligned, which means that the same information is captured across all services provided by LAs. The systems allow for differentiation between clients by the funding stream to support reporting back to the Scottish and UK Governments, but otherwise, register data on individual clients is the same. In the LAs that operate a centralised registration model, data on all clients is entered directly into the MIS. In the LAs, where there are multiple entry points,

councils require Keyworker Providers to share client data by entering it directly into their systems or through other channels. However, some local areas are still developing data-sharing systems with providers. In addition, the data systems remain characterised by comprehensive documentation processes, paper rather than digital recording, and duplication of data collection across providers. Some data remain stored in various places in the system without being shared. This impedes tracking participant progress and referring participants to relevant services.

Building on existing MISs, LAs could consider options to strengthen automatic data-sharing between providers and use the data collected to guide client referrals and track client progress.

LAs could explore options to enhance data collection and sharing between multiple providers in the employability field. In addition, they could consider using the once-only data collection principle at the local level, meaning that any data relevant to public sector organisations should be collected only once and consequently shared with others securely if needed for service provision. Building on more robust data collection and sharing, LAs could consider the development of an online needs assessment tool to support Keyworkers' efforts to match individuals with relevant services and job opportunities. Ideally, this tool should build on data collected through the MISs, be developed at the national or regional level and be made available to all Keyworker Providers across LAs. To make the tool useful, staff in councils or Keyworker Providers should receive training to develop their skills in using such a system, and best practice examples should be shared across LAs.

There are many examples of online tools that support the matching and referral of PES clients across OECD countries. Needs assessment or profiling tools can help PES place clients in different groups and match them with the right support services to meet their needs. Depending on the model for service delivery, these tools are either made available for individuals to make independent choices of providers or by caseworkers to guide referrals to services. In France, the *Emploi Store* is an online platform provided by the French PES (*France Travail*) to give PES clients a better overview of existing online services for job search, training and skills development. The system uses Artificial Intelligence (AI) to process information and guide and match clients with relevant services. The system works parallel with counsellor-led support, especially targeting those further from the labour market. In Belgium (Brussels), the PES (*Actiris*) support jobseekers through the *MyActiris* job matching platform, where they can register and self-manage their job search. This is combined with counsellor-led guidance and matching. More recently, some OECD countries such as Belgium, Estonia, Lithuania and Luxembourg have started using machine learning to develop profiling and referral tools for counsellors (Box 4.10).

Box 4.10. PES online tools to support data collection, matching, and referrals

Combined online and in-person matching and guidance services – *Emploi Store*, France and *MyActiris*, Brussels (Belgium)

The *Emploi Store* is an online platform provided by the French PES (*France Travail*) to help the unemployed get a better overview of the existing ecosystem of online services for job search, training and skills development. The system provides a single online point of access for jobseekers and counsellors to a range of internal and external digital employment support services offered by the PES and a range of employment training professionals, public institutions, and private firms. The system uses AI, including access to a deep learning tool, to process information and identify the top services that most reflect client needs. These are selected from various job search, training, application assistance, and self-employment options. The *Emploi Store* aims to take advantage of the benefits of increasing customer choice and efficiently use existing resources by moving guidance to an online portal. By encouraging individuals to use online services/applications from a service catalogue, the system frees up counsellors' time to support individuals requiring more intensive support. The digital *MyActiris* tool is the primary interface for jobseekers with caseworkers from the Brussel PES (*Actiris*)

during job search. Once jobseeker information, skills, and preferences are listed, MyActiris connects individuals with available job listings. Individuals also have options to register for training online.

Data-driven profiling and referral tools across the OECD

In identifying the needs of jobseekers, many countries are enhancing their digital jobseeker profiling tools, often assisted by Artificial Intelligence (AI). In Wallonia (Belgium), a new profiling service was implemented in early 2022 using machine learning approaches to generate a predictive job proximity model. Similarly, Luxembourg is engaging in a project using AI to assess a jobseeker's odds of returning to a job based on their profile and identify the best-suited services to provide accordingly. The award-winning AI-powered profiling tool adopted by the Estonian PES at the end of 2020 and further enhanced in 2022 segments jobseekers into different service streams by their probability to (re-integrate into the labour market soon with an accuracy of 95%, as well as assesses their main factors for entering into employment and returning into unemployment. A similar profiling tool using machine learning and administrative data was adopted in the Lithuanian PES at the end of 2021, replacing a tool segmenting jobseekers based on survey data only.

Source: European Network of Public Employment Services (2023^[40]), *New Forms of PES Service Delivery*, Luxembourg, Publications Office of the European Union. OECD (2023^[32]), *Unleashing Talent in Brussels, Belgium*, OECD Reviews on LocalJobCreation, OECD Publishing, Paris, <https://doi.org/10.1787/7a495020-en>.

The third sector continues to play a central role in the system, although they are challenged by changes in funding mechanisms and complex commissioning procedures.

The third sector is vital in providing employability and skills policies in the Glasgow City Region. The third sector (also known as the voluntary sector) includes voluntary and community organisations, charities, social enterprises, trusts, and cooperatives. The industry provides various support and services across ages, groups and communities. The third sector in Scotland comprises over 46 000 voluntary sector organisations, 6 000 social enterprises and 25 000 registered charities. In 2021, voluntary sector turnover in Scotland was over GBP 8.5 billion, had more than 135 000 paid staff, and 89% of the organisations were local (TSI Scotland Network, 2023^[41]). In Glasgow City alone, more than 4 000 third-sector organisations are active in a range of areas, including employability support (GCVS, 2024^[42]).

Third-sector organisations are represented through partnerships and member organisations in Scotland and the Glasgow City Region. Third-sector organisations are represented in the LEPs and CLD partnerships (as well as other local partnerships), including through membership organisations such as the Glasgow Council for the Voluntary Sector and Third Sector Interfaces¹. They are also represented through national structures such as the Third Sector Employability Forum and the Scottish Council of Voluntary Organisations (Box 4.11).

There is broad recognition across Local Authorities of the many potential benefits of working together with the third sector to deliver employability services. Third-sector organisations are often closer to communities, especially those considered hard to reach, and they tend to have skills and experiences working with the most disadvantaged groups in society. Often, they are flexible and responsive to changing needs in the labour market, and they can be a means of harnessing community energy and ideas to develop new and innovative solutions to local challenges (OECD, 2023^[43]).

Box 4.11. Glasgow Council for the Voluntary Sector

The Glasgow Council for the Voluntary Sector is an organisation that supports community groups, voluntary organisations, and social enterprises in Glasgow by providing them with various types of assistance, help and training necessary for them to succeed. Amongst their services is providing advice on topics that are essential for voluntary organisations such as funding, governance, management of assets and demonstration of the organisation's impact. They provide the organisations with training for the development of their staff and offer them a variety of SVQ (Scottish Vocational Qualifications) awards that range from social services and healthcare to business administration, management, and community development. Since voluntary organisations often lack the financial means to hire HR personnel, the Council also makes HR specialists available to the organisations e.g. to support staff management and recruitment. The council also provides venues making it possible for organisations to host meetings, events, and conferences.

Source: GCVS (2024^[42]), Glasgow Council for the Voluntary Sector, [Glasgow Council for the Voluntary Sector \(gcvvs.org.uk\)](https://gcvvs.org.uk)

The relationship with Local Authorities determines how the third sector organisations can deliver their support. With all national funding going directly to LAs, third-sector organisations have become more directly dependent on LAs for access to funding. The transition to the new funding regime has caused short-term problems (e.g. gaps in grant aid and commissioning in the transition period) and long-term problems (e.g. some LAs deciding to provide more services in-house, thus leaving a smaller part of the market to third-sector organisations). In this context, many third-sector organisations advocate for a more robust and structured partnership approach in the design, delivery, and implementation of employability services. While the third sector is already a part of the local dialogue through the LEPs, they are seeking more opportunities to effectively engage in decisions on what and how to deliver specific services locally. LAs could welcome this initiative and seek early and meaningful engagement of third-sector organisations throughout the design and delivery process.

Across the OECD, several PES offer support for long-term unemployed through structured co-operation with social enterprises, including work integration social enterprises. Social enterprises are one type of social economy organisation whose main objective is to have a social impact rather than make a profit for their owners or shareholders, and that operates by providing goods and services for the market in an entrepreneurial and innovative fashion and uses its profits primarily to achieve social objectives (OECD, 2022^[44]). Work integration social enterprises focus on reintegrating vulnerable groups either to the primary labour market or by enabling individuals to pursue economically sustainable jobs within social enterprises. There are several examples from OECD countries on ways to co-operate in a structured way with social enterprises to support the long-term unemployed or economically inactive. Interesting examples are the Support for NEET (*Accompagnement de jeunes NEET*) programme in Belgium and the Territories with zero long-term Unemployment (*Territoires zéro chômeur de longue durée*, programme, which is an ongoing programme in France and Belgium (Box 4.12).

Box 4.12. Co-operation with social enterprises in Belgium and France

Accompagnement de jeunes NEET in Belgium

The Brussels Public Employment Service (PES), *Actiris*, the Flemish ESF (European Social Fund) agency, and the Brussels Dutch-speaking public training agency (VDAB Brussel) have initiated a partnership-based call for projects (*Accompagnement de jeunes NEET*). The project aims to reach youth not in employment, education or training (NEETs) between 18 and 30 living in the Brussels-Capital Region by activating and supporting co-operation between relevant partners. The call for projects started in 2018 and resulted in partnership contracts with various partners (e.g. NGOs, youth organisations, social economy organisations, coaching and career development agencies, sports clubs and ethnic-cultural associations, etc.) officially beginning in 2019. In 2020, a reinforcement of the initiative led to further investments to broaden the scope of partners involved to cover the whole of the Brussels-Capital Region and even more diverse partner backgrounds. The “in-the-field” partners now also include youth centres and street educators who have first-hand insights into the needs of young people. The project partners are responsible for identifying the NEETs in the region. Partners can develop solutions based on their expertise to reach disengaged young people. Strategies across partners vary, and alternative destinations for the young people are considered “positive results”, such as agreeing to commit to an action plan with *Actiris*, assessing their skills or following short training intervals on IT. In 2023, *Actiris* initiated a new call for projects and partner co-operation. These new projects will run from the 1st of January 2024 until 2027.

Territoires zero chômeur de longue durée in France

In France, the association *Territoires zero chômeur de longue durée* has implemented a pilot project to address the challenge of long-term unemployment in the country. The project runs in two phases: 2016-2021 and 2021-2026. It aims to provide job opportunities for long-term unemployed by bringing together stakeholders in the local economy. This is done through local employment committees (*comité local pour l'emploi*) that are responsible for mapping individuals who have been unemployed for more than a year and matching their skills with the needs of the local labour market. Each local employment committee operates in a territory that covers between 5 000 and 10 000 inhabitants and no more than 400 long-term unemployed. Participants in the project are offered permanent, open-ended contracts. The project has led to the creation of EBEs (*Entreprise à but d'emploi*). These are non-profit, social and solidarity economy enterprises. Their purpose is to provide the additional jobs needed in the territory adapted to the qualifications of the unemployed. The enterprises find their employees based on suggestions from the local employment committee. The objective is that the additional jobs created by the EBEs will not compete with existing public or private jobs in the territory. As of March 2024, the program has employed 2 765 individuals through 71 EBEs in 60 territories in France. In addition, it is underway to be deployed in Belgium, in 17 pilot territories in four provinces in the Wallonia Region, with support from the ESF+ (European Social Fund).

Source: OECD (2023^[32]), *Unleashing Talent in Brussels, Belgium*, *OECD Reviews on Local Job Creation*, OECD Publishing, Paris, <https://doi.org/10.1787/7a495020-en>. European Commission (2024^[45]), *Towards zero long-term unemployment*, [Zero long-term unemployment \(europa.eu\)](https://ec.europa.eu/economy_finance/zero-long-term-unemployment_en). OECD (2023^[46]), “Participation of the social economy in the provision of Sweden's public employment services”, *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/04, OECD Publishing, Paris, <https://doi.org/10.1787/4949e828-en>.

In the Glasgow City Region, only a few third-sector organisations have the resources to participate in national or local commissioning processes and, therefore, rely on direct grants from Local Authorities or charities. Depending on the funding source, LAs can use commissioning or grant aid processes to channel resources to external providers to deliver employability services. Participation in commissioning processes can be a significant challenge for smaller third-sector organisations with limited staff and resources. Thus, only a few third-sector organisations participate in commissioning processes independently or in partnership constellations. In some cases, the size of contracts can be a disadvantage for smaller, local organisations. In addition, the financial risks involved in managing contracts can be more significant than organisations can manage. To overcome this challenge, LAs could consider implementing the principle of full cost recovery, i.e., including all the costs involved in running a project (e.g., expenses related to preparing a bid, evaluation, and reporting).

Consulted third-sector organisations also reported variations and challenges with the administration and eligibility criteria required by different employability programmes across Local Authorities. Among key challenges are a lack of guidance on the requirements for funding applications and bids, very detailed requirements for funding applications or proposals, including for smaller funding awards, little time between the opening and closing dates, unclarity about the decision-making procedure, and a lack of guidance on evaluation and reporting requirements. In addition, some commissioning processes remain very restrictive and include rigid eligibility criteria for delivery, thus restricting providers from delivering the most appropriate service to their users. There are also considerable differences in the approach across LAs, which only intensifies the resource requirements. In addition, organisations operating in several LAs need staff to engage with all LAs separately. This requires significant resources that could otherwise have been used to provide client services.

Local Authorities could take a more strategic and outcome-driven approach to commissioning across funding streams and possibly administrative borders. While providers must be held accountable for the funding they receive, administration requirements must be proportionate and structured to lessen the administrative burden on providers and their users. LAs could seek to streamline commissioning processes and administrative requirements attached to the different programmes across funding streams and local areas. A standard, lighter touch model could be beneficial. LAs could also consider using more outcome-driven commissioning to allow more flexibility in adjusting services to local needs. Cross-border commissioning could allow third-sector organisations to operate across borders and take a more joined-up approach to service delivery.

Through new funding criteria, the No One Left Behind programme has opened possibilities for providers to co-operate on service delivery, but this has not yet resulted in changes on the ground. Previous funding sources have fostered a highly competitive environment where providers were largely hindered from working together. The NOLB programme seeks to change this through new funding criteria that allow for and award collaboration rather than competition (Scottish Government, 2020^[8]). While many voluntary organisations perceive this as a positive change, changing the culture of LAs and providers takes time. Thus, many providers remain reluctant to share participants and best practices and build provider networks to facilitate collaborative working. LAs could take the lead in supporting voluntary organisations and other providers in taking these steps (e.g. using the LEPs to establish provider networks within or across LAs), thus moving the system away from competition and towards collaboration. Such initiatives will likely also support efforts in LAs to simplify cross-referrals and client journeys, as discussed in the previous section.

Linking employability services with basic skills and other support services for those furthest from the labour market

For inactive and long-term unemployed who receive support from the employability system, job-related education and training can be crucial in supporting individuals back into work. Individuals far from the labour market experience multiple challenges, including lower skill levels. Providing individuals with basic skills can help them increase their employability and social inclusion. However, in many systems, the link between employability support and the adult learning system is weak, thus limiting the options for the unemployed to receive relevant training. In addition, the inclusion pathway often requires a step-by-step approach that co-ordinates various services (social, health, education, childcare, housing and beyond). The following sections analyse the link between employability services, Community Learning and Development and health and mental health services in GCR.

