

Independent Advisor on Poverty and  
Inequality

# The Life Chances of Young People in Scotland

A Report to the First Minister

**JULY 2017**

## FOREWORD AND ACKNOWLEDGEMENTS

I was delighted that in summer 2016, Nicola Sturgeon, the First Minister of Scotland, asked me to focus on Action 10 of my first report *'Shifting the Curve'* to carry out a review of the life chances of young people in Scotland.

My approach in this second report has been to find out what the data says, talk to people affected to see if their experiences resonate with the data, and consider what actions could be taken. In considering the actions, they need to pass several tests: do they make sense in terms of the identified problem, do they fit with the grain of current processes and systems already in train, and most importantly, do they make sense to the people affected.

***"The Life Chances of Young People in Scotland"*** is the main output from this work. It has been informed by a formal review of the evidence which I commissioned from Scottish Government analysts, and engagement with a wide range of experts including young people themselves.

The central questions in my meetings with young people focused on the challenges they face. As with "Shifting the Curve" I have been struck by the genuinely open and constructive approach that people have taken when engaging with me. A persistent question that we all struggled with was *"what are reasonable expectations for a person of 18 or 24 in terms of employment, education, and housing?"* It is generally accepted that wages will be lower when starting a career and that young people will eventually leave the parental home to set up on their own. But these expectations of advancement and independence seem beyond the reach of some young people. This report explores some of the reasons why, and some of the possible mitigating actions that could help.

It would have been impossible to produce this paper alone, I am extremely grateful to everyone who took the time to meet with me.

Firstly, a special thanks to all the young people who took part in the engagement events organised by the Scottish Youth Parliament, Prince's Trust and South Lanarkshire College, thanks also to the Scottish Government modern apprentices who participated. I'm also extremely grateful to the academics who attended a roundtable discussion and shared their expertise, knowledge and research.

Secondly, thank you to the many Scottish Government officials, local government and third sector representatives and other individuals who again have been so helpful and supportive. And finally, a big thank you to Shirley Laing, the lead Scottish Government official for this work, and my Secretariat team – Paul Tyrer, Alison Stout, Catriona Rooke, Karen Armstrong and Andrew Fraser – who have done a huge amount to support me in the development of this report.

The recommendations outlined in this report are mine as an Independent Advisor and, whilst they have been informed by the discussions above, any errors or misjudgements are entirely my responsibility.

It is with great pleasure that I now pass this report to the First Minister.

**Naomi Eisenstadt CB**



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## SECTION 1 – INTRODUCTION

Tackling poverty in Scotland is a priority of the Scottish Government and is extremely challenging in the current political and economic context. In my first report, 'Shifting the Curve'<sup>1</sup>, I recommended a review of the life chances of young people in Scotland. **This report is the follow up to that recommendation.** Alongside an evidence review I commissioned<sup>2</sup>, this report outlines key issues facing young people today, and offers recommendations for government, employers, and for wider society, to improve the life chances of young people from less advantaged backgrounds.

The last twenty years have transformed our understanding of the first years of children's lives. We now understand the importance of high quality early-years services – including health, education, and childcare – to ensure children get the best start in life. **But a good start is not inoculation.** High quality early years experience needs to be followed up with good primary and secondary education. Good schools have to lead to high quality destinations, including not only university but excellent post-school training and development, meaningful modern apprenticeship placements, decent employment opportunities, and the chance to be independent from parents. For today's young people, none of these issues are straightforward and, for many, there are significant barriers on the road to adulthood.

The review focuses on **the age band of 16-24 years**<sup>3</sup>, as choices of career, further training, employment, and housing can be particularly problematic for young adults. Decisions at this stage can set the course for adulthood. Late adolescence and early twenties is a period of life fraught with temptations and risks, when parents have reducing control and the influence of peer groups grows. It is a time when decisions can be complex and options are often limited by prior educational attainment.

Within this age band, the report pays particular attention to **school leavers who are not going on to university as a first destination.** Free university tuition is a fantastic advantage for those who go on to higher education. But the overall picture suggests that the university sector has had greater protection from hard financial times than the further education and the college sector. A further challenge is that, in Scotland, the minimum school leaving age is 16 but, for the UK, the 'National Living Wage' is not automatically paid until the age of 25 – before this, the only guarantee is a lower minimum wage, which is unlikely to bring the independence young people often look for.

This generation of young adults face challenges their parents largely didn't have to deal with. What we have to do, as policy makers and practitioners, is to make those challenges less daunting so young people can respond positively when they meet them. At this particular moment, it would be naïve to hope to turn the clock back completely. But we should look to make things better where we can.

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<sup>1</sup> Independent Advisor on Poverty and Inequality, 'Shifting the curve: a report to the First Minister'. 2016: <http://www.gov.scot/Publications/2016/01/1984>.

<sup>2</sup> Scottish Government, 'The life chances of young people in Scotland: an evidence review for the First Minister's Independent Advisor on Poverty and Inequality', 2017: [www.gov.scot/astrongstartevidencereview](http://www.gov.scot/astrongstartevidencereview)

<sup>3</sup> Where data sources use a broader age range, this is stated.

The material within this report has been developed from two main sources:

- **A formal review of the evidence**, which I commissioned from Scottish Government analysts, on the challenges facing Scotland's young people, particularly those from low income backgrounds. This has been published separately and is available on the Scottish Government website.<sup>4</sup>
- **Engagement with a wide range of experts**. The main experts, of course, are young people themselves. With this in mind, I commissioned a series of small and informal engagement events with a range of young people, working with the Scottish Youth Parliament, the Prince's Trust, Black and Minority Ethnic Infrastructure in Scotland (BEMIS), South Lanarkshire College, and Cyrenians. We also spoke to modern apprentices working in the Scottish Government. The sessions gave young people the chance to say what issues they considered to be most important, and how they might be dealt with. I'm not suggesting that these informal sessions provide representative samples (or sub-samples) of young people; but they were extremely useful in challenging my thinking and I've used what young people told me to illustrate some of the points I want to make. I also had a **roundtable discussion** with academics, and met a number of stakeholders with a key interest in these issues, many of whom echoed the issues raised by the young people I met.

The main body of the report sets out particular problems, as identified by the evidence and/or by young people themselves, and offers recommendations for further action: section 2 focuses on transitions, the labour market and pay, while sections 3 and 4 look at housing and mental health respectively.

## KEY GROUPS

The fundamental message from this work concerns the challenges of successful young adulthood: getting a job, setting up home, maintaining connections to friends and family. This is what we all want from life, but for some it is considerably harder than for others. So the report also weaves through examples from some groups of young people who face particular barriers: young people from a minority ethnic background, young disabled people, young carers, young parents and young people who have experience of the care system.

Key statistics from the evidence review<sup>4</sup> set out some of the difficulties these groups face.

There are estimated to be **596,000 young adults** (aged 16-24 years) in Scotland.

**5%** of young adults in Scotland report being from a **minority ethnic group**.<sup>5</sup>

- **Poverty rates are higher** for adults from minority ethnic groups – **35%** compared to **18%** for white British groups in Scotland.

<sup>4</sup> Scottish Government, 'The life chances of young people in Scotland.'

<sup>5</sup> Scottish Government, 'Scottish Surveys Core Questions 2015: supplementary tables', 2016: <http://www.gov.scot/Topics/Statistics/About/Surveys/SSCQ/SSCQ2015>

- People from minority ethnic communities with good qualifications face greater barriers to finding **work that matches their qualifications**, and are **more likely to be low paid** than the majority white population.

**11%** of 16-24 young adults in Scotland are **disabled**.

- **Poverty rates are higher** for households with a disabled adult – **23%** compared to **18%** for those without a disabled adult in Scotland.
- Compared with all young people, those who are disabled face **higher rates of unemployment and inactivity**.

**9%** of young men and **12%** of young women in Scotland are **carers**.

- The **poverty rate** among UK working-age carers is **25%**.<sup>6</sup>
- Young carers (aged under 25) are more likely to report a **mental health condition** compared with people in this age group who are not carers.

**3047 babies** were born to women aged under 20 in Scotland in 2014 – the **delivery rate** was 20.3 per 1,000 women.<sup>7</sup>

- **Young mothers** in Scotland have a high risk of poverty – **44%**.
- Early pregnancy is a significant predictor of **negative outcomes in the transition from school to work** and young mothers are more likely to have **lower educational qualifications and employment levels**.
- Young mothers experience **poorer mental health than older mothers**.

**4,602** young people (aged over 16) who **left care** were reported to be eligible for aftercare services in Scotland in 2016.

- **Care leavers** are at greater risk of poor outcomes, including **higher unemployment and homelessness**, and **worse mental health**.
- A recent report suggested that in England, 22% of female care leavers become teenage parents, about three times the national average.<sup>8</sup>
- The transition period towards independence is when care leavers are at their most vulnerable.

One thing to bear in mind when looking at statistics of this kind is that writing on disadvantage can, by focusing on the percentage of risk linked to a particular characteristic, lose sight of the small numbers actually affected. For example, experience of care increases the risk of becoming a young parent. But only a small percentage of female care leavers have babies while very young. It is a higher percentage than the general population of young women, but it's still small. The presentation of the increased risk can, unless carefully handled, be stigmatising, and

<sup>6</sup> H. Aldridge and C. Hughes 'Informal carers & poverty in the UK', 2016:

[http://www.npi.org.uk/files/2114/6411/1359/Carers\\_and\\_poverty\\_in\\_the\\_UK\\_-\\_full\\_report.pdf](http://www.npi.org.uk/files/2114/6411/1359/Carers_and_poverty_in_the_UK_-_full_report.pdf)

<sup>7</sup> Information Services Division (ISD), 'Teenage pregnancy', 2016: <http://www.isdscotland.org/Health-Topics/Sexual-Health/Publications/2016-07-05/2016-07-05-TeenPreg-Report.pdf>

<sup>8</sup> Centre for Social Justice, Finding their Feet: Equipping care leavers to reach their potential, 2015: <http://www.centreforsocialjustice.org.uk/core/wp-content/uploads/2016/08/Finding.pdf>

detract attention from the practical needs these young people have and the pragmatic solutions that might be available.

It is certainly true that, as the depth and complexity of disadvantage increases, responses need to be tailored to individual need. And needs will vary as much within as between groups. A tailored approach is inevitably more expensive and, in many cases, will require interventions from a number of agencies. However, improving outcomes for each of these groups – and, indeed, for those individuals who fall into more than one of these categories – should bring cost savings in the long term. It is also a principle of social justice: providing the same kinds of inputs to everyone, without thinking about differentiation, will always result in inequality of outcomes. Services should be specifically designed so as to iron out the inequality in personal circumstances that affects those facing disadvantage.

With that in mind, and where appropriate, the review considers how my recommendations should be tailored to make sure that the needs of different groups of young people are accounted for.

## KEY CROSS-CUTTING ISSUES

Both ‘place’ and ‘inclusive growth’ are **consistent themes** in this report, appearing in the narrative and the recommendations.

‘Place’ as a policy idea comes in and out of fashion, but for me it has always been a central concept. For nearly all of us, a sense of home, of community, and of a network of family, friends and colleagues, all help define our lives. Family choices about school and work, and how easy it is to save money, build up assets, and improve your own well-being, are substantially influenced by your socio-economic status as well as where you live.

The Scottish Index of Multiple Deprivation (SIMD) illustrates, in a very immediate way, the spatial concentration of disadvantage in this country.<sup>9</sup> The supply of employment, the quality of jobs, competition for work and employment rates all vary by region and neighbourhood. Income from wages, housing costs and other living costs also vary substantially. In particular, people in rural areas face higher costs of living and worse access to services.<sup>10</sup> Many of the most important facilities, services and opportunities are often less accessible where they’re needed the most.<sup>11</sup>

**The geographical concentration of poverty, wealth and opportunity underlines the need for place-based approaches to addressing inequality.** Place matters, particularly to those who are disadvantaged in the labour market, as research

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<sup>9</sup> Scottish Government, ‘Introduction to The Scottish Index of Multiple Deprivation 2016’:

<http://www.gov.scot/Resource/0050/00504809.pdf>

<sup>10</sup> D. Hirsch et al., ‘A minimum income standard for remote rural Scotland’, 2013:

<http://www.hie.co.uk/regional-information/economic-reports-and-research/archive/a-minimum-income-standard-for-remote-rural-scotland.html>

<sup>11</sup> N. Bailey et al., ‘Poverty and social exclusion in urban and rural areas of Scotland’, 2016:

<http://www.poverty.ac.uk/sites/default/files/attachments/PSE-Report-Scotland-urban-rural-poverty-March-2016.pdf>

suggests they tend to have a more ‘local focus’ than the population as a whole.<sup>12</sup> Travel-to-work patterns show that disadvantaged people are less mobile and more reliant on public transport.<sup>13</sup> In both urban and rural areas, lower qualified and unemployed people tend to have least flexibility in where they look for jobs. Social networks are also important for employability: young people living in deprived areas have been found to have high ‘bonding capital’ with networks of family and friends important for support, but limited ‘bridging capital’ of links to different networks of employment information, including experience and knowledge of other areas and communities.<sup>14</sup> I say more about this in the main body of the report.

**Ensuring that all places have the opportunity to prosper is an important aspect of achieving what is called ‘inclusive growth’,** a policy idea to which the Scottish Government is committed. Its premise is that social and economic goals can support one another, rather than be in tension. A strategic approach to inclusive growth is not interested simply in a larger economy, in terms of GDP. It wants to ensure that the benefits of growth are properly shared across the socio-economic gradient. Over recent years, economic growth in developed economies has mainly benefitted the better-off in society. An inclusive growth strategy aims to reverse that trend, ensuring that all members of society both contribute to and benefit from economic growth. Inclusive growth and place-based approaches are both crucial to achieving economically, physically and socially sustainable communities where young people can flourish.

The Scottish Government’s Fair Work agenda is central to ensuring that growth becomes more balanced across different parts of Scotland. Examples of how this work is being taken forward include the Labour Market Strategy, which sets out how the labour market and wider social and economic policies interact to drive inclusive growth; and the Scottish Business Pledge, a partnership between government and business to promote fairness, equality and sustainable economic growth. There has also been a focus on strengthening regional economies through new partnership approaches: the City Region Deals – agreements between the Scottish Government, the UK Government and local government, currently in Glasgow, Aberdeen, and Inverness and Highland – are designed to bring about long-term strategic approaches to improving regional economies, and will support inclusive growth.

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<sup>12</sup> P. Matthews and K. Besemer, ‘Poverty and social networks evidence review’, 2014: <https://dspace.stir.ac.uk/bitstream/1893/21042/1/JRF%20final%20published%20report.pdf> .

<sup>13</sup> Titheridge, H., et al., ‘Transport and poverty: a review of the evidence’, 2014: <https://www.ucl.ac.uk/transport-institute/pdfs/transport-poverty> .

<sup>14</sup> Matthews and Besemer ‘Poverty and social networks’ (2014)

## SECTION 2 – TRANSITIONS, THE LABOUR MARKET AND PAY

Analysis has found that young people today struggle in the labour market in spite of being the most highly educated generation in history. Unemployment is generally higher among young people than prime age adults, and those who do work tend to have poorer-quality jobs and are much more likely to be on temporary contracts or to earn lower wages than older workers.<sup>15</sup> In the light of this, some may wonder if these are issues faced because of the life stage of young people, and therefore something to be expected. However, there is evidence to suggest that what is happening is a structural level change, where those people who are young today are experiencing exclusion from the labour market in a way that is new to the current generation.<sup>16</sup> What we are seeing is new, intergenerational inequality. UK level analysis by the IFS shows that those born in the 1980s are the first post-war cohort to start their working lives earning no more than the previous generation.<sup>17</sup>

In the following section, I describe some of the challenges, and some possible strategies to ease young people's transitions into work. In particular, this section of the report makes recommendations on four inter-related issues relating to employment – skills development and transitions from school; access to the labour market; low quality employment; and place and travel – with a particular focus on disadvantaged young people.

### SKILLS DEVELOPMENT AND TRANSITIONS

Skills development, and transitions from school into work, training or further education, are key elements in a successful young adulthood, particularly for those not planning to go to university. The evidence review suggests that young people from the most deprived areas are less likely to experience successful transitions than their more advantaged peers – in terms of staying on at school, attainment and employment. They are more likely to experience multiple post-school transitions, to be unemployed when they leave school, or to move onto a training programme that is short-term. Of these young people, those who leave school at the earliest opportunity are at particular risk.<sup>18</sup> More broadly, concerns have been raised about whether the skills system in Scotland is sufficiently well matched to current and future labour market demand, raising questions about the prospects for social mobility going forward.<sup>19</sup>

The evidence review highlights that other forms of disadvantage also have an impact on young people's transitions.<sup>20</sup> Disabled young people have a substantially lower rate of participation in education, training or employment than those who are not

<sup>15</sup> Scottish Government, 'The life chances of young people in Scotland'

<sup>16</sup> Institute for Fiscal Studies (IFS), 'The economic circumstances of different generations: the latest picture', 2016: <https://www.ifs.org.uk/uploads/publications/bns/bn187.pdf>; Joseph Rowntree Foundation (JRF), 'Understanding age and the labour market', 2015:

<https://www.jrf.org.uk/report/understanding-age-and-labour-market>.