Community Learning and Development – basic skills provision in Scotland

Adult education for those furthest from the labour market primarily comes through *Community Learning and Development* programmes delivered by LAs, colleges and third-sector organisations. *Community Learning and Development* (CLD) in Scotland includes youth work, community-based adult learning, family learning, and community development. The aim is to enable people of all ages to identify their goals, engage in learning and take action to bring about change for themselves and their communities. The *Requirements for Community Learning and Development (Scotland) Regulations* place statutory duties on LAs to work with partners and communities to co-produce and secure the delivery of CLD in their area and publish a three-year CLD Plan (Scottish Government, 2013^[47]). Funding for CLD activities primarily comes from council budgets, channelled to external providers (e.g. ALEOs, third-sector organisations and colleges) through grants aid or commissioning. At the national strategic level, the CLD sector is guided by the Scottish Government's *National Adult Learning Strategy 2022-27* (Scottish Government, 2022^[48]).

CLD is a vital element of the adult education sector in Scotland, targeting especially some of the country's most vulnerable groups and communities. Community-based adult learning is a part of CLD practices, often including adult literacy, ESOL (English for Speakers of Other Languages), family learning, employability, citizenship, and Gaelic. Community-based adult learning is frequently the first step back into education for many adult learners and offers pathways to Scotland's further and higher education system. Usually, it is not determined through a curriculum but instead, set up to respond to learners' goals and aspirations. CLD plays a critical role in skills development, often working with people excluded from work and everyday life.

Across the eight Local Authorities in the Glasgow City Region, digital skills and ESOL for migrants are becoming increasingly crucial in community-based adult learning provision. Lack of digital and language skills remains a barrier to labour market integration for economically inactive people. Especially in Glasgow City, where most migrants reside, the waiting list to access ESOL courses is long, and individuals risk waiting many months before they can access training courses. Continued efforts to develop these programmes through strong partnerships with employers and third-sector organisations could be inspired by examples from other metropolitan areas in the OECD (Box 4.13).

Box 4.13. Examples of digital skills provision in metropolitan areas in the OECD

ParisCode, Paris (France)

In 2016, the City of Paris launched *ParisCode* – a training program designed to address labour shortages in the digital sector, help meet digital companies' skills needs, and facilitate the return to the workforce for individuals furthest from the labour market. The project targets disadvantaged youth, people undergoing vocational retraining residing in working-class areas of Paris and women. To deliver the program, the City of Paris co-operates with the French Public Employment Service (*France Travail*), the Grande Ecole du Numérique, GEN (a public interest group created by the French government in 2015 as well as large international tech companies (e.g. Google, Microsoft, Orange, CISCO, Accenture). A partner pact has been signed with the partnering companies to 1) fund or facilitate training, 2) recruit interns or apprentices from the program's training courses, 3) offer visits to the companies and discover digital professions, 4) offer student sponsorship and mentoring, and 5) promoting the ParisCode program in their network of partners and customers. The City of Paris is then, in turn, committed to offering assistance in the recruitment and organising of events by facilitating contact with ParisCode schools. The city also partners with schools certified by the City of Paris to offer participants free digital training programs and courses. Since its launch in 2016, over 1 000 Parisians have participated in the program every year.

Teaching migrants coding and programming: The ReDI School of Digital Integration, Berlin (Germany)

Since 2016, the ReDI School of Digital Integration has provided refugees with free technological education in coding and fundamental computer training at no cost and by experts. ReDI School's core objective is to help students become independent by teaching them digital skills. A network of tech leaders, students, and alumni assists in creating labour market opportunities for graduates of its programmes. The ReDI School teaches refugees cutting-edge IT skills to enter the technology sector. The state-of-the-art knowledge is taught by a network of more than 500 IT and start-up volunteers from over 180 companies. Next to standard daytime offers, courses are also offered in the evenings and on weekends, adding flexibility for teachers and potential students. The experts involved in the project also act as "door openers" by creating links between the students and the companies. Their role as teachers allows them to get to know the students and understand their motivations, interests and learning curves. Based on their industry knowledge, teachers act as intermediaries by recommending students to companies matching their respective profiles. As of 2021, the number of applications is more than double the number of places available. Around 70% of the students who attend ReDI School's courses were recommended by friends or relatives, exemplifying the ReDI School's strong standing in Berlin's migrant communities. Following its success in Berlin, the ReDI School has set up schools in Munich and North Rhine-Westphalia in Germany and Copenhagen and Aarhus in Denmark. It also offers remote studying options.

Source: OECD (2022^[49]), *Future-Proofing Adult Learning in Berlin, Germany*, OECD Reviews on Local Job Creation, OECD Publishing, Paris, <https://doi.org/10.1787/fdf38f60-en>. City of Paris (2024^[50]), *Se former aux métiers du numérique avec ParisCode*, [Se former aux métiers du numérique avec ParisCode - Ville de Paris](#).

CLD provision is even more fragmented and localised than employability services and partnership working is vital in bringing it all together. LAs have different delivery models, ranging from in-house provision over ALEOs (e.g. Glasgow Life in Glasgow City) to commissioning or grant aids to external providers (e.g. colleges and third-sector organisations). In addition, many voluntary organisations and colleges deliver CLD services funded by other sources such as charities or the college's core budgets (see Chapter 3). Individuals can access learning offers through many entry points, including community centres

and libraries. In most LAs, there is no centralised tracking of registration and learner journeys across funding streams and providers. In this context, partnership working and the willingness of stakeholders to engage with each other and share information is critical.

Integration of employability and community adult learning services could be stronger in many local areas. Historically, CLD provision has been a part of the education or sports and culture work in LAs, with limited links to employability work. Recently, some LAs have gone far in integrating employability and community-based adult learning services locally. This has included merging different departments, creating shared management and financing structures, and refocusing community-based adult learning to make it more about employability and progression. Yet, in other LAs, the two work strands operate in parallel with limited co-ordination. LAs across the region should continue the integration of employability and community-based adult learning programmes to create positive pathways for learners who face significant barriers to work. This could be done through a stronger connection between LEPs and CLD partnerships, changing organisation and financial structures within LAs, finding ways to include CLD learners in local MISs, and developing individual action plans that cover both employability and adult skills needs and opportunities. Given the high share of persons with disabilities in the group of economically inactive and the disability skills gap in many OECD countries, considerations should also be given to how basic skills provision could be made more accessible for persons with disabilities (OECD, 2022^[51]).

The use of CLD to provide job-related or skills-based training that can support the economically inactive or unemployed into work varies across Local Authorities in the Glasgow City Region. 53% of the inactive in GCR have no recognised education. This can impede their chances of getting a job in the future, especially in more traditional job markets where matching and hiring practices rely primarily on educational attainment. However, through job-related training that is aligned to local business needs, and which provides qualifications or credentials that employers recognise, these groups can potentially gain and progress in their employment without having to complete a degree. In Scotland, the Scottish Credit and Qualifications Framework (SCQF) provides a framework for recognising skills developed through more traditional degrees, apprenticeships and programmes developed by companies or other organisations for their staff (see Chapter 3). CLD provision can include *Scottish Qualification Authority* (SQA) certified courses. Yet, the extent to which LAs make use of this option varies. While some Community Learning and Development Plans include multiple examples of training courses that provide certified qualifications for learners and measure the number of learners that have achieved qualifications, others barely mention learner qualifications or the SCQF.

Taking inspiration from other OECD countries, Local Authorities could consider a stronger use of CLD to provide job-related or skills-based training for individuals out of work. In a context of rapidly changing labour markets (e.g. due to the digital and green transition) and labour and skills shortages, many local, regional and national authorities in many OECD countries are increasingly developing and making use of tools such as digital skills assessments, skills-based profiling and matching, and skills-based training, including through micro-credential (European Network of Public Employment Services, 2014^[52]; 2023^[53]). Together, these measures have the potential to strengthen the job-matching process and provide avenues to socioeconomic mobility and labour market inclusion of marginalised groups. However, to be successful, they should also be combined with solid buy-in from employers, including through the use of skills-based hiring – a concept that is slowly gaining additional ground among employers in countries such as Australia, the United Kingdom and the United States (BCG, 2023^[54]; Sigelman, Fuller and Martin, 2024^[55]). In addition to the potential benefits of skills-based matching and training, skills-based hiring may increase equity in the hiring process and improve productivity by ensuring the right match between workers and businesses. Recently, governors across several states in the US have pledged their commitment to skills-based hiring for state positions. At the same time, workforce development officers are developing training courses and skills-based matching strategies that can provide low-skilled individuals with the skills and support needed to enter into available positions (Box 4.14).

Box 4.14. Recent trends in the United States to use skills-based training and hiring to move low-skilled individuals in and up in their work career

The FastForward training programme in Virginia's Community Colleges

First implemented in 2016, FastForward is a short-term training programme for high-demand industries like healthcare, information technology and skilled trades infrastructure. The programme helps individuals in Virginia gain employment, advance their careers or earn higher wages to support themselves and their families. All the Community Colleges in Virginia run the training, meaning training is available in local communities throughout the state. Provision is adjusted to local needs through partnerships between the Community Colleges and local businesses. Through the programme, individuals can receive short-term, in-person and online workforce training in the selected industries. The average programme length is 6-12 weeks, and programmes are a mix of work and hands-on skills demonstrations and are built so students can continue working while they earn credentials. Some programmes may offer a short internship or externship before graduating. Through the programmes, individuals earn industry-recognised credentials (i.e. an officially documented credit that verifies an individual's qualification or competency in a specific skill) that they can stack to advance in their careers. To support this, the Community Colleges have developed visualisations of career pathways in different industries that students can use to guide their career choices. In addition, FastForward expert coaches support students throughout the programme, including on which credentials to develop and how to secure a job following programme completion. Programme costs are split between students, Community Colleges and the Commonwealth of Virginia. The average out-of-pocket training cost for students is around USD 800, and financial assistance is often available to cut costs further. FastForward targets jobseekers or individuals in work who are less likely to hold formal credentials or have participated in higher education. The average age of students is 34; over 43% are minorities, and over 60% have dependents. The completion rate of the programme is above 95%.

The CareerConneCT programme in Connecticut

Career ConneCT is a training and education programme developed during the COVID-19 pandemic to support residents in Connecticut in getting back to (high-quality) work in fast-growing industries. Through the programme, individuals can access short-term training programmes (typically from 5 to 20 weeks) to earn industry-recognised credentials and find entry-level employment in a high-quality career pathway. The programmes are free of charge, and individuals may also receive a skills inventory, case management and job placement support, as well as supportive services such as transportation, childcare, housing, food, technology, benefits counselling, stipends, and other services needed to attend job training and care for their family during training. The training is offered in person in local communities or online, both during the daytime and evening. Regional workforce development boards and community-based organisations operate the programmes. Many of the short-term credentials individuals can earn through the programme can help them qualify for credit towards a degree.

Source: Virginia's Community Colleges (2024^[56]), *Fast Forward, Job Training Programs | VA | FastForward* (fastforwardva.org). CT.gov (2022^[57]), *What is the Career ConneCT program?*, [What is the CareerConneCT program](https://www.ct.gov/careerconnect).

Integrated service delivery – health and mental health

Tackling the challenges of long-term unemployment or economic inactivity often means doing far more than developing employability skills. It requires working across services and policy boundaries and joining up employability provisions with other services such as health (including mental health), social services, and housing. Across the OECD, many countries are experiencing an increase in clients with intersecting and complex needs. The level and types of services required for this group may often be very demanding. In this context, national and local governments are experiencing with new ways to integrate employment services with other related services to support the labour market integration of groups in vulnerable situations (OECD, 2023^[26]).

Having a more joined-up employability system is one of the critical objectives of the NOLB plan, which includes several initiatives to push forward integration with health/disability, housing and justice services. Among the initiatives is the *Single Health and Work Gateway* programme, piloted in Fife and Dundee to help more disabled people and people with health conditions access early support to help them sustain or return quickly to work. The *Single Gateway* should act as the primary entrance of referral point for a range of currently funded, NHS-led health and in-work support services. In addition, links are made to mental health and employability support so that disabled people or people with health conditions who face more severe barriers to work are referred to the right place to get support (Scottish Government, 2018^[6]).

Integration of employment services with health and mental health services is particularly relevant in the Glasgow City Region, where a high proportion of the economically inactive are struggling with long-term sickness and disabilities. Long-term sickness is the main reason for economic inactivity in GCR, and this seems to be primarily driven by a relatively high proportion of persons with disabilities who are economically inactive (see above). To this group, some LAs invest in supported employment programmes (in-house or through contracting), and most LAs have strong relationships with private or voluntary sector providers specialising in support for individuals with different types of disabilities. Yet, as a recent study at the national level has shown, there is high variability in funding and access rates to supported employment programmes provided by LAs, and clients struggle to find available support (Scottish Government, 2022^[58]).

In the Glasgow City Region, models for co-operation with NHS and other health partners and co-location of employability and health services are under development, including through local Employability Hubs. The importance of co-operation with the UK National Health Service (NHS) is recognised across LAs, and the NHS is represented in some LEPs. There are several examples in GCR of co-location models that offer visible and accessible sources of multiple forms of support to citizens. The main objective of these hubs is to enable individuals to access the services they want or need to get closer to the labour market. One example is two facilities (East Kilbride and Lanark) that provide shared office space for critical partners (employability providers, SDS, DWP, etc.) and where people can walk in and seek support. Another example is the Russel Institute in Paisley in Renfrewshire, where the Invest in Renfrewshire employability service and SDS local office are based and where DWP also deliver services. The space also has a range of training rooms from which local partners can deliver. People can pop into the hub to get general advice and support and learn more about the services offered. According to the consulted stakeholders, the success of these hubs lies in building provision around what is immediately important to the client and in facilitating the client's journey by providing access to a range of relevant services. Yet, Employability Hubs are only in their early phase and have not been introduced across all LAs in the region. In addition, not all Employability Hubs include co-locating case workers and services but remain reliant on cross referrals.

Building on international evidence and aligned with the NOLB approach, LAs should continue their efforts to build up and further develop the Employability Hubs. LAs could look to experiences from other City Regions and internationally to get inspiration on better linking employment and (mental) health

services for those furthest from the labour market. In Manchester, the Combined Authority has implemented the *Working Well: Work and Health Programme*, which started in 2018 and seeks to invest in good health as a driver of sustainable economic growth. A vital element of the programme is an in-house health team that is physically co-located with the employment Keyworkers and provides clients access to various health and mental health services in close co-operation with the Key-Worker. A similar model has been tested in Ireland through the *Integrated Employment and Mental Health Programme*, where the Public Employment Service for persons with disabilities, EmployAbility, have been collocated in four local Multidisciplinary Mental Health Teams across the country (Box 4.15).

Box 4.15. Integrating employment and (mental) health services at the local level

Working Well: Work and Health Programme in Greater Manchester (United Kingdom)

The Greater Manchester Combined Authority launched its *Working Well: Work and Health Programme* in January 2018. The programme aims to support the long-term unemployed and people with health conditions or disabilities into sustainable employment across the region. The programme is built on a “no wrong door” approach, where the main objective is to get the proper support to the right people at the right time by linking various local services (e.g. employment service, health and mental health provision, housing support etc.) through a combined delivery model. The linking of services is supported by Local Integration Boards in each of the ten councils in the Greater Manchester area, which facilitate local connections between policy areas and service providers. Members of the boards include housing associations, public health providers, employment service providers, etc. For the individuals, the “no wrong door” approach means that they are followed and supported by a Keyworker throughout their client journey. The Keyworker supports the client through regular appointments and referring to support services, including over 200 health interventions. An in-house health team facilitates referrals to health services, an integrated part of the *Working Well* programme. The support available through the health team is a light touch version of a range of services, including those related to depression, anxiety, physiotherapy, exercise and healthy eating. The combined authority is currently considering establishing strategic joint work and health units in each council to facilitate continued co-operation across employment and health services. By the end of March 2023, nearly 24 000 people had started on the programme, of out which 52% reported a health condition or disability, 31% of clients had a physical health condition, and 32% had a mental health condition. Over 10 000 of the 24 000 clients had achieved a job start by the end of March 2023.

Integrating Employment and Mental Health Support Pilot Project (Ireland)

From 2015-2017, Ireland piloted the Integrating Employment and Mental Health Support project with the main aim of improving integration between public mental health and supported employment services at national and local levels. These two services are the responsibility of two different government departments in Ireland (the Department of Health and the Department of Employment Affairs and Social Protection) and involve different public agencies (the Health Service Executive, a national agency, and EmployAbility services, which are organised at the local level). The two services have different funding streams, regulations, management structures and governance systems, making integrating services across the two areas difficult. Through the project, employment experts from the EmployAbility service were placed into four local Multidisciplinary Mental Health Teams across Ireland to provide comprehensive and co-ordinated support for adults with severe and enduring mental health difficulties who were not in paid competitive employment. The work of the experts followed the Individual Placement and Support model, which is a variant of Supported Employment that provides long-term support for individuals with mental health difficulties to get them into competitive employment. At the end of the project, 36% of the participants had had at least one job placement (with an average of 21 hours worked per week), while 60% were job searching. In addition, 19% of participants had moved on

to further training and 5% moved to independent living. Following the completion of the pilot project, the approach was scaled up as a national programme across the Irish mental health services as part of a larger reform programme named the Service Reform Fund.

Source: Mental Health Reform (2018^[59]), *Steps into work: Integrating employment and health supports project final report*, [Steps into Work: Integrating Employment and Mental Health Supports Project Final Report \(mentalhealthreform.ie\)](https://www.mentalhealthreform.ie/Steps%20into%20Work%20Integrating%20employment%20and%20health%20supports%20project%20final%20report.pdf). SQW (2023^[60]), *Working Well: Work and Health Programme & Job Entry: Targeted Support (JETS) Evaluation 2023 Annual Report*, Manchester, Greater Manchester Combined Authority, [working-well-whp-plus-jets-annual-report-2023.pdf \(greatermanchester-ca.gov.uk\)](https://www.greatermanchester-ca.gov.uk/media/10000/working-well-whp-plus-jets-annual-report-2023.pdf)

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Note

¹ Third Sector Interfaces are charities which provide access to advice, information and practical support for charities and community groups, social enterprises and volunteering organisations. They are based in each Local Authority in Scotland (TSI Scotland Network, 2024^[61]).

5

Getting youth on board: Facilitating the school-to-work transition

This chapter examines the support and services provided to young people transitioning from school to work in the Glasgow City Region. It first explores variations in the education and employment outcomes of young people in the region. It then provides an overview of the compulsory school system for youth and the pathways for youth after compulsory education. The chapter then moves on to analysing services that support school-to-work transitions in the Glasgow City Region. It also discusses enhancing services like career guidance and programmes such as apprenticeships to facilitate youth participation and progression in their learner journeys.

In Brief

Building on existing investments to integrate and align support for youth in their transition from school to work

- **While educational attainment has increased for young people in the Glasgow City Region (GCR), the proportion of inactive youth not enrolled in education remains high.** The qualification profile of the younger workforce has improved in recent years, and today, the share of highly qualified persons is higher for younger age groups (25-to-29-year-olds) than older generations in GCR. Yet, the region has a high proportion of young people (16-24 years) who are inactive and not enrolled in education (15% compared to the Scottish average of 9%).
- **The Scottish school system provides free education to all children in Scotland and allows pupils to build up a bespoke portfolio of qualifications and skills.** The Scottish school system differs from the UK system in many dimensions, including flexibility for students to choose from various courses and “routes” (e.g. academic vs vocational qualification routes). Since the introduction of the Scottish *Curriculum for Excellence*, there has been an increasing focus on providing learning opportunities beyond the classroom, e.g. through volunteering and youth work. Local Authorities (LAs) play a crucial role in the system, given their statutory duty to ensure adequate education provision through schools in their areas.
- **Differences in youth outcomes across the LAs in the Glasgow City Region are observed from a young age.** Pupils in East Renfrewshire and East Dunbartonshire in grades P1 (age 4-6), P4 (age 7-9) and P7 (age 10-12) have the highest literacy and numeracy scores in Scotland. At the same time, in Glasgow City, pupils have lower literacy and numeracy scores than the Scottish average. Differences in youth outcomes across LAs in GCR are likely related to the level of deprivation in local areas.
- **The outcomes of secondary school leaves have increased in Scotland and the Glasgow City Region over time.** After the end of secondary school, young people can pursue various pathways into further and higher education, work-based learning and employment. While the pathways youth choose differ across the LAs in GCR, the overall picture is one of improvements. Within GCR, all LAs have seen a similar development, with the share of youth not achieving a positive destination falling in recent years. In 2022/23, the share ranged from 2% in East Renfrewshire to 8% in Glasgow City. Yet, when comparing outcomes at different stages, data shows that being in a positive destination at a young age (16-19) does not guarantee positive outcomes in the long run.
- **Several measures are in place locally to support vulnerable youth transitioning from school to work.** At the local level, various stakeholders are involved in providing support for youth, including employability providers, Community Learning and Development providers, schools, colleges, universities, third-sector organisations, youth work organisations, and employers. While a particular focus is on facilitating partnerships with third-sector and youth organisations, these organisations face challenges related to diverse and complex commissioning processes and securing long-term funding.
- **Scotland and the Glasgow City Region have an extensive but also fragmented career guidance system for youth.** In schools, youth are supported by advisors from *Skills Development Scotland*, school coordinators from the employer-led *Developing the Young*

Workforce programme, and possibly other advisers financed by the LA. After leaving secondary education, youth enter a new career guidance system with a more significant number of providers. The system is challenging for youth to navigate, and an explicit challenge is the break in services at the age of 18. GCR could take steps to establish a dedicated career guidance and support system for youth until age 25, building on experiences from Finland and Norway.

- **The fragmentation of youth services extends beyond the career guidance system, and there is potential for further integration of services at local and possibly regional levels.** While LAs can only influence parts of the youth support system (e.g. less influence once they move to further and higher education), they have a central role in supporting those who are at risk of or have fallen out of the system. These vulnerable youth often face complex challenges and need multiple support services. To facilitate their journey, GCR could seek to integrate youth services in two ways: 1) across education institutions, and 2) across education, employability and other support services (e.g. Community Learning and Development, health and mental health, social and housing). In this work, GCR could look to other OECD countries, such as Denmark and Vienna (Austria), that have taken various measures to provide holistic support for youth.
- **Employer engagement is growing in the Glasgow City Region, albeit from a relatively low level, and SMEs continue to fall behind the curve of larger companies.** Employer engagement in youth support can take many forms, and in Scotland and GCR, one key element is participation in apprenticeship provision. Despite some prominent examples from larger employers, GCR suffers from low employer engagement in the apprenticeship system. This may be due to the relatively few national-level incentives and limited support for employers to offer apprenticeships. As part of broader activities to strengthen employer engagement in the regional skills system (see Chapter 3), GCR could take steps at the regional level to increase the number of employers providing apprenticeships in critical sectors of the regional economy. Other possible routes for employer engagement that could be strengthened are work experience, work shadowing or summer internship programmes. This could draw on experiences, e.g. from the Summer Job Programme in Boston (United States) and the Digital Upskilling of Youth Programme in Canada.

Introduction

Youth policies have been high on the agenda for the Scottish Government for the last decade or more. Youth in Scotland were particularly hard hit by the 2008 financial and economic crisis, with youth unemployment levels hitting record highs in 2012 (close to 23%). The Scottish Government responded quickly to support youth in the aftermath of the crisis, and since then, youth unemployment has been on a downward trend. Much of the work to support youth has been guided by Scotland's Youth Employment Strategy *Developing the Young Workforce*, launched in 2014 (Scottish Government, 2014^[1]). Despite the success of this strategy, variation in education and employment outcomes for youth across local areas and socio-economic groups remains a crucial challenge for local and national policymakers. In addition, pathways for youth after the end of compulsory education remain fragmented, and employer engagement to shape the education system and create a talent pool fit for the future labour market could be higher.

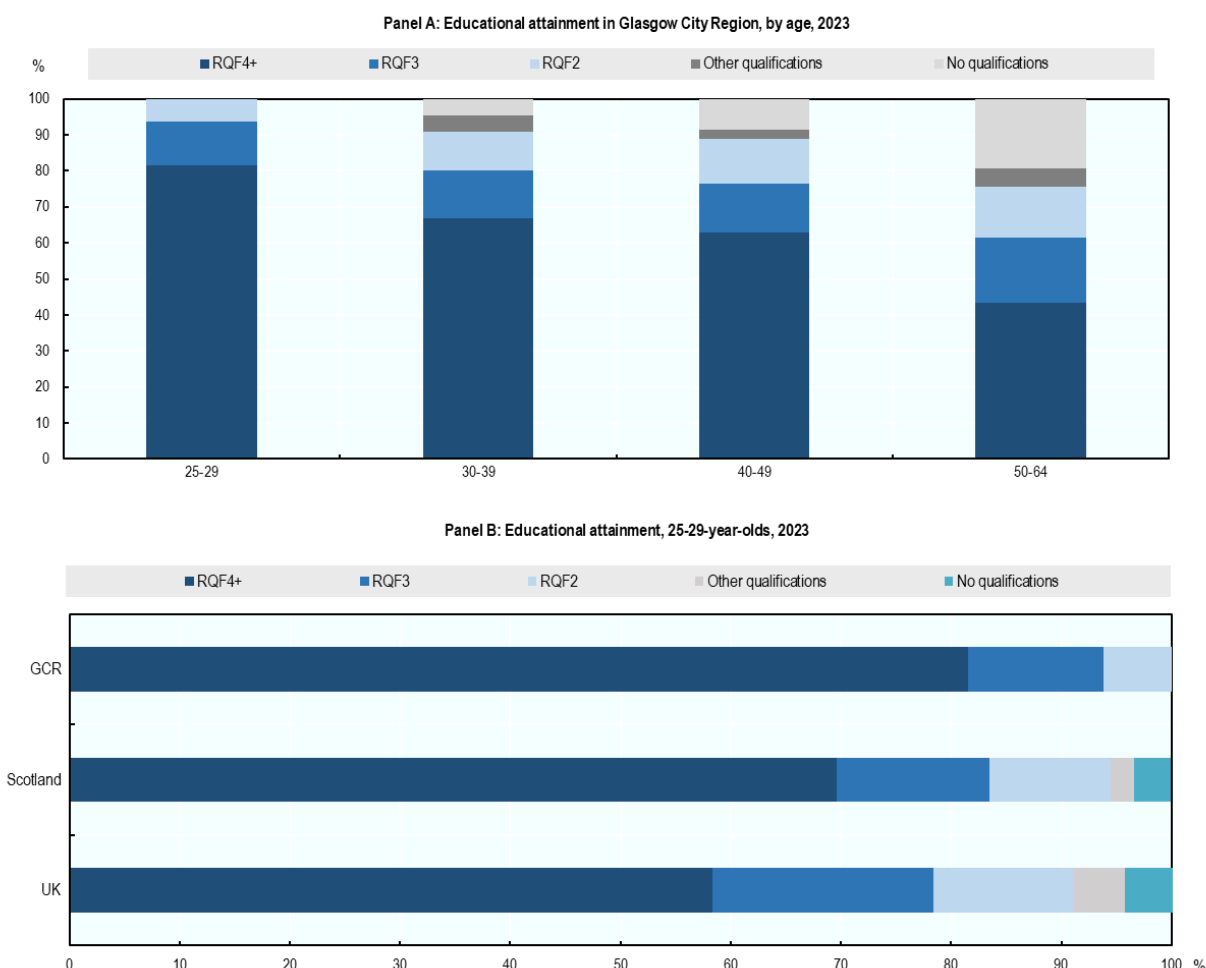
This chapter reviews policies that support school-to-work transitions in Scotland and the Glasgow City Region (GCR) and how to improve them further to achieve better outcomes for more youth.

The first section considers the nature of employment and education outcomes for different types of young people within GCR and varying education and employment pathways. The following sections provide an overview of the Scottish compulsory school system and critical pathways for youth after the end of compulsory education. Hereafter, the chapter analyses the different services in GCR to support youth transitions from school to work, focusing on career guidance and integrating youth support services with other services such as family and health. The last section focuses on work-based learning (in particular apprenticeships) and other work-based learning and work experience programmes.

Key labour market outcomes of youth in the Glasgow City Region

Whilst the educational attainment of young people within the Glasgow City Region has improved relative to older generations, this is only the case for some groups. As more young people have been increasing their qualifications within GCR, the qualification profile of the younger workforce has been enhanced. For example, a large share of 25-to-29-year-olds (81%) held a university degree (Regulated Qualifications Framework (RQF) level 4+) in 2023. This is higher than any other age group (Figure 5.1, Panel A) and both the Scottish and UK averages (Figure 5.1, Panel B).

Figure 5.1. Understanding educational attainment in the Glasgow City Region



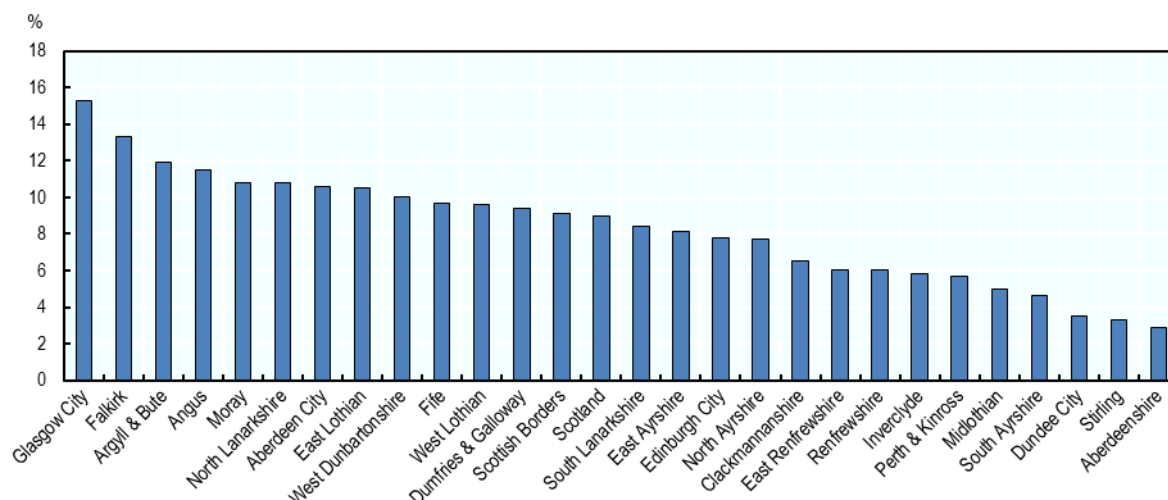
Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire and South Lanarkshire.