<sup>17</sup> IFS, 'The economic circumstances of different generations'

<sup>18</sup> Scottish Government, 'The life chances of young people in Scotland'

<sup>19</sup> Gunson, R. et al., 'Jobs and skills in Scotland: addressing productivity, progression and in-work poverty', 2016: [http://www.ippr.org/files/publications/pdf/scotland-skills\\_June2016.pdf?noredirect=1](http://www.ippr.org/files/publications/pdf/scotland-skills_June2016.pdf?noredirect=1).

<sup>20</sup> Scottish Government, 'The life chances of young people in Scotland'

disabled. They are also more likely to be offered a more limited range of education and training opportunities than other young people, often with inaccurate assumptions made about capabilities. Young carers, too, can experience difficulties balancing post-school education or employment with caring responsibilities. A report by the Children's Commissioner found that young carers enjoy school more, but more excessive hours of caring affects mental wellbeing, which may impact on school performance.<sup>21</sup> Hence, either being disabled or caring for a disabled family member can have a serious impact on future prospects. Young people leaving the care system are also at a disadvantage: looked after children tend to leave school at younger ages, and obtain lower qualification levels on average, compared with all school leavers. They are subsequently less likely to go on to, or sustain, positive destinations after school.

By contrast, minority ethnic young people have a higher rate of participation in education, training and employment than the national average. They are also more likely to continue in education, particularly higher education, than their white counterparts, and less likely to pursue work-based vocational training. However, minority ethnic groups are disadvantaged in terms of access to high earning jobs. A partial explanation suggests that for some young people from minority ethnic groups, lack of wider contacts outside their immediate family and friends can limit career choices.<sup>22</sup>

There are a range of issues here – and what follows is a set of four recommendations on improving transitions and building skills.

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**Problem: Young people think there is a lack of high quality, easy-to-find advice to help them manage the transition into adult life.**

The research literature underlines that having clear, and stretching aspirations is important in shaping young people's post-school transitions.<sup>23</sup> So, high quality transitions advice – about work, study, or apprenticeships – at key stages in secondary school and beyond is vital. Research suggests that children of highly educated parents tend to have access to positive learning resources, role models, occupational knowledge and informal networks.<sup>24</sup> This heavily shapes their educational decisions post-16. Young people from more disadvantaged backgrounds, who are less prepared or supported to make 'good decisions' about post-16 options, are more likely to do poorly in their transitions.

One of the recurring themes about transitions from the young people we spoke to was the quality of the advice available to them.

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<sup>21</sup> Children and Young People's Commissioner Scotland, 'Coping is difficult, but I feel proud Perspectives on mental health and wellbeing of young carers': <https://www.cypcs.org.uk/ufiles/CopingWithCaring.pdf>

<sup>22</sup> M. Lalani et al., 'How place influences employment outcomes for ethnic minorities', 2014: <https://www.jrf.org.uk/sites/default/files/jrf/migrated/files/ethnicity-employment-location-full.pdf>

<sup>23</sup> Kirchner Sala L. et al. (2015) 'Youth transitions to and within the labour market: A literature review'. London: Department for Business, Innovation and Skills.

<sup>24</sup> Ibid

### Here's what young people said:

"Kids are just pushed into going to university – even if it is not your first choice – it's the easy choice for the school. My friend wants an apprenticeship and the careers advisor just sent him a link – a do it yourself attitude. However, if you are going to university you get all the support you need, especially around filling out your UCAS form. But no-one helps you fill out a complicated form for a job or for an apprenticeship."

"You only get to see [your careers adviser] if you are leaving school. Surely we should have engagement with careers advisors throughout our time in high school – they don't even ask you how you got on at your work experience."

"Scottish Government needs to invest in lots of properly qualified careers advisors – advisors that can actually advise on what to do next. They need to have an awareness of what jobs, training and other opportunities are out there – at the minute if you are not going to university they give you a quiz. How on earth does that inform you on your career choices? This should be stopped immediately and proper advice should be given to you throughout your time in high school."

"If there was a young person's Citizen's Advice Bureau it would really benefit ALL young people."

"I don't feel like apprenticeships are encouraged to all young people – careers advisors don't encourage these like they do university."

The most common complaint I heard from young people was "*no one advised me on what to do as a job*"; or if they did get some advice, it was poor quality. Provision seemed very patchy indeed. Issues raised in the next section, on housing, also reflected difficulty in accessing advice. The challenge is two-fold:

First, the Curriculum for Excellence (CfE) is meant to instil in young people in schools a sense of resilience, to equip them with the skills to work out for themselves, with appropriate support, what it is they want to do. CfE is meant to help young people become confident learners, confident about their own choices in life. If this aspect of CfE is not working as it should, it would be helpful to revisit it.

Second, the right information (e.g. on careers, study, housing, financial inclusion, mental health) needs to be readily available, so it can be accessed when it's needed. Even if CfE is working well, young people are still struggling in some cases to find the information and advice they need. Therefore, my first recommendation focuses on helping young people get the right advice, at the right time, in the right way.

High quality advice is particularly important for groups who face additional barriers. Young people's choices of career are shaped by advice or role-modelling from family, friends and teachers. Norms and expectations relating to, for example,

gender and ethnicity within these social networks will also impact on work and other choices.

Careers advice services should be designed to pro-actively challenge stereotypes, and encourage young people into training and jobs linked to better pay and prospects, and in line with their abilities. This should include both vocational and academic learning and training opportunities, as well as up-to-date information on the earning and progression prospects associated with different careers. Some young people – for example, those with disabilities, carers, parents, and care leavers – will need additional support to consider what roles would best suit their abilities, aspirations and constraints, and to access and apply for these. An enhanced offer of provision and support for young people with additional barriers is needed.

### **RECOMMENDATION 1 – Develop new advice provision for young people, supported by a skilled, trained workforce**

A key challenge is to provide young people with clear, accessible, and accurate advice on a range of issues at the right time. Subject choice that can open and close career options comes very early (e.g. at around age 13). Housing help is needed later; mental health support may be needed at any stage. The ability to access advice and support on a range of issues including further study, employment, housing, financial support and mental health support is particularly important for groups of young people with additional barriers. Understanding entitlement to benefits and grants in relation to disability and caring responsibilities (for example to help with further study), and understanding how to access housing appropriate to needs for young parents, those with a disability or care leavers, are key to helping young people make informed choices. I understand work is already underway through the 15-24 Learner Journey Review which will bring together the digital services that young people can access to make more informed learning and career choices. This work will align advice and support for those seeking further study and employment with financial support. In future it could also include information on housing and health support. Aligning services and providers would improve identification of and support for young adults with additional support needs (including disability, care leavers and parents/carers) in further and higher education and support for those with additional barriers.

It is important to consider whether online information may be less suitable for some groups of young people. Information, advice and guidance for more vulnerable young people is most effectively provided by combining online and face-to-face services. Skills Development Scotland's model of delivering services to young people based on their need and circumstance through a 'blended service' which combines on-line information and support with face-to-face guidance is a model that could be built on.

One of the ideas that came out of my discussions with stakeholders was a 'Young People's Citizens Advice Service'. Setting up a whole new face-to-face service would be prohibitively expensive, and add a layer of provision that might still be inaccessible for some young people. However, aligning the existing information,

advice and guidance sources and professionals in the way described above would be a sustainable way to deliver the solution suggested by some young people and those who work with them.

However, simply making a comprehensive website available online **isn't enough on its own**. All adults who are in regular contact with young people – teachers, careers advisors, youth workers, voluntary organization staff, college and FE staff – would need to receive training in its use so that what we are actually offering is a combination of web-based and face to face support. Training would also need to improve awareness of the specific issues disadvantaged groups face, in particular around transition planning and careers advice.

In this way, we could make good use of the existing workforce and expand their access to whatever relevant information was needed at a particular time. Young people would of course be free to seek any information themselves, but could also ask for help in accessing it and discussing the relevant need with an adult with whom a relationship already existed. We need to combine the idea of 'one-stop-shop' with any number of entry doors.

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**Problem: Positive destinations data suggests a generally positive picture of outcomes for young people, but our understanding of what happens to disadvantaged young people during the transition period could be much stronger.**

It would be very helpful to know more about what happens to all young people who have made the transition to a 'positive destination'. While data on post-school transitions in Scotland gives a good overall picture of what young people are doing in the first years after they leave school,<sup>25</sup> we know less about the quality of destinations, and the experiences and difficulties young people have in plotting a route from school to employment. For instance, we know how many disadvantaged young people go on to study at college but we know less about the quality of the different courses studied and how these lead to more or less positive labour market outcomes.

I am aware that Skills Development Scotland and the Scottish Government have already established a national information sharing framework between public sector partners, underpinned by legislation, which allows the sharing of real time administrative information to better identify, track and monitor all 16-25 year olds in Scotland. The system is aimed at driving early intervention with young people who are not in education, employment and training. The information that is shared will over time improve understandings of what learning and training young people participate in before they begin their career.

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<sup>25</sup> E.g. Scottish Government, *Summary statistics for attainment, leaver destinations and healthy living*, No.6: 2016 Edition: <http://www.gov.scot/Publications/2016/06/4523>; Skills Development Scotland (SDS), *Annual Participation Measure for 16 – 19 year olds in Scotland*. 2016: <http://www.skillsdevelopmentscotland.co.uk/media/42120/annual-participation-measure-2016.pdf>.

## **RECOMMENDATION 2 – Continue work to improve data collection and sharing to track post school participation in learning, training and work for young people and make better use of that information to improve service delivery and develop Scottish Government policy**

The Scottish Government should continue to move the focus away from the term ‘positive destinations’, which has the potential to mask difficulties some young people face after their first transition from school and make it harder to direct help in the right way. Skills Development Scotland have developed the Annual Participation Measure, which aims to identify the status of the whole 16-19 cohort rather than just the initial transition from school. The Scottish Government defines ‘Participating’ as when a young person is ‘actively engaged with an organisation for the purpose of learning, training or work’. This change in language helps consider a young person’s status within the context of their journey rather than as a destination.

However, there is still a need for a more fine-grained understanding of the **quality** of destinations. New analytical work on the emerging data set to understand young people’s movement between different statuses over time and the services they received to do so will be very valuable. This will help establish if certain interventions in or after school are effective in narrowing the gap in job opportunities and income between disadvantaged young people and their peers. I have been told that discussions are underway between the Scottish Government and Her Majesty’s Revenue and Customs to incorporate their information within the existing framework. This should contribute to a better understanding of longer term employment outcomes. Public sector partners should make better use of the available information to provide support to all young people and especially those who face barriers. The Scottish Government should make more effective use of the emerging data set to drive policy development and improve the life chances of young people in Scotland.

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**Problem: The skills system in Scotland is not well matched to current or future labour market demand. Engagement between employers, learners and skills providers could be improved.**

The Institute for Public Policy Research Scotland has argued that the skills system in Scotland is not well matched to current or future labour market demand, suggesting this is due to inadequate engagement between employers, learners and skills providers.<sup>26</sup> To respond to this challenge, schools are developing and strengthening links with employers to make transitions into work as smooth as possible but also, crucially, to make sure skills gaps are recognised early and can be plugged by schools. But are both parties doing enough and are the structures in place to support them?

Other issues with the skills system raised by key stakeholders include: inefficiencies between different parts of the skills system, with administrative barriers affecting

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<sup>26</sup> Gunson, R. et al. (2016) ‘Jobs and Skills in Scotland’.

learner choice; a lack of clarity in relation to individual learning routes within the system, which can make it difficult for learners to understand the opportunities that are available to them; and employers are not always able to engage with the system in the most beneficial way.<sup>27</sup>

### **Here's what young people said:**

“You need to get industry advisors in schools to advise kids on careers.”

“Schools should invite lots of industry people in to talk to pupils from first year before you make your choices, even mums and dads could come in and tell you about their jobs.”

### **RECOMMENDATION 3 – Do more to enhance the effectiveness of the work of the Developing the Young Workforce regional groups in building systematic engagement between local employers and schools and colleges on local and regional skills shortages**

I have been told that the Developing Scotland's Young Workforce (DYW) programme is taking action in this area. The DYW Regional Group Network has been set up, meaning that there is a formal structure in place to ensure local employers work with local schools and colleges to ensure courses are appropriate to local employment opportunities. However, the Regional Groups are at different stages of development and so far, progress seems slow.

On various visits, I came across some impressive work on linking employers to schools. A Head Teacher in Dundee had worked extremely hard to make sure his pupils had high quality work experience at Michelin. For such excellent relationships to work, schools must ensure there is sufficient time and commitment within the senior leadership team: both employers and schools have to work at it. Standard Life is doing great things as an employer: participating in the Edinburgh Guarantee Scheme and offering a six month paid work experience programme for school leavers. They also run a Carer's Network, supporting staff with caring responsibilities. It is likely that these initiatives are supported by the DYW regional groups, but they are not branded, which makes it harder to identify systematic rather than ad hoc relationships. It is also vital that local employers in the public sector are included in regional groupings. In many areas they are the largest employer.

One final point here is that in most areas a significant proportion of young people will not be aiming for a degree on leaving school. These young people should get comparable care and attention to their futures that is regularly devoted to more academic young people.

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<sup>27</sup> R. Gunson and R. Thomas, 'Equipping Scotland for the Future: Key Challenges for the Scottish Skills System', 2017: <http://www.ippr.org/publications/equipping-scotland-for-the-future>.

**Problem: There is a perception, rightly or wrongly, that the non-academic route post-school is a second-rate route.**

**Here's what young people said:**

“In my school, it was the elite group that went to university. They got all the teachers’ time and attention – they didn’t care about the rest of us”

“There is a stigma in school if you are not going to university. What if you don’t want to go? Schools should do better.”

“There is no support in school at all if you are not going to university”

“Everyone goes through the school system – it needs to work for all of us. Every single young person is different – it really isn’t rocket science. Schools need to learn to expand young people’s horizons – they still put us in a box.”

The potential for the college sector to reduce socio-economic inequality has been under-explored as an issue. This leads to my first recommendation on ensuring and enhancing the quality of the college sector. A successful modern economy needs to value learning and skills across the economy. We want to get away from the perception – rightly or wrongly – that ‘the only thing we value is the academic route’. The Scottish Government’s widening access work is crucial in ensuring that young people from poorer backgrounds can access the same opportunities as their more affluent peers. But it is also important that other routes are valued, both in terms of funding, but also in terms of public attitudes toward less academic career routes.

**RECOMMENDATION 4 – Do more to value non-academic learning routes, post-school**

Audit Scotland reported that the Scottish Government provided £548 million in funding to the college sector in 2014/15.<sup>28</sup> Scottish Government funding to the college sector (resource and capital) has reduced by 18 per cent in real terms between 2010/11 and 2014/15. In contrast, overall Scottish Funding Council funding to universities reduced by 4% in real terms, while Scottish Government funding for university student support increased by approximately 37% in real terms over the same period.<sup>29</sup> I am not arguing that pound for pound spending on students from FE and HE should be the same. Obviously some courses are much more expensive to deliver than others. But the overall picture seems to suggest that the university sector has had greater protection from hard financial times than the FE sector. It is worth noting, however, that between 2014/15 and 2017/18, Scottish Government funding to the college sector increased from £548m to £598m, a real terms increase of 5% – this is a step in the right direction.

<sup>28</sup> Audit Scotland, ‘Scotland’s colleges’, 2016: <http://www.audit-scotland.gov.uk/report/scotlands-colleges-2016>.

<sup>29</sup> Audit Scotland, ‘Audit of higher education in Scottish universities’, 2016: <http://www.audit-scotland.gov.uk/report/audit-of-higher-education-in-scottish-universities>.

Funding isn't the whole story. This recommendation is also concerned with the culture of schools and wider society. Disadvantaged young people told me that their experience is that the best teachers work with the most able students, while they get little support and advice on future choices. Ensuring that young people from poorer backgrounds get a fair chance at university education is vitally important, but it may have had some unintended impact. The pressure schools are under to get more students from disadvantaged backgrounds into university has left some young people, less suited for higher academic study, feeling devalued and under pressure themselves. According to the latest international HBSC study, Scotland was the only country in which boys from lower income families had higher school work pressure than their more affluent peers.<sup>30</sup> While parity of esteem between academic and non-academic routes is unlikely, given traditional pay differentials, more could be done to value work experience routes, and apprenticeships at all levels, sending a clear message that the economy needs a wide range of skills and capabilities.