Source: OECD's calculations based on NOMIS [Annual Population Survey].

The proportion of young people 16-24 who are inactive and not enrolled in education is higher in Glasgow City than the Scottish average. Given that many young people are inactive because they are enrolled in education, the standard inactivity rate is not a good measure of employment outcomes for this group. Instead, the number of the inactive, excluding those enrolled in education as a proportion of the population, is typically used. In Glasgow City, 15% of the 16-24 year old population was inactive and not enrolled in education in 2018-2020 (Figure 5.2). That was six percentage points higher than the Scottish average and the highest across all Local Authorities (LAs) in Scotland. While directly comparable data is unavailable, the NEET (not in employment, education or training) rate in Glasgow City appears higher than the UK and EU averages. The NEET rate among the 16-24-year-olds was 12% in the UK in October-December 2022 (ONS, 2023^[2]). In the EU, the NEET rate among 15-24-year-olds was 9% in 2022, and it ranged from a low of 3% in the Netherlands and 5% in Sweden to a high of 14% in Lithuania and 17% in Romania (Eurostat, 2024^[3]).

Figure 5.2. A high share of 16-24-year-olds in Glasgow City is inactive and not enrolled in education

Proportions of young people 16-24 who are inactive and not enrolled in full-time education, January 2018 – December 2020



Note: The data used in the chart is the most recent one available. It refers to multiple years due to the small sample size. Data for East Dunbartonshire is not available.

Source: Scottish Government [Economic inactivity of young people aged 16-24; ISBN 9781835212547].

The compulsory school system: Building the foundations for youth

Since the 17th century, Scotland has provided free education to all children living in Scotland. In Scotland, nursery, primary, secondary and upper secondary education are free for children aged 2 to 18. The *Curriculum for Excellence* (CfE) is the national curriculum from nursery to secondary school. Within recent years, there has been an increasing emphasis within the national curriculum to prepare students for employment and strengthen their pathways to work (OECD, 2021^[4]). While the education system is overseen by the national agency *Education Scotland*, Scottish LAs play an essential role in providing education through schools in their area. In GCR, differences in youth outcomes across the LAs are observed from a young age, likely related to differences in deprivation across the local areas.

The structure of the primary and secondary education in Scotland

The Scottish education system differs from the rest of the UK in its approach, e.g., curriculum, qualifications, exams, and school-leaving age. The Scottish education system includes early years learning and childcare, primary education, secondary education and upper secondary education (senior phase), all free of charge. The education system follows the CfE introduced in 2010. The CfE emphasises a broad education focusing on skills development and interdisciplinary learning (OECD, 2021^[4]). All educational qualifications in Scotland are part of the *Scottish Credit and Qualifications Framework*, ranging between *Scottish Qualifications Authority* (SQA) qualifications, *Scottish Vocational Qualifications* (SQV) and higher education qualifications. Assessments for SQA qualifications often include a combination of coursework and final exams. While the legal school leaving age is 16, students can continue their education until 18 years.

Primary, secondary and the first year of upper secondary education are compulsory and include a set of national standardised assessments. Mandatory education in Scotland begins in Primary 1 (P1) at primary school and ends in Fourth Year (S4) at secondary/upper secondary school. Children start primary school between four and a half and five and a half, depending on when the child's birthday falls. Pupils remain at primary school for seven years and are eleven or twelve when they start secondary school. Secondary/upper secondary school includes four compulsory years and an additional two years, which are optional. At the end of compulsory school, students are aged 15 to 16. Primary and secondary school students sit mandatory *National Standardised Assessments* in Primary (P1), Primary 4 (P4), Primary 7 (P7) at the end of primary school and Third Year (S3) in secondary school (Scottish Government, 2022^[5]).

Upper secondary education (Senior Phase) consists of one compulsory and two optional years. The Senior Phase includes S4, S5, and S6. In S4 (which is compulsory), students take SQCF qualifications. After the end of S4, students can leave the education system. However, students can also stay in school for two additional years (S5 and S6) to study for Higher and/or Advanced Higher exams from age 16 to 18. At the end of S5, students can go directly to university as Highers provide the entry requirements for Scottish universities. However, in recent years, more and more students have chosen to remain until S6, taking further Highers or Advanced Highers (Table 5.1) (Scottish Government, 2022^[5]).

Table 5.1. Overview of the Scottish education system

Age (years)	SCQF Levels	Education level	Provider
2 to 5	-	Early Years Learning and Childcare	Nurseries
5-12	-	Primary: Seven years, P1 to P7 (compulsory)	Primary schools
12-15	-	Secondary: Three years, S1 to S3 (compulsory)	Secondary schools
15-18	2-7	Upper-secondary (Senior Phase): Three years, S4 (compulsory) and S5-S6 (optional). Subjects studied at different levels for various qualifications, including <i>general education routes</i> (e.g. Nationals, Highers, etc.) and <i>vocational routes</i> (e.g. Apprenticeships, Scottish Vocational Qualifications (SVQs))	Secondary schools, colleges or independent training providers

Source: Based on the OECD (2021^[4]), *Scotland's Curriculum for Excellence: Into the Future*, Implementing Education Policies, OECD Publishing, Paris, <https://doi.org/10.1787/bf624417-en>.

Young people can build up a bespoke portfolio of qualifications, awards and skills by the time they leave school and move on to their next stage of learning or employment. The Scottish school system allows students to choose a range of courses and gain various qualifications and awards. These include more academic routes that involve courses in multiple subjects from National 1 to 5, Higher and Advanced Higher. Alternatively, students can take a more work-based route that leads to vocational qualifications, including Scottish Vocational Qualifications (SQVs) and apprenticeships. In addition, there is an increasing focus on opportunities for students to gain broader achievements and personal awards, which, in some circumstances, can be accredited. These opportunities extend into volunteering and youth work, including a comprehensive system of youth work awards that provides non-formal learning opportunities for young people aged 10 to 25. The awards are designed to encourage personal development, skills acquisition and community involvement among young people (Education Scotland, 2015^[6]; Awards Network, 2024^[7]).

Over the last decade, the national school curriculum has emphasised preparing young people for employment and strengthening pathways to work. The CfE promotes an interdisciplinary approach to provide all young people with broader skills, attributes, and knowledge to flourish in the future labour market (OECD, 2021^[4]; Education Scotland, 2024^[8]). In upper secondary schools, a key ambition is to provide students with various learner pathways to prepare them for academic and vocational routes. In addition, a core policy aim is for the school to be "learner-centred", meaning that there are no pre-convinced notions about the number or types of qualifications taken and that learning can be provided by a range of providers, including schools, colleges, Community Learning and Development (CLD) and other less formal settings.

The institutional framework of the education system in Scotland

Local Authorities play a crucial role in supporting the education and learning of young people and building the foundations to prepare them for work. Scottish LAs have a statutory duty to ensure adequate education provision through schools in their area. This duty extends from early years through primary and secondary education. This includes a critical focus on reducing the attainment gap, i.e. the disparity in education outcomes/academic achievement levels between different groups of students, often correlated with socio-economic factors, ethnicity, disability or other demographics (Scottish Government, 2023^[9]). Combined with their broader responsibilities for delivering employability services (including for youth out of employment, education and training) and CLD, LAs assume a central role in supporting especially more vulnerable youth in their transition from the last years of school and into work or other positive destinations such as further and higher education, apprenticeships and voluntary work.

Education Scotland is the national agency overseeing the delivery of the CfE and providing guidance to schools and Local Authorities. It is pivotal in driving improvement and ensuring quality in Scotland's education system, working in partnership with schools, educators, LAs, and other stakeholders. A vital task of the agency is to provide schools and LAs with guidance and tools to enable more devolved management within schools and support local decision-making. Local priorities for action to drive better outcomes for young people are also informed by *Local Authority Improvement Plans* (LAIPs), which are strategic documents developed by LAs to outline their priorities and strategies for improving educational outcomes and enhancing the quality of education within their jurisdiction. The plans are created within the *National Improvement Framework* (NIF), introduced in 2016 to strengthen the co-ordination of local and national education priorities. The NIF includes a set of indicators and benchmark measures to monitor and evaluate educational performance across the 32 LAs (Education Scotland, 2023^[10]).

School spending per pupil in Scotland is over 18% higher than in England, Wales and Northern Ireland (Institute for Fiscal Studies, 2023^[11]). In Scotland, provisional education budgets are determined over three years, but annual budgets are agreed upon and allocated for each financial year in line with LAs setting council tax levels. From 2009/2010 to 2014/2015, school spending per pupil fell across the UK (a fall of 6.5% in Scotland). Since then, spending per pupil has mostly recovered to 2010 levels across England, Wales and Northern Ireland and has more than reversed past cuts in Scotland. In the most recent year (2022/23), school spending per pupil in Scotland was over GBP 8 500 – compared to the average of GBP 7 200 across England, Wales and Northern Ireland. Increased spending in Scotland has primarily reflected an expansion in the early-years funding and increases in teacher pay (Sibieta, 2023^[12]).

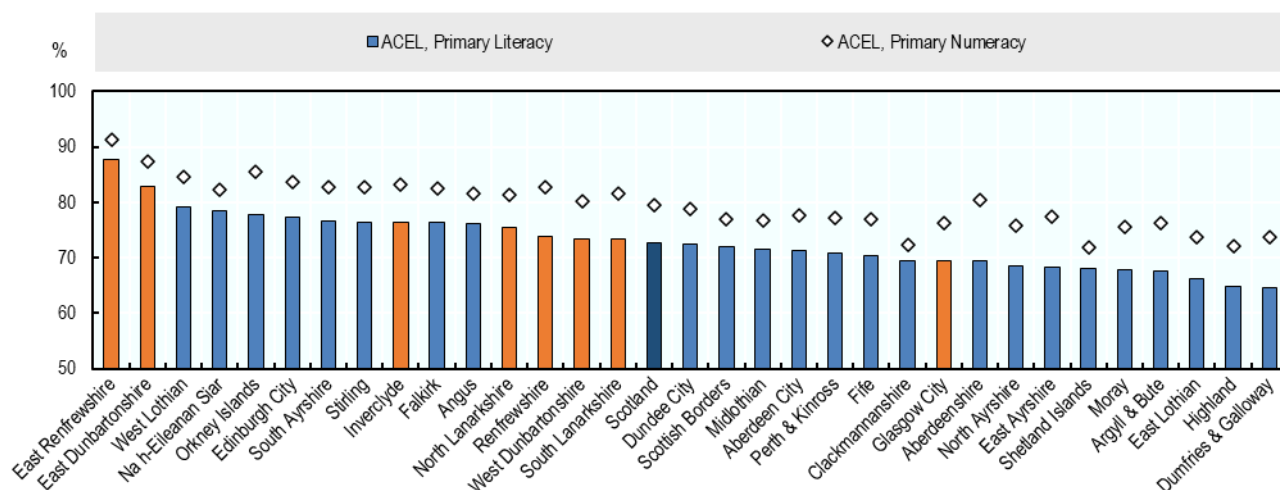
Most funding for school education comes through councils, with the remainder coming directly from the Scottish Government and Scottish Government agencies. Council spending on school education accounts for around a quarter of council revenue expenditure, with local spending on primary and secondary school education increasing in real terms between 2013/14 and 2018/19 by 5.1% (from GBP 4.1 billion to GBP 4.3 billion). In the same period, the number of pupils in Scottish schools increased by 1.7% (The Scottish Parliament, 2021^[13]).

Educational outcomes of primary and secondary school pupils vary across LAs in the Glasgow City Region

The differences in youth outcomes across the Local Authorities in the Glasgow City Region are observed from a young age. Pupils in East Renfrewshire and East Dunbartonshire in grades P1 (age 4-6), P4 (age 7-9) and P7 (age 10-12) have the highest literacy and numeracy scores in Scotland. At the same time, in Glasgow City, pupils have lower literacy and numeracy scores than the Scottish average (Figure 5.3).

Figure 5.3. School leavers in Glasgow City are less likely to attain one or more passes than the Scottish average

Share of pupils achieving the Curriculum for Excellence, P1, P4 and P7 combined, 2022/2023



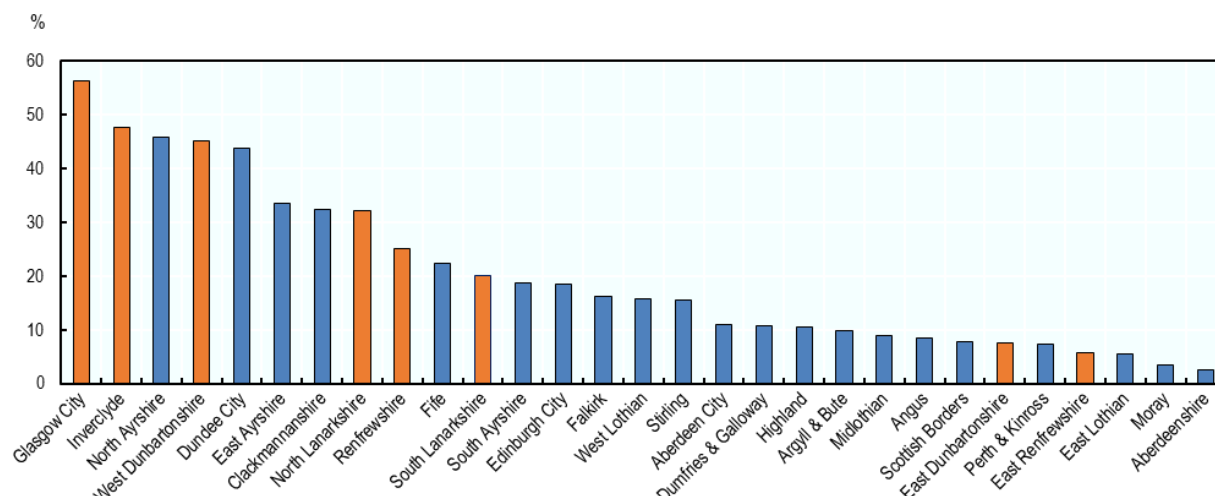
Note: ACCEL – Achievement of Curriculum for Excellence (CfE) Levels; the ACCEL data is based on all pupils in publicly funded Primary 1, Primary 4, Primary 7 and Secondary 3 classes, and all pupils based in special schools/units.