The cultural differences between the two sectors are reflected in other ways too. For example, college and university students are not treated equally in terms of conditions. Bursary awards for college courses come with strict conditions including 100% attendance, which do not apply to university students. While college students are allowed periods of authorised absence e.g. self-certificated absence because of illness, exam preparation and unexpected caring responsibilities, the differences in conditionality are difficult to justify when thinking about post-school education as one coherent, consistent service.

There are no quick fixes for cultural change. One way to make a start would be an advertising campaign that emphasised the opportunities of apprenticeships at all levels. This could help to begin shifting attitudes and making those who choose non-university routes feel more valued. These messages can be built into the national campaign about Developing the Young Workforce that Scottish Government is planning for the Year of Young People in 2018. This presents a great opportunity to offer a positive picture of diverse career routes.

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### **Problem: The FE and HE systems don't make allowances for the different development rates of young people.**

This is a real problem – boys mature at very different rates from each other (as well as in comparison with girls); and young people from care backgrounds can take longer to reach their full potential. But it's a relatively easy one to fix, with a bit of determination. I met some impressive people at North East College. They have a system where young people can sign up for particular vocational courses and, depending on how they perform in first two years, they can then transfer to Aberdeen University in year three and get a degree. This kind of more fluid or flexible system – where young people can start on a vocational route but move to an academic one – has real advantages. A broader offer like this – giving young people who develop

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<sup>30</sup> C. Currie et al., 'Health Behaviour in School-aged Children: World Health Organization Collaborative Cross-National Study: findings from the 2014 HBSC survey in Scotland', 2015: [http://www.cahru.org/content/03-publications/04-reports/hbhc\\_nr14\\_interactive\\_final.pdf](http://www.cahru.org/content/03-publications/04-reports/hbhc_nr14_interactive_final.pdf).

later more scope to switch routes – would be very helpful, especially for young people from poorer backgrounds.

**RECOMMENDATION 5 – The Scottish Government should, through the 15-24 Learner Journey Review, ensure our FE and HE systems have more flex built in so young people can shift between routes**

The FE and HE sectors need to be more integrated and to work more closely with one another to provide a clear and consistent offer to young people. I recognise that there is already some flexibility built into state support systems, for example the Scottish Funding Council (SFC) supports articulation places between college and university and the Students Award Agency for Scotland (SAAS) enable fully funded repeat years of study and extended eligibility for student support. Approaches such as that of Northeast College described above are being taken forward through the 15-24 Learner Journey Review, which supports the implementation of the Enterprise and Skills review.

But there is a question for me about whether this is moving far enough or fast enough. There's a real challenge for universities to be making more of these types of offers and to ensure they apply to a variety of courses. There is a challenge for schools too – if schools are to deliver a system which genuinely has the needs of children at its heart, they need to encourage more diversity of routes to successful destinations.

In practical terms, this approach could also be cost saving, both because it avoids students repeating the first two years of a degree course at university, and the cost to the individual in terms of supporting themselves, but also because the first two years at college are considerably less expensive to the state (and are likely to remain so) than the first two years on a university degree course.

## **ACCESS TO THE LABOUR MARKET**

Unemployment rates<sup>31</sup> for young people in Scotland are consistently higher than those for other age groups. Additionally, the 2008 recession had a particular impact on young people: for example, youth unemployment rates spiked after 2008, while employment rates for people aged 50-64 increased through the recovery. Just under 1 in 10 (9%) 16-24 year olds in Scotland were unemployed over the year to March 2017.<sup>32</sup> For a significant minority of young people, labour market entry and labour market progression are major challenges.

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<sup>31</sup> A number of measures are used to monitor labour market activity. The youth unemployment rate captures the percentage of the active labour force (aged 16-24, including full-time students) that cannot find work. The denominator is the economically active population i.e. the number of 16-24 year olds who are either employed or unemployed. The **youth employment rate** is the number of employed people aged 16-24 (including full-time students) divided by the whole population aged 16-24. **Economically inactive** people are neither in employment nor unemployment. The inactivity rate is expressed as a percentage of the total population.

<sup>32</sup> Scottish Government, *The life chances of young people in Scotland*

### Here's what young people said:

“Young people are discriminated against when trying to get a job because of their age.”

“I don't have enough experience – how do I get proper work experience? I need this to get a job.”

“Can the Government not do something to create ‘start-up jobs’?”

“Gaining employment is a lot more difficult for this generation – even if you have a degree”.

“I have applied for loads of jobs – some ask you to fill out an application form, some ask you to do a personality test, some ask you to do a video. How can we not just get a chance and meet the employer face to face?”

Some groups of young people face additional barriers to the labour market.<sup>33</sup> Compared with all young people, those who are disabled have higher rates of unemployment. Additionally, even when other factors such as qualification levels are taken into account, analysis finds that disabled adults are more likely to be unemployed or economically inactive than non-disabled adults. Research suggests that a lack of practical support for disabled young people underpins difficulties with labour market transitions.<sup>34</sup>

Despite generally higher levels of educational attainment, unemployment rates for minority ethnic adults are significantly higher than for white Scottish people. Research finds that people from minority ethnic communities with good qualifications face greater barriers to finding work which matches their qualifications, compared with the majority white population. Qualitative research has consistently highlighted the role of discrimination, whether direct or indirect, in limiting minority ethnic access to employment opportunities, education and other services.<sup>35</sup>

Gender also affects access to the labour market. The unemployment rate for young men is higher than for young women, while inactivity rates are much higher for young women. While young women are more likely to continue in full-time education, especially higher education, than young men, those who leave school early with poor qualifications are likely to face worse labour market outcomes than young men with similar characteristics.<sup>36</sup> This is often related to caring responsibilities, and particularly early pregnancy and motherhood.

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<sup>33</sup> Ibid

<sup>34</sup> ‘Commission for Developing Scotland’s Young Workforce: contextual data’. 2014: <http://www.gov.scot/Topics/Education/edandtrainingforyoungple/commissiondevelopingscotlandsyoungworkforce/contextualdata>.

<sup>35</sup> M. Kelly, ‘Poverty and ethnicity’.

<sup>36</sup> L. Kirchner Sala et al., ‘Youth transitions to and within the labour market’.

There is a considerable body of evidence to suggest that being unemployed when young leads to a higher likelihood of long-term ‘scarring’ in later life in terms of pay, high unemployment, fewer life chances and poorer health. These effects seem to be stronger for younger people and those with less school success. The research shows that ‘scarring’ can also be caused by periods of poor quality and precarious work when young. The exclusion of some groups of the population from the labour market is likely to lead to increasing inequality, with implications for future income, wealth and health.<sup>37</sup>

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**Problem: The changing labour market may be further disadvantaging those with low skills, and for some groups even good qualifications aren't enough.**

The evidence review raised a concern that labour market changes are leading to a growing divide between those with and without skills. On average, young adults today will have higher qualifications than previous generations. But there is a risk that those with low or no qualifications will be more disadvantaged than in previous generations as the demand for skills increases. The penalty attached to having no qualifications has also grown over time.<sup>38</sup> Increasing numbers of better qualified young people are often taking up job opportunities for which such qualifications are unnecessary. This has a knock-on effect of taking jobs that less qualified young people are capable of doing, but are unable to secure the posts.

Following the publication of my first report in January 2016, the Scottish Government's Fairer Scotland Action Plan committed to work with Timewise and Family Friendly Working Scotland to do more to promote flexible working and to consider issues such as flexible hiring and job design.<sup>39</sup> Timewise's Scottish Flexible Jobs Index, which is to be published shortly, is very likely to show a continuing problem with Scottish quality jobs not being advertised on a flexible hire basis.<sup>40</sup> This means that lower paid jobs, which tend to be more flexible, are more attractive to those who are over-qualified for them. Furthermore, the recruitment processes for some jobs require higher level skills than the jobs themselves.

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<sup>37</sup> Scottish Government, 'The life chances of young people in Scotland'; JRF, 'Understanding age and the labour market'

<sup>38</sup> Scottish Government, 'The life chances of young people in Scotland'

<sup>39</sup> Scottish Government, 'Fairer Scotland Action Plan', 2016:

<http://www.gov.scot/Publications/2016/10/9964>

<sup>40</sup> Timewise, 'A Flexible Jobs Index for Scotland', 2017, forthcoming.

## **RECOMMENDATION 6 – Employers need to think about ‘job design’ and recruitment processes that are free from bias and that match requirements for the job with the skill level needed to make applications**

Employers could benefit from more thoughtful job design and recruitment. It makes no economic sense to encourage highly qualified people, who have been educated at great expense, to fill vacancies that less qualified candidates could take. We are underutilising skills as well as taking jobs away from people with fewer qualifications who could benefit from employment.