Source: Scottish Government [Scottish Attainment Challenge – Local stretch Aims; ISBN: 9781835217870].

Differences in youth outcomes across the Local Authorities in the Glasgow City Region are likely related to deprivation. East Renfrewshire and East Dunbartonshire, the LAs with the best outcomes among youth in GCR, have the lowest share of pupils living in deprived areas of Scotland, at 6% and 8% respectively (Figure 5.4). In contrast, Glasgow City has the highest share of pupils living in deprived areas, at 56%. Pupils from the most deprived areas tend to have lower educational and labour market outcomes. This suggests that the sheer scale of deprivation might be the driving factor behind the lower educational and labour market outcomes in some LAs, such as Glasgow City.

Figure 5.4. A high share of pupils in Glasgow City and surrounding areas live in the most deprived areas of Scotland

Share of pupils in Q1 most deprived areas, 2021/2022



Source: Scottish Government [Scottish Attainment Challenge – Local stretch Aims; ISBN: 9781835217870].

The Scottish Government allocates additional funding to Local Authorities with the highest levels of deprivation and challenges in terms of educational outcomes. LAs with the highest proportions of pupils living in the most deprived areas, based on the Scottish Index of Multiple Deprivation (SIMD), are classified as Attainment Challenge Councils. These LAs receive additional funding from the Scottish Government through the *Attainment Scotland Fund* (ASF), which supports the *Scottish Attainment Challenge* (Scottish Government, 2024^[14]). Five of eight LAs in GCR are classified as Attainment Challenge Councils: Glasgow City Council, West Dunbartonshire Council, Inverclyde Council, North Lanarkshire Council and Renfrewshire Council. The fund supports specific households living in deprived areas with children who are known to be at a higher risk of poverty-related lower attainment (e.g. single-parent households, households with disabled members or members with ethnic minority backgrounds). Most recent data shows that despite a slight improvement from 2021/22 to 2022/23, those from poorer backgrounds are still 20 percentage points behind their better-off peers (Scottish Government, 2023^[15]).

The post-school system: Pathways for youth after compulsory education

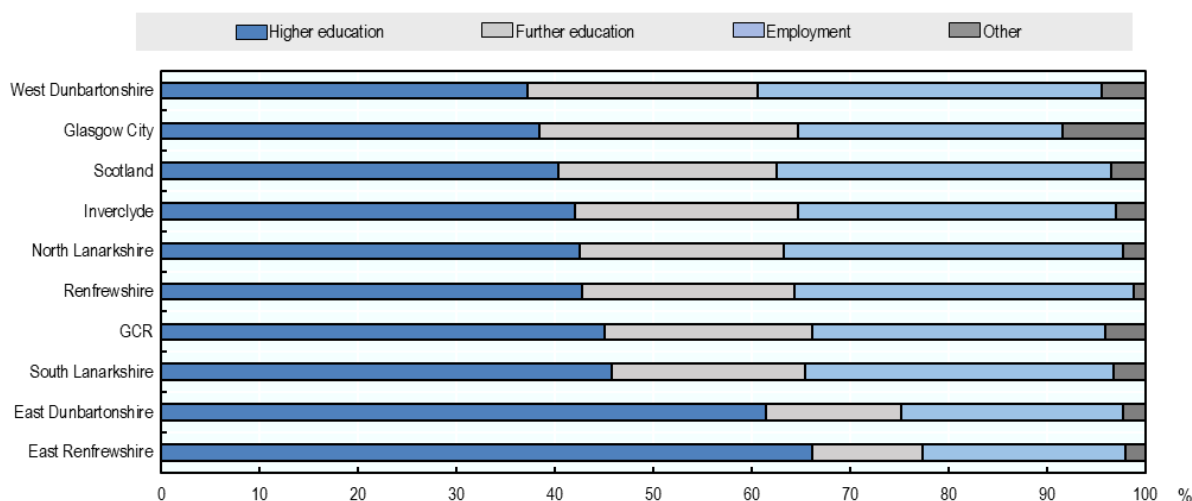
After finishing upper secondary education, youth in Scotland have multiple pathways to pursue, with higher education being the most common. Depending on when they leave school (at level S4 or S5/S6), youth can pursue four main routes: further education in colleges, higher education in universities, employment/apprenticeships and training, voluntary work or personal skills development. In Scotland, these routes are termed “positive destinations” and are distinguished from “other destinations”, which include unemployed and inactive youth and those with unknown destinations. In Scotland, 93.5% of school leavers were in a positive follow-up destination in 2021/22 – the highest proportion since consistent records began in 2009/10 (Scottish Government, 2023^[16]). 40% of school leavers were in higher education (the most common follow-up destination), 22% in further education and 34% were in employment (Figure 5.5). The purpose of this section is to describe the different pathways youth can take after they leave the compulsory school system in Scotland and the outcomes for youth in GCR.

What happens after secondary school: College, university, apprenticeship or work?

Differences exist in the pathways that school leavers pursue across the Glasgow City Region, which likely affects their subsequent employment outcomes. In GCR, 45% of school leavers study at a university nine months after leaving school, five percentage points higher than the Scottish average (Figure 5.5). School leavers in GCR are also less likely to go directly into employment after leaving school. However, pathways of secondary school leavers differ across the LAs. In East Renfrewshire and East Dunbartonshire, the share of pupils that pursue higher education is over 20 percentage points higher than the Scottish average. In these areas, few secondary school leavers go to further education or directly into employment (including apprenticeships). In contrast, a lower share of secondary school leavers in Glasgow City pursue university education (38%) than the Scottish average (40%), and a higher share goes into further education. Few secondary school leavers go directly into employment (including apprenticeships) after finishing secondary education (27%) compared to the other LAs in Scotland, and a relatively high share goes into “other” positive destinations such as personal skills development or voluntary work (8%).

Figure 5.5. Many secondary school leavers in Glasgow City pursue further education, and relatively few enter employment

Destinations of secondary school leavers at follow-up (9 months after leaving school), 2021/2022



Note: Data for the Glasgow City Region are a weighted average of data for Glasgow City, East Dunbartonshire, East Renfrewshire, Renfrewshire, Inverclyde, West Dunbartonshire, North Lanarkshire, and South Lanarkshire. Employment includes young people undertaking training in employment through national training programmes such as Modern Apprenticeships and Graduate Apprenticeships. Other employment opportunities include voluntary work, training, and personal skills development.

Source: Scottish Government [Summary statistics for follow-up leaver destinations; ISBN: 9781805259251].

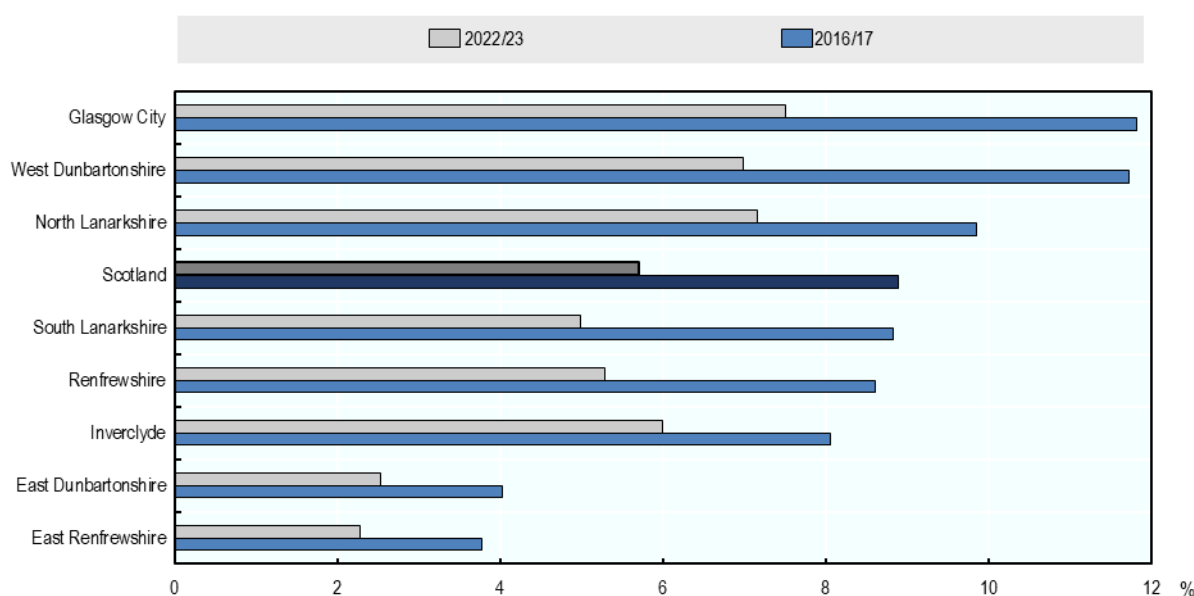
While students can leave education at age 15/16 (level S4), most stay one or two more years during the senior phase (levels S5 and S6). The Scottish Government has encouraged students to stay in education beyond compulsory years. This push is reflected in statistics on school leaver cohorts. In 2021/22, 60% of the school leaver cohort was in S6, while 28% were in S5 and only 12.5% in S4 (Scottish Government, 2023^[17]). In addition, steps to establish a fast-track entry from school into universities have been taken, involving a review of application processes and criteria in universities. Some stakeholders interviewed in this context have criticised the push to make a maximum number of pupils stay in school longer and go to university. It is seen to be in opposition to other government efforts to broaden the range of pathways for youth when they leave compulsory school and support students into the most suitable educational track (rather than the highest possible). In addition, it has been argued that despite increasing demand for high-skilled workers in the Scottish economy, (higher) vocational education and other work-based learning might also provide skills in demand now and in the future.

Outcomes for youth after leaving secondary school

The measures of youth outcomes commonly used in Scotland are the participation rates of 16-19-year-olds and secondary school leavers. The outcomes of secondary school leavers have increased over time in Scotland and GCR. In GCR, the share of youth aged 16-19 not achieving a positive destination has decreased from 12% in 2016/17 to 8% in 2022/23. In Scotland, the share has reduced from 9% to just below 6% in the same period (Figure 5.6). Within GCR, all LAs have seen a similar development, with the share of youth not achieving a positive destination falling in recent years. In 2022/23, the share ranged from 2% in East Renfrewshire to 8% in Glasgow City (Figure 5.6).

Figure 5.6. Outcomes of youth over time by Local Authority and in Scotland

Share of 16-19-year-olds not achieving a positive destination



Source: Scottish Government [Scottish Attainment Challenge – Local stretch Aims; ISBN: 9781835217870].

A central tool to support positive destinations for youth and collaboration across multiple stakeholders is the 16+ Data Hub. The Scotland-wide 16+ Data Hub supports information sharing among key partners in the youth field to provide tailored support to young people (age 16-19) when they leave school, specifically those not moving on to learning or work. It is a secure online portal which allows partners (including SDS, LAs, schools, colleges, SFC, SAAS, and the Department for Work and Pensions) to input and access a combined database of information on individuals as outlined in the legislation requirements. Data in the database include expected school leaving dates, where young people intend to go after school, and information on those receiving career services and welfare benefits. This enables front-line staff to provide more effective, targeted support (Skills Development Scotland, 2024^[18]). However, interviews with stakeholders in the region indicate that the actual use of the data hub varies across LAs and other stakeholders.

While tracking outcomes of students leaving education is critical, many youth aged 20 to 24 are in non-positive destinations; hence, outcomes for these higher-age groups could also be monitored more regularly. The measures of youth outcomes commonly used in Scotland are the participation rates of 16-19-year-olds and secondary school leavers. This is an additional year in comparison to England, where outcomes for 16-18 years are commonly followed (Government of the United Kingdom, 2023^[19]), but less than in Wales and Northern Ireland, where outcomes up to 24 years are regularly tracked (Welsh Government, 2024^[20]; Northern Ireland Statistics and Research Agency, 2024^[21]). Data for the UK as a whole shows that many youth, especially those beyond 20 years, have non-positive outcomes: While only 4% of 16-17 year-olds were NEET in the third quarter of 2023 in the UK as a whole, 11.4% of 18-20 year-olds, 16% of 21-22 year-olds, and 15.9% of 23-24 year-olds were NEET during the same period (ONS, 2024^[22]). That suggests that being in a positive destination at a young age (16-19) or shortly after finishing secondary school does not guarantee a positive outcome in the long run. Therefore, the measures of youth outcomes in Scotland that focus on the 16-19 age group and the school leavers may not be sufficient to monitor the education system's effectiveness in helping youth find sustainable employment.

A combination of actions is needed to ensure that youth outcomes are positive in Scotland in the short and long term. As a starting point, it seems necessary to establish measures for participation rates that cover a broader age range (e.g. 16-24) or to add a follow-up measure for secondary school leavers (e.g. after three years). This will allow Scottish authorities across levels of government to track youth outcomes for extended periods. In addition, various measures are needed to ensure that youth outcomes improve in the long run. This could include a strengthened and better-connected career guidance offer both in and after school, as well as stronger co-operation across schools, colleges and universities to facilitate information-sharing between the different education institutions and allow, e.g. for feedback on how students can be best prepared to enter further and higher education (see the following sections).

Services and programmes supporting youth school-to-work transitions in the Glasgow City Region

While transitioning from school to work may be straightforward for many young people, others find it more challenging. The ease or difficulty with which young people can transition from school to work has a lasting impact on their lives and labour market prospects. For some groups of youth, the transition into adulthood remains a complicated process. Therefore, supporting students in successfully transitioning from school to further education, training, or work is essential.

In Scotland, several services are in place to support youth transitioning from school to work. Career advisers from Skills Development Scotland (SDS) are available in every secondary school in Scotland for youth still in education but seeking guidance on pathways beyond school. For youth at risk (as assessed by their schools) of falling out of education or leaving school without a positive destination, LAs provide employability services and Community Learning and Development (CLD) activities. In addition, other

support services, such as youth work, health and mental health, and housing and family services/learning, are available and often delivered by or in partnership with LAs. Lastly, apprenticeships (particularly Foundational and Modern Apprenticeships) and broader work-based learning opportunities are available for youth seeking an alternative to more academic routes.

These measures target the youth for whom the pathways after school are not straightforward and where vocational education and training may present an alternative to the academic route. In this section, these measures are presented and discussed based on learning from other OECD countries that have invested in support measures for youth school-to-work transitions. The section includes a discussion of i) the youth career guidance system in the Glasgow City Region, ii) measures to integrate youth services locally, iii) youth programmes in Scotland and the Glasgow City Region and iv) the role of the third-sector organisations in providing services for the most vulnerable youth.

The youth career guidance system in the Glasgow City Region is complex and includes multiple overlapping services

Career guidance is essential to prepare young people to succeed in an ever-changing labour market. Today, young people live in a society where creating sustainable career opportunities is complex. Career guidance is the range of activities that support individuals in managing their careers and making educational, training, and occupational choices that match their characteristics. It helps students navigate the many options and pathways available when they leave school and progress through further and higher education, work-based learning, and employment.