Issues relating to flexible working and recruitment processes are particularly important when considering young people with additional barriers. For example, the issue of recruitment processes requiring higher level skills particularly affects young people with learning difficulties, who are well suited to some kinds of paid work, but are less able to apply for them. Discrimination related to gender and ethnicity may also be shaped by recruitment practices. Flexible working arrangements are especially important for young parents and carers. Employers have an important role to play in supporting non-traditional candidates.

This could include considering how they can improve aspects of their recruitment practices. These might include: ensuring that vacancies and opportunities for training and progression are always advertised via open recruitment rather than word of mouth; and reviewing their selection and recruitment practices to ensure that they reflect best practice and disregard personal characteristics that are not essential to the job. As noted earlier, disadvantaged young people may lack access to wider social networks and role models that can provide employment opportunities or information about roles and the workplace. Providing mentoring to help negotiate the workplace and job coaching could help in work progression in under-represented groups.

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### **Problem: Accessing the labour market can now sometimes mean work for no pay.**

A complaint from talented young people across the UK is that they have to do two or three unpaid internships before they get a paying job. The Sutton Trust estimated in 2014 that there were around 22,000 unpaid interns in the UK. The available evidence suggests this is particularly an issue in competitive industries such as cultural and creative, media-related, and financial and professional services industries. Access to some graduate jobs (e.g. investment banks and law firms) was often reliant on specific experience with a given company, making unpaid internships a concern for social mobility.<sup>41</sup>

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<sup>41</sup> Sutton Trust, ‘Research Brief: Internship or indenture?’, 2014: <https://www.suttontrust.com/wp-content/uploads/2014/11/Unpaid-Internships.pdf>

## **RECOMMENDATION 7 – All post-school internships should be advertised and every post-school intern should get paid**

Unpaid internships are clearly unfair to young people from less advantaged families who cannot afford to work without pay – the Sutton Trust estimated the total cost for a six month unpaid internship in Manchester as £5,078 in 2014 (including transport costs).<sup>42</sup> Moreover, many internships are secured by word of mouth, reinforcing inequality of opportunity for those who don't have regular social contact with the kind of people who can offer internships. The Liberal Democrats, when part of the UK Coalition Government, tried to take action on this and it is regretful that the Coalition did not follow this up with more concrete proposals.

The Scottish Government doesn't have the power to legislate on this, but perhaps this is something the Fair Work Convention could consider responding to: internships should be open to all, and advertised. Young people who get such placements when they leave school should be paid for all the work they do. They should not be seen as free labour for the benefit of any employer.

The Scottish Government should set a strong example in this regard and ensure that they embody the fair work practices that every employer should follow. Alongside all government internships being paid and advertised, specific consideration should be given as to how these can reach marginalised groups, utilising key partners such as BEMIS and Inclusion Scotland to actively promote the opportunities to under-represented groups and help the Government to become more representative of the communities they serve.

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### **JOB QUALITY AND PAY**

The following three recommendations are mainly within the power of the UK Government, as they concern policy areas that are not yet devolved. Yet they all have major impact on young people in Scotland and are issues I believe should be raised by Scottish Ministers with the Secretary of State for Work and Pensions and the ministerial team at the Department for Work and Pensions (DWP).

Labour market changes have been identified as an underlying driver of inequality, including globalisation, leading to skilled jobs being transferred to other countries and technological change, which has led to the automation of production systems. The labour market is becoming increasingly split between high level occupations and lower skilled jobs, with fewer jobs in the middle range. While the Scottish employment rate has recovered since the recession, there has also been a growth in part-time jobs, and increases in self-employment, insecure working, and under-employment.<sup>43</sup> Young people are particularly likely to be in low quality employment compared to older age groups and to past generations.<sup>44</sup>

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<sup>42</sup> Sutton Trust, 'Research Brief: Internship or indenture?'

<sup>43</sup> UK Commission for Employment and Skills (UKCES), The labour market story: an overview, 2014: <http://www.employment-studies.co.uk/resource/labour-market-story-overview>; Fraser of Allander

## **Problem: Young people need help getting into good jobs but the support is patchy.**

In particular, a regular feature of my engagement with young people has been the poor quality of support from Jobcentre Plus.

Many young people spoke of being encouraged to take ‘any job’; despite limited stability, low pay and not being within interest areas or skill sets. Training programmes are frequently aimed at sectors such as retail and hospitality, in entry level roles that offer limited progression and development opportunities. Often those young people who receive support from Jobcentre Plus are the most disadvantaged, in many cases facing numerous complex barriers to employment. Engagement with this service is particularly difficult to navigate for those with no fixed abode or living in homeless accommodation. It appears that a lack of mutual trust and a strict conditionality regime leads to many young people not successfully engaging in the service and being pushed further from support.

This must be seen in the wider context; some of the young people I engaged with were positive about their experience and spoke of their work coaches being encouraging and supportive. However, this is not the experience of all young people – and it should be.

### **Here’s what young people said:**

“The jobcentre is not young person friendly.”

“Young people should have access to outstanding support services to help them gain a fulfilling job.”

“I never used the jobcentre [...]. I needed more support than they could give. The jobcentre is for older people anyway and the advisors look down [their] nose at you and judge you for being young.”

“I do everything over the phone so I don’t need to speak to them face to face. They also get you in trouble for being late, even if it is the bus or something out with your control. They also give you stupid jobs to go to interview for that are unsuitable – just to get you off their books. They’ve told me it is all about stats – typical government.”

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Institute, ‘Scottish labour market trends, Vol 1 No 3’, 2017:

<https://www.sbs.strath.ac.uk/economics/fraser/20170613/labour-market-trends.pdf>; S. Boyd, ‘Labour market changes and implications for policy and labour market information (LMI) in Scotland: <https://www.sbs.strath.ac.uk/economics/fraser/20161118/20161118-Labour-Market-Trends.pdf>. 38(2): p. 63-80; IPPR Scotland, ‘Jobs and skills in Scotland’.

<sup>44</sup> Scottish Government, ‘The life chances of young people in Scotland’

## **RECOMMENDATION 8 – Raise concerns with DWP about the quality of support offered to young people in Jobcentre Plus**

I recognise that Jobcentre Plus is managed by the UK Government. However, the Scottish Government should raise concerns with DWP about the service, as it is a vital one for addressing inequalities in young adulthood. Sanctions are a particular problem. Official statistics suggest that young people are disproportionately affected by the DWP sanctions regime: as of December 2016, people under the age of 25 made up 39% of the Universal Credit caseload that was able to receive a sanction; but the same group received 53% of all sanctions in the same month. While I understand that young people are perhaps most likely to face difficulties looking for work, the approach to sanctions risk damaging the relationship young people have with Jobcentre Plus. Even the threat of sanctions has negative consequences for both young people and Jobcentre Plus, because it undermines mutual trust. To work effectively, Jobcentre Plus needs to be seen as a positive player and an enabler, not as a gatekeeper. A system based on trust, dignity and respect would be – in my view – mutually beneficial.

A devolved employment service could capitalise on links to community led support, which is proven to be successful, and ensure strong links to careers advice and development through Skills Development Scotland. A focus beyond initial employment transitions is important to drive young people to fulfil their potential and to attain high quality and meaningful employment.

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### **Problem: Many young people are starting their working lives in poor quality jobs.**

The proportion of young adults working part-time has increased. At the UK level, young people made up around a third of all people on zero hour contracts. While it is difficult to untangle the levels of voluntary part time/flexible working, high underemployment rates for young adults suggest that experiences of part time and zero hours contracts may be by necessity rather than choice.<sup>45</sup> An increase in ‘churning’ or cycling between low paid, short term work and unemployment has also been identified as a problem in the research literature.<sup>46</sup> And less advantaged young people, especially those with lower levels of educational attainment, are more likely to experience this movement in and out of the labour market.

### **Here’s what young people said:**

“I’m in a low paid job, with a zero hour contract. I can’t phone in sick or my employer thinks I’m putting one over on them.”

<sup>45</sup> Scottish Government, *The life chances of young people in Scotland*

<sup>46</sup> T. Shildrick et al., ‘The low-pay, no-pay cycle: understanding recurrent poverty’, 2010: <https://www.jrf.org.uk/report/low-pay-no-pay-cycle-understanding-recurrent-poverty>; S. Thompson, *The low-pay, no-pay cycle*, 2015: <https://www.jrf.org.uk/report/low-pay-no-pay-cycle>.

“I had a temporary contract at Christmas, I was told I would get kept on but they never did – they let me go. I have lots of short term jobs on my CV: does this look like I can’t keep a job down?”

“Because of my exams, I couldn’t do overtime so my employer sacked me.”