Scotland has a comprehensive career advice and guidance system for youth at the local and school levels. The main elements of the Scottish all-age career advice and guidance system were laid out in Chapter 3 of this report. While the leading Scottish provider is SDS, the broader career guidance system includes multiple stakeholders operating through various sites. This is especially the case for youth, who can receive guidance at different stages in their school-to-work transition, including in secondary/upper secondary schools, colleges, and universities, through employability and CLD services and the broader landscape of youth organisations. The baseline career guidance provision draws on the universal careers service delivered by SDS. SDS has advisers in every state secondary school in Scotland. While support is initiated for everyone in the third year of secondary school, it is targeted more to those most in need over time. This is in line with findings across OECD countries, which show that particularly youth from the most disadvantaged backgrounds are confused about what they need to do to secure their job ambitions (e.g. (Mann, 2020^[23])).

Beyond the SDS advisors, *Developing the Young Workforce (DYW)* school coordinators operate across Scotland's public secondary schools. Launched in 2014, *Developing the Young Workforce* is Scotland's Youth Employment Strategy, created to bridge the gap between employers and young people (Box 5.1). The strategy has resulted in a broader DYW programme implemented nationwide through 21 DYW Regional Groups. Three groups operate in GCR: DYW Glasgow, DYW West, and DYW Lanarkshire and East Dunbartonshire. These groups lead various initiatives, including the DYW school coordinators, who support senior management in the schools to create a structure for employer engagement and embed the DYW strategy and other employer offers within the curriculum (Scottish Government, 2021^[24]). The school coordinators also engage with teachers and SDS advisers, e.g. to strengthen employer-led career aspiration activity and promote vocational pathways in a system that has traditionally focused more on academic routes. In addition to the DYW and SDS offer, some LAs commission additional career guidance services in school. One example is the MCR Pathways, a mentoring programme delivered nationwide, including in Glasgow City (MCR Pathways, 2024^[25]).

Box 5.1. Developing the Young Workforce (DYW)

Following the recommendations from the Commission for Developing Scotland's Young Workforce published in 2014, the Scottish Government developed its youth employability strategy – *Developing the Young Workforce*. The strategy sets out to deliver on the recommendations from the commission through partnerships with the Convention of Scottish Local Authorities and Scotland's education and employer communities. A central part of the strategy has been the implementation of 21 employer-led DYW Regional Groups that help coordinate a series of partnerships between employers and local education institutions (e.g. schools, colleges and universities). The regional groups aim to bridge the gap between industry and education and assist employers in actively preparing young people for the world of work. Activities promoted by the regional groups are, among others, extra-curricular projects, career-focused events, work experience placements, and workplace visits. Another central part of the strategy has been the development of the *Marketplace* – an online tool connecting schools and colleges with businesses, e.g. by providing information on workplace site visits and career events.

Source: Scottish Government (2021^[24]), "Implementation of Developing the Young Workforce (DYW) school coordinators - child rights and wellbeing impact assessment (CRWIA)", www.gov.scot/publications/implementation-developing-young-workforce-dyw-school-coordinators-child-rights-wellbeing-impact-assessment-crwia/ (accessed on 02.05.2024).

After leaving school, youth enter a new career guidance system with a more significant number of providers. For youth who continue into further or higher education or work-based training, career guidance will be provided by colleges, universities, independent training providers, professional associations, etc. For youth not in education, employment, or training, career guidance may be provided by SDS, employability providers, Jobcentre Plus offices, voluntary organisations, CLD practitioners, etc. SDS has a targeted career guidance support service – the *Next Step Service* – for vulnerable unemployed youth up to 18 years. After this age, youth fall under the remit of the general adult guidance service provided through walk-in centres, phone and online through the *My World of Work* portal. Local stakeholders, including voluntary organisations, provide additional support for youth facing multiple challenges. In GCR, all LAs are actively working through the more comprehensive provider network to strengthen partnerships across the various providers and provide more intensive support for those most in need. As described in the national strategy for career guidance, these services can take multiple forms (Scottish Government, 2020^[26]).

The career guidance system stands at a crossroads in light of the outcomes of the Career Services review. The Scottish Government launched Scotland's Career Strategy *Moving Forward* in February 2020 (Scottish Government, 2020^[26]). The strategy was followed by the *Career Review* programme, which was implemented by the *Career Services Collaborative*. This programme has resulted in several reports, including the *Careers By Design* report, which in February 2022 outlined ten recommendations on delivering the national strategy and the final report launched in March 2023. The Career Review outlines an ambitious programme to redesign the career ecosystem to create a more integrated and user-driven service, which the Scottish Government has subsequently approved. Among the key elements was the design and implementation of a Target Operating Model, which defines a common vision, shared outcomes, and a consistent set of service delivery principles to be applied across the ecosystem of career services (Skills Development Scotland, 2023^[27]).

Despite ongoing reform efforts, the Scottish career guidance system for youth faces challenges. With multiple providers operating in different settings and stages in the school-to-work transition, the career guidance system is challenging for youth to navigate. This is the case for youth in schools and those who have left the compulsory education system. In schools, various advisors covering different parts of the "guidance field" (e.g. employer relations and mentoring) seem unnecessary. This is especially true in the

LAs where additional services have been purchased. These roles could be integrated under the same organisation (e.g. SDS). Stakeholders consulted for this review also raised concerns about i) capacity/funding (i.e. only one SDS advisor for an average of 840 pupils in upper secondary schools), ii) inconsistency (different parts of the system emphasise different pathways), iii) targeting (if resources are sufficiently directed towards vulnerable youth), iv) and quality (a lack of standardised use of labour market information to align guidance with regional labour market needs especially for non-SDS services). Looking beyond the school system, an explicit challenge is the break in services at the age of 18. In other OECD countries, dedicated career guidance systems for youth are available until higher ages (e.g. 25 years) to avoid a break at a critical moment (age 18) in the school-to-work transition.

There are multiple examples across the OECD of how countries work to strengthen their career guidance system for youth. One example is from Finland, where a combination of school guidance counsellors and one-stop-shop guidance centres provides guidance and support for youth until age 30. Participation in career guidance is compulsory for youth aged 13-16, career education is part of the core curriculum and school guidance counsellors serve as full-time, salaried staff members. In addition to the guidance counsellors, a well-established network of one-stop-shop guidance centres provides support for youth up to 30 years old across the country. Another example is Norway, where youth can access targeted career guidance up to age 21. As in Finland, this is combined with a broader support system for youth up to the age of 30 (Box 5.2).

Box 5.2. Career guidance services for youth in other OECD countries

Access to Guidance Counsellors and One-Stop Guidance Centres in Finland

In Finland, career education has been embedded in the Finnish education system and its core curriculum since 1970. Students in grades 7-9 (ages 13-16) are required to complete 76 hours of compulsory career education. Career education is treated as, and has a similar status to, general education subjects such as mathematics or history. The national core curriculum promotes a whole-school approach to career education. Within the core curricula, acquiring career management skills is an explicit objective for learning. School guidance counsellors serve as full-time, salaried staff members whose qualifications are legally defined by the state. They oversee the mandatory compulsory hours of education, coordinate partnerships and work agreements with employers, and provide individual career guidance to students. The ratio of students to guidance counsellors is about 250 to 1.

In addition to guidance counsellors, a well-established network of one-stop-shop guidance centres (Ohjaamo centres) for young people has been in place since 2014, counting almost 70 centres across the country in 2024. The centres provide a wide range of services at the local level, free of charge, to young people under 30 to support their transition from school to work and provide guidance and support in various matters. The objective is to bring multidisciplinary services and staff together in one centre (one-stop-shops). Young people can access the centres during opening hours and are not restricted to using the respective municipality of their residence. Young people may, for example, receive support on issues related to studying, finding employment, housing, and dealing with health and welfare issues. The centres build on co-operation between the Finnish Public Employment Service and the municipalities. Staff is disciplined in different areas and can be employment counsellors, social workers, health personnel such as nurses, outreach workers, financial advisors, and advisors on foreigners' permits and immigration, etc. Representatives from the youth centres meet multiple times yearly to share experiences and practices and learn what works and does not work across the centres.

Career guidance and one-stop-shop centres in Norway

According to the Norwegian Education Act, pupils in upper secondary schools in Norway have the right to education and vocational counselling through advice and information on the choice of profession and

education, education tracks, occupational areas and the labour market, guidance tools and job search and application procedures. In addition, youth under 21 who are not in education or work are entitled to individual follow-up and supervision. The Norwegian counties are responsible for establishing the follow-up services and establishing contact with individual youth in the target group. In addition, the Ung.no website, administrated by the Directorate for Children, Youth and Family Affairs, provides information and guidance for young people aged 13-20 about opportunities, rights and obligations related to the labour market. The career guidance work occurs within the Norwegian Youth Guarantee, which was renewed in 2023. The guarantee is a “follow-up guarantee”, where everyone between the ages of 16 and 30 will receive help and close follow-up from a youth counsellor, e.g. to complete their education or find employment opportunities. The guarantee is overseen by the Norwegian PES (NAV), which facilitates interdisciplinary youth teams that work together to provide young people with complex problems with a more comprehensive and coordinated service.

Source: OECD (2024^[28]), “Career Readiness Project: Effective Career Guidance”, www.oecd.org/education/career-readiness/examples-of-practice/; NAV (2024^[29]), “New Youth Guarantee in NAV”, www.nav.no/samarbeidspartner/ungdomsgaranti#hvem-er-omfattet-av-ungdomsgarantien.

In the context of national reforms and building on international experiences, members of the Glasgow City Region could seek to support the co-ordination of career guidance delivered in the region. While the Scottish Government determines the future of the national career guidance system, GCR has options to 1) provide input to this work and 2) facilitate co-operation among the multiple providers that operate at the local or regional level. One option could be for GCR to establish a working group on career services as part of the renewed GCR governance structure. The group could support a regional dialogue with the *Career By Design Collaborative*, including options to simplify the existing system for career guidance in schools (e.g. by integrating different advisor roles under the same organisation and strengthening their capacity to provide support in schools). In addition, the eight LAs in GCR could continue strengthening the existing career guidance offered in the region by supporting collaboration among the different advisers operating in schools. There are also options for the region to enhance career guidance services for youth out of employment, education and training – e.g. by building an offer that supports youth beyond 18. Lastly, GCR could look into options to strengthen collaboration between schools, colleges and universities to facilitate transitions into further and higher education.

Integration of youth services can facilitate transitions into further and higher education and help target youth who face multiple barriers to labour market participation

In recent years, governments in OECD countries have integrated services for individuals experiencing vulnerable situations, often with a particular focus on youth (OECD, 2023^[30]). Youth policies are designed and delivered by a mix of central government, local government, education institutions, third-sector organisations, etc. Jointly, they cover various services, including education, employment and training, and health and social policies. Responsibilities for different parts of these services are often spread out across varying levels of government and other stakeholders. This may be a challenge, especially for vulnerable youth (e.g. care-experienced youth, youth from ethnic minorities, youth with disabilities or youth affected by poverty) who face a complexity of challenges that cut across different public services. For these youth, a holistic service integration approach is needed.

Service integration is especially relevant in the transitions from school to work, where youth move from childhood to adolescence and adulthood. In these transitions, young people must make essential choices, e.g., about their future education and career paths. In addition, if they need special support measures, they will often move from one system to another, e.g. when turning 18 or 25.

There is a potential for further integration of youth services to support school-to-work transitions in Scotland and the Glasgow City Region. It is widely recognised among stakeholders in GCR that services such as education, CLD, employability, health and mental health and housing services need to work more closely together to facilitate transitions, particularly for disadvantaged youth. The current youth system entails a risk of fragmentation due to a lack of vertical integration (i.e. across levels of government) and horizontal integration (i.e. across multiple stakeholders operating at each level). From the local perspective, LAs only influence parts of the support system (e.g. schools and employability services) and have less to say when youth move, e.g. into further and higher education. In addition, LAs suffer from internal fragmentation, with different departments operating according to individual budgets, governance structures, legislation, data information systems and professional cultures.

The Glasgow City Region could seek to integrate youth services in two ways: 1) across education institutions and 2) across education, employability and other support services. Integration across education providers and institutions could be beneficial for most youth in the region in the period just before/after leaving school. While several regional partnerships are already in place to encourage joint working in the regional education and skills sector, these tend only to cover parts of the system. For example, the *Regional Improvement Collaborative* (the West Partnership) is an education network operating across the GCR, focusing only on schools (Box 5.3).

Box 5.3. West partnership – the Regional Improvement Collaborative in the Glasgow City Region

The *Regional Improvement Collaboratives* were introduced following recommendations from the 2015 OECD Review Improving Schools in Scotland: An OECD Perspective. The objective of the partnerships is to provide educational improvement support to schools to raise learner outcomes and build capacity by establishing Networked Learning. This encourages innovation and the spread of good practice across a region, drawing on broader professional expertise from Local Authorities (LAs) and Education Scotland. The Scottish Government funds six partnerships nationally, and each partnership works through an annually agreed regional improvement plan and submits resourcing requests through an annual commissioning process. The West Partnership operating within the GCR consists of Directors and Heads of Service of Education for each of the eight LAs and a representative from Education Scotland. It reports to the GCR Education Committee, a sub-committee of the GCR Cabinet. The current improvement plan is organised around three workstreams: Wellbeing for Learning; Leadership, Empowerment and Improvement; and Curriculum and Learning, Teaching and Assessment. These are individually led by Workstream Lead Officers. The Regional Improvement Collaborative takes a network-based approach, seeking to build an infrastructure for collaboration beyond the core team to teachers and professionals. This includes working with specialist networks (e.g. early years, educational psychologists, family community, CLD, home education, health and wellbeing, digital officers, and literacy and numeracy).

Source: OECD (2015^[31]), "Improving Schools in Scotland: An OECD Perspective", <https://www.oecd.org/education/school/improving-schools-in-scotland.htm>; Glasgow City Region (2022^[32]), "The West Partnership Improvement Plan 2022-23", www.westpartnership.co.uk/; and Scottish Government (2021^[33]), "Schools – Regional Improvement Collaboratives: review", www.gov.scot/publications/review-regional-improvement-collaboratives/documents/.

While the Regional Improvement Collaborative is a good initiative on its own, there is an option to draw on the experience from the network to build a more comprehensive regional network, facilitating interactions with colleges, universities and other training providers. In Georgia (United States), the University of West Georgia and other education stakeholders have formed the Carrollton-Carroll County Education Collaborative. The collaborative facilitates corporation among critical stakeholders in the local education system to facilitate youth career pathways and access to further and higher education (Box 5.4). Another option is establishing a regional integrated information system where colleges, universities, and other training providers can access information on students with extra support needs earlier in their education journey. Such initiatives would allow for more targeted follow-up by these institutions. They could build on a mutual recognition of shared responsibility in preparing students for success in postsecondary education and beyond.

Box 5.4. The Carrollton County Education Collaborative in Carrollton-Carroll County (Georgia, United States)

The Carrollton-Carroll County Education Collaborative is a community-wide education initiative comprised of representatives from the University of West Georgia, West Georgia Technical College, Carroll County and City of Carrollton school systems, and chamber and community leaders. It was formed in 2014 to unite education leadership in the area and establish a shared vision for post-school success. The collaborative seeks to provide youth with career pathways and access to post-secondary education, ensuring that all students who graduate from high school are prepared to enter the workforce or a post-secondary institution, thus closing the achievement gap among students. The collaborative consists of an executive committee and several action teams (which focus on performance and research processes, student support and interventions, and communication and partnerships) and a networking effectiveness team (which addresses community and entity network structures continually evaluating the design and effectiveness of these structures).

Source: Georgia Partnership for Excellence in Education (2024^[34]), *Carrollton-Carroll County Education Collaborative – 2019 Summit*, [Carrollton-Carroll County Education Collaborative – 2019 Summit – Georgia Partnership for Excellence in Education \(gpee.org\)](https://www.gpee.org/).

For the most vulnerable youth who struggle with multiple challenges, a broader integration of education services with other support services (employment, social, housing, etc.) is needed. Comprehensive and holistic approaches to tackling youth unemployment tend to be more effective for disadvantaged youth than single interventions. In addition, studies show that effective support for young people furthest from the labour market is underpinned by intensive advisory support and personalised information, advice and guidance. Ideally, youth at risk of falling out of the labour market should be followed by one advisor with access to the broader network of providers. Building on the discussions around more integrated client journeys in the employability system (see Chapter 4) and the idea of a one-stop-shop approach to youth career guidance, LAs in GCR could, in close co-operation with schools, SDS, DWP, employability providers, CLD providers, colleges etc. seek to bring together services for youth through co-location and co-ordination measures. Efforts to develop youth one-stop shops could take inspiration from different measures implemented in Denmark and Vienna (Austria). These services are available for youth under the age of 25/30 (Box 5.5). Another interesting examples from the region is the work of the Prince's Trust (see Box 5.7).

Box 5.5. Integrated youth services in other OECD countries

Denmark

In 2017, Denmark reformed their preparatory training and education system for youth under 25. The reform replaced many existing preparatory training and education offers for youth with one single, integrated and coherent programme for youth seeking to undertake upper secondary education or get into employment (*Forberedende Grund Kursus*). The target group of the new education and training offer is youth in vulnerable situations under the age of 25 who have not yet finished an upper secondary education or entered the labour market. The reform also gave the municipalities the full responsibility for supporting all young people under 25. All municipalities are responsible for assessing if young people are in the target group for the new training and education offer and coordinating youth support measures across the education, employment and social areas.

Vienna (Austria)

In Vienna, the “U25 – Together for Young People in Vienna” programme helps young, unemployed recipients of means-tested minimum income to provide for living independently. The project offers young people early and tailored-made support to help them find their way into the labour market and thus reduce the risk of needing long-term financial support. Each young person is assigned an individual advisor who helps them access relevant training, employment, and social support. The programme is delivered in co-operation between the Public Employment Service and the social welfare department in the municipality of Vienna. Despite initial challenges with different administrative competencies and responsibilities, the project has managed to make administrative authorities on different levels (federal and provincial levels) bundle their resources and services (insurance and social welfare services) for a joint target group to offer coordinated advice and support.

Source: OECD (2023^[30]) “Integrating local services for individuals in vulnerable situations”, *OECD Local Economic and Employment Development (LEED) Papers*, No. 2023/08, OECD Publishing, Paris, <https://doi.org/10.1787/1596644b-en>; and European Institute of Public Administration – IPA (2024^[35]): “U-25 - Together for Young People in Vienna”, www.eipa.eu/epsa/u25-together-for-young-people-in-vienna/ (accessed on 06.05.2024)

Youth programmes in Scotland and the Glasgow City Region

Multiple UK and Scottish Government programmes, including the *Young Person’s Guarantee*, *Kickstart*, and the *UK Shared Prosperity Fund (UKSPF)*, provide support for youth. The Scottish Government has made significant investments in initiatives to support young people, using a range of ring-fenced funds. These include the *Young Person’s Guarantee*, which was launched in 2020 in the context of the COVID-19 pandemic and seeks to ensure education and work opportunities for all young people aged 16 to 24 (Box 5.6). In addition, the UK Government has provided funding for youth employability services, e.g., through the *Kickstart* programme, a UK-wide initiative to create job-placement schemes for young people aged 16 to 24 who are at risk of long-term unemployment. The programme was closed in September 2022.

While these initiatives have been central to broadening opportunities beyond formal education for youth, they rely on short-term, project-based funding, which creates instability in the system. The predominance of more constrained, short-term and fluctuating funding can limit long-term planning and the continuity of local initiatives. As these funds fluctuate in scale and focus, this also adds substantially to the administrative loads and bureaucracy associated with accessing funds and managing performance and reporting requirements. Fund gaps also risk undermining and losing the expertise, capacity and capability acquired locally in running critical programmes.

GCR does not have a formal role in supporting youth, but the region has experience delivering a regional youth programme, *Youth Gateway*. The programme was an employment programme for young people (aged 16 to 24) and was led by Renfrewshire Council but delivered locally across all eight LAs in the region. During the programme, more than 18 000 youth from the region and 8 000 were guided into sustained employment. *Youth Gateway* emphasised early engagement with the employers and in-work support to ensure that jobs were sustained (see Chapter 4).

All the Local Authorities in the Glasgow City Region have developed employability programmes targeting youth. These programmes include, for example, the youth employability service *My Brighter Future* in South Lanarkshire, *Inverclyde Youth Work Service* and the *In Work I'm Better Off* programme in Renfrewshire. These programmes are primarily funded by the NOLB programme. LAs in GCR have also used the UKSPF to support vulnerable youth. For example, North Lanarkshire has extended its services for youth furthest from the labour market, Inverclyde has developed additional volunteering opportunities for youth, East Renfrewshire has enhanced its numeracy support for vulnerable youth and East Dunbartonshire has delivered youth programmes to improve skills (Glasgow City Region, 2022^[36]).

Box 5.6. The Young Person's Guarantee in Scotland

The *Young Person's Guarantee* is a commitment from the Scottish government to connect young people in Scotland between 16 and 24 to positive destinations, i.e., a job, an apprenticeship, further or higher education, training, or volunteering opportunities. The guarantee builds on existing education, learning, employability and training opportunities. It seeks to bring together employers, education and training providers, third-sector organisations, Local Authorities, and young people to tackle the economic and social challenges youth face. Through the guarantee, funding from the Scottish Government has been channelled into, e.g. the college sector, Local Authorities through the Local Employability Partnerships, employers e.g. through an Apprenticeship Employer Grant to encourage more employers to take on Modern or Graduate Apprentices and schools through the DYW School Coordinators. As of March 2023, over 8 900 young people have been supported into positive destinations, and 816 employers have signed up to the guarantee, of which 75% were SMEs. More than 1 000 organisations across Scotland are currently involved in the programme.

Source: Scottish Government (2023^[37]), "Young Person's Guarantee Update Report March 2023", www.gov.scot/publications/young-persons-guarantee-update-report-march-2023/ (accessed on 27.05.2024).

The third sector plays a central role in the youth support system

A particular focus of Local Authorities in GCR is fostering partnerships in youth activities, for example, through third-sector organisations that specialise in youth work. As a result, several dedicated national and local youth organisations and third-sector organisations are active in GCR. Among the leading national organisations are *Youthlink Scotland*, *Youth Scotland*, *Fast Forward* (Scotland-wide) and the *Prince's Trust* (UK-wide), which specialise in providing services to re-engage vulnerable young people. In addition, there are more local organisations, such as *Fare Share* (Box 5.7).

Box 5.7. Co-operation with the third sector in the Glasgow City Region to support youth

Prince's Trust Wolfson Centre

The Prince's Trust was established in 1976 to help young people from disadvantaged communities at risk of exclusion. With offices all across the UK, it has a dedicated office in Glasgow City: the Wolfson Centre. This centre operates as a youth employability hub that supports youth aged 13 to 30 living in deprived areas across the region to 1) advance their education and training, 2) secure work, and 3) set up their businesses. In the Wolfson Centre, advisers from various organisations are present, including Jobcentre Plus offices, Glasgow City Council's Education Team (Positive Futures Teams), employability team (Jobs and Business Glasgow) and community-based providers. In addition, the centre has an in-house mental health team to support youth with mental health challenges. The delivery model includes two strands: i) indirect delivery through co-operation with trusted community providers (e.g. social enterprises, youth organisations, colleges and employers), and ii) in-house delivery teams. Referrals are made through the Jobcentre Plus offices, self-referral and Local Authorities. The fund also works closely with a range of mainly larger employers. For example, the fund has developed sector-based training programmes to provide youth with skills in demand in the regional economy (e.g. in the construction and engineering sector, green sector, and health and social care sector).

Move On and FareShare

Move On is a voluntary organisation operating across Scotland to provide a range of learning, employability services, and work experience to support youth at risk of social or labour market exclusion. The organisation was established in 1997 and has since expanded its operations nationwide through various support services, including employability services and mentoring. The organisation is a Scottish Qualification Authority (SQA) accredited learning centre that provides employability and training courses for youth leading to recognised qualifications. The organisation also operates two social enterprises: *Move On Wood Recycling* and *Fare Share*. *Fare Share* operates through a site in Glasgow where it saves surplus food from the food and drinks industry and redistributes it to frontline organisations, feeding the most vulnerable people in the community. The social enterprise uses its income (generated from an annual membership fee collected from the members to whom it distributes food) to fund its services and staff – primarily youth out of work and education. It focuses on providing youth with “soft skills” such as confidence-building, time-keeping, and vocational qualifications, including class-based training options.

Source: Move On (2024^[38]), <https://moveon.org.uk/our-services/> (accessed on 06.05.2024), Prince's Trust (2024^[39]), “Wolfson Centre”, www.princes-trust.org.uk/about-us/where-we-work/scotland/wolfson-centre, (accessed on 06.05.2024).

Third-sector organisations providing training and employability services for youth in the Glasgow City Region face challenges similar to those of other employability providers. As described in Chapter 4, third-sector organisations in the employability field face several challenges in providing services for individuals far from the labour market. These include challenges with diverse and complex commissioning processes across LAs and general challenges with securing long-term and sufficient funding for their operations (see Chapter 4). One challenge mentioned by multiple consulted stakeholders was the detailed requirements included when commissioning youth and employability programmes, which can make it challenging to fit youth with diverse needs into the different programmes running in parallel. In addition, as youth services cut across education, skills, employability, and other services, organisations struggle to establish relations with and work with multiple government stakeholders, including SDS, (departments within) LAs and the Jobcentre Plus offices. Lastly, third-sector organisations only have

fragmented access to Management Information Systems such as *Hanlon*. Thus, they struggle to get the correct information about the youth they work with and provide additional information into these systems.

The role of employers is vital in school-to-work transitions

Employer engagement in youth school-to-work transitions is crucial for ensuring that young people are equipped with the skills, knowledge, and opportunities they need to succeed in the workforce. Employer engagement in youth support can take many forms, including recruiting young people, participating in apprenticeships and traineeships and providing work experience activities. Longitudinal analyses from multiple countries show that first-hand experiences of workplaces through job shadowing activities or worksite visits can help young people transition from education into employment (Covacevich et al., 2021^[40]). There are various ways in which employers can support activities for young people in and after the school age in Scotland, including through the DYW programme and apprenticeships. In addition, various work-based learning programmes are available in colleges, universities, and independent providers and are often co-designed by employers (see Chapter 3).

Apprenticeships are a vital pillar of Scottish youth policies

A core policy objective of the Scottish Government is to enhance youth pathways through apprenticeships. In addition to the traditional form of apprenticeship – *Modern Apprenticeships* (MAs) – the Scottish Government has introduced *Foundational Apprenticeships* (FA) available in schools since 2016 and *Graduate Apprenticeships* (GA) providing routes into higher education since 2017/18 (Box 5.8). At the Scottish Government level, the apprenticeship system is funded and overseen by SFC and SDS, and at the local level, it is delivered by various providers, including colleges and employers (OECD, 2022^[41]; OECD, 2020^[42]). In addition, the Scottish Government has launched several initiatives to strengthen and improve apprenticeship governance, including the DYW strategy and programme and the *Scottish Apprenticeship Advisory Board* (SAAB). SAAB was created in 2016 to provide employer leadership and contribute to developing apprenticeships in Scotland (OECD, 2022^[41]).

Box 5.8. Scottish apprenticeship system

There are three broad types of apprenticeships in Scotland: Foundation Apprenticeships (FA), Modern Apprenticeships (MA), and Graduate Apprenticeships (GA). The Scottish Funding Council (SFC) and Skills Development Scotland (SDS) share responsibility for funding apprenticeships. SFC is accountable for funding FAs and GAs, which it allocates to colleges and universities. SDS is responsible for FA funding distributed to learning providers and MAs.

- **Foundational Apprenticeships:** FAs were introduced in 2016 as part of the Scottish Government's efforts to expand vocational education and provide more pathways for young people to enter the workforce. They typically last two years and combine classroom learning with practical work experience. They are developed and delivered by employers, colleges, and training providers. FAs cover a range of sectors (e.g. engineering, construction, health and social care, and business administration). They target secondary/upper secondary education pupils and are designed to be completed alongside other subjects. There were just over 4 100 starts in the programme in 2021/22 in Scotland, with more than half of the enrolments in STEM (Science, Technology, Engineering and Mathematics) related sectors. The most common destination on completion is going to university.
- **Modern Apprenticeships:** MAs have existed in Scotland since the 1990s and are the traditional vocational training programme that combines on-the-job learning with formal

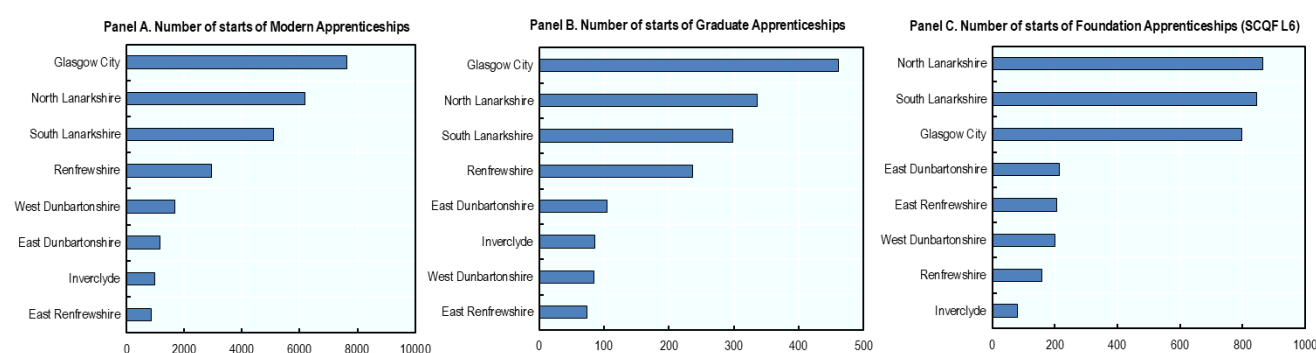
education and qualifications. They allow individuals to develop practical skills and knowledge in a specific industry or occupation while earning a wage. There are more than 100 different types of Modern Apprenticeships available to study across varying levels of the Scottish Qualification Framework. They last between one and four years. In 2022/23, there were just below 25 500 MA starts in Scotland, with the top three occupation groupings in terms of volume being construction, sport, health and social care and IT and other services.