## **RECOMMENDATION 9 – Lobby the UK Government about exploitative zero hour contracts**

As mentioned above, a disproportionate number of zero hours contracts go to young people. Not only are they legally paid a lower rate than those over twenty-five, insufficient hours along with irregularity of work schedules makes earning enough to live independently virtually impossible. Again, the Scottish Government cannot make such contracts illegal, but they can ensure that such contracts are not used in all the contracted out work within the public sector, and it can discourage employers from such unfair practices.

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### **Problem: Many young people are on low pay.**

#### **Here’s what young people said:**

“All young people aged between 18-24 years old should receive the National Living Wage.”

Just over half of 18-24 year olds (53%) earned less than the Real Living Wage compared to 20% of all adults in 2016.<sup>47</sup> The proportion of under 30s in low pay in the UK has continued to increase while the level has fallen among older workers.<sup>48</sup> Low pay and labour market insecurity are related to occupation and sector. Young adults are overrepresented in low wage sectors such as retail and food services.<sup>49</sup> These sectors rarely offer career progression.

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<sup>47</sup> ‘Annual Survey of Hours and Earnings 2016 – Scottish Government Tables’:

<http://www.gov.scot/Topics/Statistics/Browse/Labour-Market/Earnings/ASHE-SGTables>. Estimates for 2016 are based on an hourly rate of £8.25.

<sup>48</sup> The Resolution Foundation, ‘Low Pay Britain’, 2016:

<http://www.resolutionfoundation.org/publications/low-pay-britain-2016/>

<sup>49</sup> Ernst & Young LLP, ‘The employment landscape for young people in the UK’, 2016: <http://www.ey.com/uk/en/issues/business-environment/financial-markets-and-economy/youth-unemployment-in-the-uk>

## **RECOMMENDATION 10 – Lobby the UK Government on the need for the National Living Wage to apply to all those over 18 years old**

The ‘National Living Wage’ introduced by the UK Government in 2016 is set at a lower wage than the Living Wage and only applies automatically to staff over 25 years of age – for younger people, the minimum pay is set at a lower level.<sup>50</sup> Young adults are also entitled to lower payments and less support in the UK welfare system than older adults, and their entitlement is often complex and difficult to understand. This is based on the assumption that young adults are more likely to live with, and be supported by, their parents. However, some young adults may not have this avenue of support, particularly those from disadvantaged backgrounds.

The evidence strongly suggests that young people have lost out over recent decades in welfare, tax and spend policies at UK level. I advise Scottish Ministers to write to the UK Secretary of State for Work and Pensions to suggest that the national living wage should be extended to younger people.

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## **PLACE, TRAVEL AND WORK**

**Problem: Local labour markets for disadvantaged young people may have a limited supply of quality jobs and expensive transport to get to good jobs.**

In the introduction to this report, I mentioned that travel-to-work patterns show that disadvantaged people are less mobile and more reliant on public transport. In both urban and rural areas, lower qualified and unemployed people tend to have least flexibility in where they look for jobs. For young jobseekers living in a deprived neighbourhood, cut-off from strong labour markets, job opportunities may be limited. Qualitative research found that these young people’s ‘mental maps’ were focused on the immediate local area and they displayed an inward looking mentality, focusing more on the short-term and areas closer to home.<sup>51</sup> This is reinforced by the weakness of the local labour market, which results in reduced expectations. These challenges lead me to make two further recommendations, one strategic and one practical.

### **Here’s what young people said:**

“I don’t want to live where I do now, I want to live somewhere safe where there are jobs and no one hanging around street corners”

“The [Real] Living Wage is good, but if available hours are low it isn’t actually going to improve your life as where I live the transport costs are so high”

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<sup>50</sup> The National Living Wage is £7.20 per hour, while the current National Minimum Wage is £4.00 per hour for under 18s, £5.55 per hour for 18-20 year olds and £6.95 per hour for 21-24 year olds.

<sup>51</sup> Matthews and Besemer, ‘Poverty and social networks’.

## RECOMMENDATION 11 – Do more to disseminate models of good practice on inclusive growth

The Scottish Government is developing a strong strategic narrative on inclusive growth. The narrative now needs backing up with firm action at national, regional, local and community level. There are already some positive models in place – for example, in some of the regeneration work in Scotland. Clyde Gateway is an excellent example of regeneration funding for capital investment that has resulted in local job creation.

The Scottish Government should be testing all new capital investment against social as well as economic gains. Public investment should require procurement systems and contractual arrangements to get maximum social benefit. In practice, this means not using price as the sole criteria for awarding contracts. Guidance should be provided to local authorities on the practical steps needed for inclusive growth and local areas should have flexible arrangements to pursue the best local solutions. Furthermore, urban areas with high areas with minority ethnic residents should be singled out for inclusive growth strategies.

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**Problem: The concentration of young people in low quality employment, and their difficulty in getting jobs with reasonable security and prospects, has potential implications for the sustainability of the economy, as well as for population health, social cohesion, and levels of poverty and inequality in Scotland.**

The evidence review highlights that low quality labour – and, particularly, securing work in line with skill levels – is a broader concern for this whole generation of young people, not only the least advantaged. Young adults today struggle in the labour market in spite of being the most highly educated generation yet. There is evidence to support the idea that a structural level change is happening, where young adults today are experiencing exclusion from the labour market in a way that is new to the current generation.<sup>52</sup> For example, analysis by JRF found that young adults in the UK were more disadvantaged in the labour market than previous generations (in terms of unemployment, low pay and job quality).<sup>53</sup> The relationship between poor quality work and place is important. The poorest neighbourhoods have the weakest job markets. As mentioned above, young people growing up in poor areas have little experience of adults in high quality work. Not only do we need to think about improving economic prospects in poor areas, we also need to ensure that costs of transport do not prevent young people from seeking jobs further afield.

Easy access to good transport services, not least for leisure and social facilities, is also important in relation to social isolation and exclusion. This may be particularly key for disabled young people, care leavers and young carers.

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<sup>52</sup> Scottish Government, 'The life chances of young people in Scotland'

<sup>53</sup> JRF, 'Understanding age and the labour market'.

### Here's what young people said:

"I was paid £2.76 an hour as an apprentice. I had to pay £40 a week to get to my work. I was left with hardly anything to live on."

"For me the cost of actually getting to work is the same as my hourly rate of pay."

### RECOMMENDATION 12 – Do more to provide subsidised/free transport for young people aged 25 and under

The Scottish Government is already taking practical steps in the right direction here. The Fairer Scotland Action Plan set out that apprentices under 21 will get free bus travel, and there's a new Job Grant for people 16-24 who have been out of work for six months or more. I'm also aware that the Transport Minister has had meetings with young people and stakeholder organisations on changes to the national concessionary travel scheme affecting apprentices, which is a very positive first step. Nevertheless, transport remains a key concern for many young people.

More could be done to explore how devolved transport plans in this area link with or can complement existing arrangements within reserved services. For example, DWP work coaches can provide access to the Flexible Support Fund (FSF) to help people entering employment overcome financial barriers, including travel expenses, training courses and clothing for interviews, while the Jobcentre Plus travel discount card offers half price rail fares and discounts on bus services in Scotland for 18-24 year olds who have been unemployed and claiming Jobseekers Allowance or Universal Credit for 3-9 months. However, the current arrangements for these reserved schemes – coupled with scarce information on the [www.gov.uk](http://www.gov.uk) website – limit considerably the uptake and use of what could be a key driver to employment. A report from the House of Commons Library has previously raised concerns about the FSF in particular,<sup>54</sup> but Scottish Ministers could usefully raise these issues with UK counterparts.

I've also been impressed with the work Young Scot have been doing on their National Entitlement Card, which has real potential to ensure young people, eligible for some subsidies, can use them without stigma. I understand the Scottish Government is looking at how it can help Young Scot with this important work.

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<sup>54</sup> Primary responsibility for publicising the fund lies with Jobcentre Plus advisers. However the Social Security Advisory Committee expressed concern at how little is known about the FSF and suggested its low profile allowed opportunities for partnerships with local authorities and agencies to be missed. An investigation by Channel 4's *Dispatches* programme into a Universal Credit contact centre in Bolton found advisers choosing not to inform claimants about the FSF. One adviser likened the FSF to the illegal boxing clubs in the film *Fight Club*, in that they don't talk about the FSF." <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN06079>

A further problem with travel subsidies is that they are often restricted to off peak travel, which makes getting to college or work on time difficult. Linking the government travel discounts mentioned above to the Young Scot card could also be beneficial, reducing stigma and ensuring a high rate of uptake, and might generate savings to devolved and reserved areas of government associated with young people's travel.