- **Graduate Apprenticeships:** GAs were introduced in 2017 and are a form of work-based learning that allows individuals to earn a degree while gaining practical experience in the workplace. They are designed for individuals who have completed their secondary education and wish to pursue higher education qualifications while working simultaneously. There are currently 16 providers delivering GAs and 13 GA frameworks. In 2021/22, there were around 1 200 enrollments in Scotland, with the most popular areas being business management, engineering, design and manufacturing and IT (software development). Given their stage in the learning pathway, most of the take-up is among adults rather than young people (i.e. nearly three-fifths of all starts are aged 25+).

Source: SFC (2023^[43]), "Foundation Apprenticeship", www.sfc.ac.uk/skills-lifelong-learning/foundation-apprenticeships/ (accessed on 06.05.2024); Skills Development Scotland (2023^[44]), "Modern Apprenticeship Statistics Quarter 4, 2022/23 [1st April 2022 – 31 st March 2023]", www.stf.org.uk/wp-content/uploads/modern-apprenticeship-statistics-quarter-4-2022-23.pdf, (accessed on 06.05.2024); and SFC (2023^[45]), "Graduate Apprenticeships", www.sfc.ac.uk/skills-lifelong-learning/graduate-apprenticeships/, (accessed on 06.05.2024).

Whilst the take up of FAs and GAs is increasing, participation remains modest compared to the longer-running MAs. In 2022/23, there were around 26 500 starts in MAs, compared to around 3 300 in FAs and 1 700 in GAs. The same patterns were observed in GCR, with Glasgow City having the highest numbers of MAs across the eight LAs in the period 2018 to 2021 (Figure 5.7). At the Scottish national level, the top three occupation groups with the largest volume of starts in MAs were Construction and Related (26%), Sport, Health and Social Care (12.8%) and IT and Other Services (12.8%) (Skills Development Scotland, 2023^[46]).

Figure 5.7. Modern Apprenticeships have the highest number of starts across the Glasgow City Region



Note: Data for Modern and Foundation Apprenticeships refers to 2018-2021, while data for Graduate Apprenticeships refers to the period between 1 April 2018 and 31 March 2022.

Source: Skills Development Scotland (2023^[44]), "Modern Apprenticeships", www.skillsdevelopmentscotland.co.uk/publications-statistics/statistics/modern-apprenticeships (accessed on 06.05.2024).

The governance and funding structure of the apprenticeship system in Scotland is complex. As for the adult skills system (see Chapter 3), critical Scottish Government stakeholders involved in the apprenticeship system are SDS, SFC, SQA and SAAB. While SDS manages the funding and contracting for the delivery of MAs, SFC manages funding for GAs and FAs. As the Scottish national accreditation and awarding body, SQA has a regulatory role in MAs and FAs and in developing and improving the framework for Scottish national, higher national and vocational qualifications. In addition, the SAAB gives employers and the industry a leading role in developing apprenticeships. Since its introduction in 2017, the UK-wide Apprenticeship Levy has raised funds from larger employers in the UK, including about 4 000 levy-paying employers in Scotland.

The Scottish Government receives a share of the UK Apprenticeships Levy based on the number of employers in Scotland, but only a share of this funding is channelled into the apprenticeship system. For companies operating in England and Scotland, the financial support they can receive to provide an apprenticeship will differ across the two countries and will generally be lower in Scotland. In England, levy payments are exchanged for online vouchers for apprenticeship training. In Scotland, only a part of the collected payments are allocated to employers and training providers. The contribution to Scottish employers for training apprentices depends on the apprentice's age, qualification level and the apprenticeship sector. Employers with a direct contract will receive the funding contribution directly and then transfer this to a training provider to deliver the apprenticeship. Interviewed stakeholders (including employers and apprenticeship providers) clarified that the contribution received does not cover the costs of providing apprenticeships. Contrary to the English system, Scotland does not have an in-built voucher model that incentivises employers to invest in apprenticeships through a 10% top-up to the funds the employers have in their accounts. Nevertheless, the English system is also criticised for its unspent levy funds (Institute for Public Policy Research, 2022^[47]).

The number and types of apprenticeships available each year are determined by SDS and SFC through a collaborative approach. Scottish national decisions on how many and what kinds of apprenticeships to provide each year through various providers are based on several sources, including labour market analysis, industry consultations, broader government priorities and funding allocations and the availability of education and training providers to deliver in specific areas. Providers are most often chosen through a procurement process and contract negotiation for each provider and type of apprenticeship. Performance is monitored through a performance management framework, and a breach of contractual obligations (e.g. if providers cannot deliver the contracted amount of apprenticeships) may lead to financial penalties and review of contracts.

The system leaves little flexibility in adjusting provision and shifting resources across the different types of apprenticeships according to local and regional needs. The apprenticeship contracting system leaves little room for local and regional authorities to align provisions with regional employment requirements, which otherwise could counter skills shortages. To create a more flexible system that can respond to changing local and regional demand, GCR could continue discussing options with the Scottish Government to develop a regional model for planning and delivering apprenticeships. A regional model could allow for more flexibility in the contracting for the number and types of apprenticeships and provide options to reallocate resources throughout the year, depending on demand.

According to the *Scottish Employer Perspectives Survey 2021*, 19% of employers were offering apprenticeships at the time of the survey (Scottish Government, 2021^[48]). While this level is similar to engagement levels in other countries in the UK, it is lower than in leading apprenticeship countries such as Switzerland and Germany. As argued by the OECD (OECD, 2022^[41]), two broad factors prevent employers from engaging in the system: i) relatively few incentives and limited support for employers to offer apprenticeships, and ii) the system does not mandate strong employer engagement.

Despite some examples, the Glasgow City Region and Scotland suffer from low employer engagement in the apprenticeship system. Employers can engage in the system by i) offering apprenticeships or ii) becoming more deeply involved with its design, development, and governance (e.g. through the SAAS). While the second option occurs mainly through national routes in Scotland, the first is very relevant at the local and regional levels. In GCR, several examples of (mostly larger) employers engaged in the system exist. One example is BAE Systems, which, through the establishment of a new training academy, aims to train nearly 700 apprentices yearly going forward (Box 5.9).

Box 5.9. Employer engagement in the apprenticeship system in the Glasgow City Region – the case of BAE Systems

BAE Systems is an international defence, aerospace and security company, employing around 35 000 employees across sites in the UK and worldwide. At its Scotstoun shipyard on the banks of the River Clyde in Glasgow, it has a centre for shipbuilding. Skills investment and development are central to its business strategy, and it works closely with schools, colleges, and universities in different parts of the UK to deliver an effective workforce development programme. The company's development of its future talent pipeline centres on early career programmes. This consists of pathways into the company through graduate, undergraduate and apprenticeship programmes. Graduates and apprentices can join pathways for technology, engineering, or business roles. Undergraduate programmes include industrial placements, internships or insight experiences. The company organises much of its training around dedicated training academies, which combine classroom training, a STEM innovation lab with realistic ship environments, and state-of-the-art research and technology facilities for each shipbuilding trade. A new academy is currently under construction at the Glasgow site to focus on Applied Shipbuilding. The new academy aims to extend its early career programmes substantially. On completion in 2024, this is expected to provide training for almost 4 500 employees, including nearly 700 apprentices. The company follows a hybrid model that subsidises in-house specialist training to complement that provided by the local colleges.

Source: Interviews with stakeholders in GCR.

There are several examples across the OECD of how countries are trying to strengthen employer engagement in the apprenticeship system, including through financial incentives (Box 5.10). Scotland could build on these examples and consider providing more transparent and targeted incentives and support to encourage employers (especially small employers and those new to the system) to engage in the system.

Box 5.10. Employer engagement in apprenticeships across OECD countries

Financial incentives and subsidies for employers

Across OECD countries, several instruments provide financial incentives and subsidies for employers. **Austria** has a mix of direct subsidies and grants, criteria-based grants, and indirect subsidies. Every company offering apprenticeships gets a direct public subsidy for each apprentice. In addition, the criteria-based subsidies are intended to increase quality (e.g. coaching, building training alliances or providing extra preparation for the trainer's final examination or qualifications) and/or foster provision for specific target groups. Lastly, indirect subsidies are available (e.g. employers' social security contributions for apprentices for sickness, unemployment and insurance are waived). **The Netherlands** has subsidies for training employers, which are paid to accredited companies that provide apprenticeships, up to a maximum of EUR 2 700 per year per apprentice. There must be a valid contract

between the education and training institutions, the apprentice and the company. Companies apply for this subsidy to compensate for the cost of work-based training.

Guidance and tailored advice

Various stakeholders can offer guidance and tailored services to inform employers about apprenticeships. In **Finland**, the *Finnish National Board of Education* and partners published a manual on transferring innovative work-based learning practices. It is designed to help providers select the most appropriate work-based learning model and apply it in their context. In **Berlin (Germany)**, the youth employment agency organises events, such as the BIZ fairs, that support young people in finding the proper apprenticeships and vocational education and training and making direct contact with companies.

Source: OECD (2022^[41]) *Strengthening Apprenticeship in Scotland*, United Kingdom, OECD Reviews of Vocational Education and Training, OECD Publishing, Paris, <https://doi.org/10.1787/2db395dd-en>.

Employers are involved in other forms of work-based learning and work experience programmes

Mechanisms to enhance employer engagement in youth school-to-work transitions are being strengthened within the Glasgow City Region. The DYW Regional Groups in GCR are pivotal in connecting employers with schools and further and higher education institutions in the region. Consulted stakeholders highlighted the groups' value in strengthening connections to priority sectors in the regional economy, including advanced manufacturing, the digital economy, creative industries, financial services, and health and social care services. Beyond DYW, there are other examples of employer engagement in supporting youth in the region. These include, for example, the local models for delivery of the UK-wide *Kickstart* programme from 2020 to 2022. In Glasgow City, a local variety of the programme was designed in co-operation with the Glasgow Chambers of Commerce and targeted youth on *Universal Credit* benefits.

In North Lanarkshire, the council has developed an innovative summer job programme for youth in close co-operation with local employers. The six-week programme aimed to provide students from local secondary schools, priority groups, and New College Lanarkshire with an opportunity to prepare for the workforce. The programme matched the students to work placements across different councils and health and care services, including the Social Work Joint Equipment Store, Home Support, Fleet & Waste, Employee Services Centre and Business Digital. A similar but larger scale programme exists in the City of Boston in the United States (US). One opportunity for the region could be to build on these experiences to create a region-wide summer jobs programme in co-operation with small and more significant businesses across the region (Box 5.11).

Several Local Authorities are focusing primarily on providing youth with digital skills to prepare for the world of work. In recent years, profound changes have been seen in the skills required to perform jobs, with generic digital skills being sought in virtually all jobs across sectors and occupations. Reliance on digital technology at work can create barriers to entering the workplace, especially for young people lacking digital training. Having digital skills enhances the person's employability and opens up more job opportunities. In the Glasgow City Region, six of the LAs have come together to deliver *Digital Critical Friends*. This programme boosts interest in digital careers in schools. Another example of an early engagement programme for youth is the *Digital Upskilling of Youth Programme* in Canada, which provides technical skills training and direct job placement for youth in close co-operation with employers (Box 5.11).

Box 5.11. Employer engagement in providing early work experiences for youth in Canada and the United States

The Boston Summer Job Programme (United States)

In the US, the City of Boston runs a program that provides paid work opportunities for young people between the ages of 14 and 24 during the summer in unsubsidised or subsidised employment. The City of Boston's Youth Employment and Opportunity Office offers the program and partners with not-for-profit organisations, public city agencies, local businesses, and other youth employment providers prepared to offer young people job opportunities. The positions typically run for six weeks in the summer, and the participants complete up to 25 hours of work per week, paid at the Massachusetts minimum wage. The initiative aims to support young people's transition into the labour market and reduce the socio-ethnic inequalities in labour market outcomes that the City of Boston's youth faces. The programme also has a training objective, with the young people in subsidised employment benefitting from job-readiness training provided by an external training provider. The City of Boston finances external providers to administer the programme, review job applications, and supervise and administer the training. In 2023, 9 300 young Bostonians were supported into summer jobs through the programme. Evaluations conducted on the programme have shown positive results on young people's community involvement and positive outcomes on the likelihood of graduating from compulsory secondary education, workplace skills and community engagement attitudes.

The Digital Upskilling of Youth Programme in Canada

The Canadian Future Skills Centre has launched an initiative to provide technical skills training and direct job placement for youth in partnership with NPower Canada (a non-profit charity providing employment programmes in Canada). The program mainly targets vulnerable, unemployed youth who are facing barriers to securing and retaining employment. It is offered at no cost to participants who often come from low-income, diverse backgrounds. Young people have been provided skills training, direct job placement, mentoring, and continuing education for career advancement. Employers have played a vital role in the program through close co-operation and consultation with NPower. Over 200 employers were consulted and supported to identify their IT hiring needs. Employers' engagement has been crucial for curriculum- and program design and training delivery to equip low-income adults with the in-demand skills. Early evaluations of the program have shown positive results for all three cohorts of graduates, with 85% of the first cohort of NPower participants with secured employment or enrolment in higher education within 11 months.

Source: Mayor's Office of Workforce Development (2017^[49]), "Reducing Inequality Summer by Summer"; Modestino, Cope and Blakely (2022^[50]), Boston's Summer Youth Employment Program: Building a More Holistic Workforce Development System for Boston's Youth, <https://impactengines.northeastern.edu/project/boston-syep-researchreport-22/>, (accessed on 06.05.2024).

Despite improvements, employer engagements remains low and centred around the larger employers in the region. Growing employer partnerships should, therefore, continue to be a priority for the LAs in the region. In line with the analysis and recommendations presented in Chapter 3, the region could consider strengthening its employer engagement through a potential *Regional Skills Board* and a sub-working group focused specifically on questions around employer engagement in the regional skills system. This could include a separate focus on employer engagement in support of youth school-to-work transitions, including how to strengthen the role of the *Developing the Young Workforce Regional Groups*, ways to enhance employer engagement in the apprenticeship system and options to provide regional-wide work-training programmes.

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OECD Reviews on Local Job Creation

Future-Proofing the Skills System in the Glasgow City Region (Scotland, United Kingdom)

Glasgow City Region - composed of eight Local Authorities - is Scotland's largest integrated economic area, accounting for a third of Scotland's jobs and economic output. Over the last two decades, the unemployment rate has decreased to a record low, and the share of degree holders has increased significantly. Despite its overall economic success and high growth potential, Glasgow City Region faces several challenges. The region's productivity levels compare poorly with other UK cities and major OECD metropolitan regions, and income deprivation and economic inactivity are high. As the economy has recovered from the COVID-19 pandemic, the pressure on the labour market has increased, resulting in labour shortages. The challenges for Glasgow City Region's labour market call for greater efforts to enhance and future-proof the skills and employability systems in the region. This OECD report reviews and offers recommendations on three of the most pressing challenges facing the Glasgow City Region: i) reinforcing re- and upskilling opportunities for individuals in work and aligning skills supply with demand, ii) enhancing labour market inclusion of the economically inactive, and iii) strengthening school-to-work transitions of young people.