Finally on transport, I'm also aware that there's been some thinking around changing entitlements to concessionary travel for some older people. I fully support bold action in this area – with the proviso that there is a generational transfer so that what older people lose, younger people gain. As the evidence review shows, young people today are significantly disadvantaged in a range of ways compared to previous generations.

## SECTION 3 – HOUSING

**Problem: Young people are finding that their housing options are increasingly constrained, with limited access to high quality advice.**

An increasing proportion of young adults are either living with their parents or in the private rented sector. Fewer are able to save for a deposit to buy their own home.<sup>55</sup> Part of the frustration seems to be not knowing what they need to do, or who to speak to, to take steps in a more positive direction.

### Here's what young people said about getting onto the housing ladder:

“Can I get a mortgage when I have student debt? I don't actually know how this works.”

“I think I will still be staying at home when I am 30 maybe even 40 – how do you even find out about buying a house?”

“How can I get my own home? House prices go up but my wages never rise.”

As in the previous section on employment, advice on housing options also seems to be a key issue. Young people talked about how little information they had received about their housing options. Key questions included: *‘What are my rights as a private tenant and who can I go to if I have problems?’ ‘What do I have to do to get into social housing?’ ‘How much would I have to save to get a mortgage?’ ‘What is a starter home and how can I get one?’ ‘What is buy to rent?’*

### RECOMMENDATION 13 – Improve housing advice for young people

Increasingly, information for young people tends to be focused on online platforms – an understandable approach bearing in mind the web literacy of younger generations. But housing options are often highly complex – particularly for those young people whose parents are unable to provide financial support or indeed relevant advice.

To develop my theme from Recommendation 1, housing information could be usefully integrated into a citizen's advice type website specifically aimed at young people and the people who work with them. Such a website would show what income is needed to support different levels of rent or mortgage payments. It could bring together employment, wages and costs information. It could possibly be tailored to different parts of the country, as costs of living (heating and food costs, for example) tend to be higher in rural areas.

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<sup>55</sup> Scottish Government, *The life chances of young people in Scotland*

Very often it is not the basic maths that present budgeting problems for young people, it is the understanding of what items must be considered on a weekly, monthly, or even yearly basis. Bringing together information on housing, employment, and wages using modelling techniques for different options could help prevent bad decisions and debt problems. It could also provide information, in plain English, on relevant initiatives such as Help to Buy schemes and Help to Buy ISAs. Again, a wide range of adults who work with young people would need to understand how to navigate the site, and bring together face to face and web based advice.

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### **Problem: Fewer young adults are able to save for a deposit to buy their own home.**

A key marker of the transition to adulthood is independent housing. Yet the age of this transition is steadily increasing for many young people, and aspirations towards ownership are unrealistic for a large proportion of young people. There was a dramatic increase in the level of deposit required as a percentage of income for first time buyers in Scotland after the financial crisis in 2008, and the level of deposit required remains relatively high, at around 50% of income in 2016.<sup>56</sup> This has contributed to a large decrease in the proportion of younger (age 16-34) households owning with a mortgage since 1999, from 53% to 32% in 2015.<sup>57</sup> Low income and insecure work have exacerbated these barriers to the housing market for young adults. Debt and/or poor credit history may also make getting a mortgage difficult for some young adults. A key concern for young people in their early twenties is the inability to save for a deposit.

The evidence suggests there may be particular issues facing young people from minority ethnic communities. Overall, people from minority ethnic communities are disproportionately likely to live in the private rented sector and are more likely to live in overcrowded homes than the rest of the population.<sup>58</sup> The inability to save for a deposit and high rents in the private rented sector may mean that increasing numbers of young people from minority groups are staying in the family home, adding to overcrowding and family stress. Disabled young people are also faced with additional barriers to independent living, a major concern for parents as they get older and find it more difficult to provide appropriate support.

If fewer young adults are able to buy their own home, there are broader implications for wealth accumulation and intergenerational wealth inequality. Analysis by the Institute for Fiscal Studies (IFS) suggests that wealth has been significantly distributed away from younger people in the UK. This shift in wealth distribution has been driven by a reduction in house ownership among young people.<sup>59</sup> The inability to pass capital wealth from one generation to the next is not a new concern, but it remains a key barrier to social mobility for those knowing they will not inherit. There

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<sup>56</sup> Scottish Government, 'The life chances of young people in Scotland'

<sup>57</sup> Scottish Government, 'Scotland's People annual report: results from the 2015 Scottish Household Survey', 2016: <http://www.gov.scot/Topics/Statistics/16002/PublicationAnnual>.

<sup>58</sup> Scottish Government, 'Analysis of Equality Results from the 2011 Census – Part 2', 2015: <http://www.gov.scot/Publications/2015/03/8716>.

<sup>59</sup> IFS, 'The economic circumstances of different generations'.

will be increasingly sharp divides in the future between people growing up in rented properties and those growing up in owner occupier homes.

## **RECOMMENDATION 14 – Deliver more affordable housing options for young adults**

Housing is a key concern for young people. It is an important signifier of how the most recent generation of young people is so much worse off than previous generations. The Scottish Government should be actively considering how it can maximise the availability of more affordable housing options for young adults across all tenures. A key gap in provision is where there are low income households who, due to their particular circumstances, would not be eligible for social rent but are not currently able to buy a home with a mortgage, perhaps because they do not have the required deposit even if they could afford the mortgage repayments.

There needs to be a focus on targeting owner-occupation schemes at lower income first-time buyers. I fully support the ending of the right-to-buy programme, as it stripped affordable homes from the social rented sector and limited housing choice. But one result of right-to-buy was that it did allow people on lower incomes to access owner-occupation and thus build up housing wealth. Now right-to-buy is no longer able to provide that function, government must do more to help low income households build up housing wealth.

Most demand for current home ownership schemes such as Help to Buy and Open Market Shared Equity (OMSE) is from households with gross annual income over £20,000 (estimated at around 56% and 96% respectively).<sup>60</sup> The requirement in the mortgage market for a deposit – usually 5% of the amount they need to borrow – is considered to be the main barrier to households in lower income deciles taking up these schemes. Low income households may have difficulty saving or may not qualify for a mortgage due to their contractual status. The Scottish Government should explore the options for schemes that would allow households who are able to meet their housing costs consistently but are currently unable to access a mortgage to buy their own home. Other options to help young people onto the housing ladder – like ‘rent to buy’ and more innovative solutions (self-build [niche], off-site construction and modular houses) – could also be usefully explored. All these will generate a relatively small increase in available housing, but if successful, could be brought to scale in the medium term.

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### **Problem: Young adults may face issues with costs, quality and insecurity in the private rented sector.**

Alongside this decline in owner occupation, there has been a substantial increase in the proportion of younger households living in the private rented sector, from 13% in

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<sup>60</sup> OMSE data from Scottish Government records 2011/12 – 2015/16. Help to Buy sales from Scottish Government log form records from Sept 2013 – March 2016.

1999 to 41% in 2015, to the extent that this is now the most common tenure for these households.<sup>61</sup> The proportion of young adults living with their parents has also increased slightly.<sup>62</sup>

The cost of housing as a proportion of income for those who own with a mortgage is substantially lower than for those who are renting privately (at 9% of income compared to 24% for private renting).<sup>63</sup> The cost of private renting may also contribute to difficulties saving for a deposit. Recent research has found a continued long-term preference for homeownership among young adults in Scotland; while private renting is often regarded negatively due to a lack of tenure security. Qualitative research suggests that the private rented sector is unaffordable for many young people, particularly in areas with thriving labour markets. Some low-income households, especially those reliant on social security benefits, are particularly vulnerable in the private rented sector.<sup>64</sup> Young people living in poorer areas suffer the double disadvantage of poor access to better paying jobs that may generate the income to save for a deposit and get a mortgage.

While the flexibility of the private rented sector may be attractive to some groups, high costs, quality and insecurity can be an issue for some young adults. Without being able to access suitable accommodation, young adults may continue to live with parents and be unable to transition fully to independence, or be at risk of homelessness, for those without family support. Housing insecurity may also lead to an inability to build community ties.

Most of the private rented sector is dominated by small landlords who own fewer than four properties. Tenants on the Priesthill estate told me they sometimes had difficulty locating landlords. And that several landlords owned flats in one building, making general building maintenance hard to pin down. Tenants also feared that complaints would lead to loss of the tenancy. It is particularly infuriating that those in the worst situations are often supported through housing benefit, so tax-payers' money winds up in the pockets of unscrupulous landlords.

There is legislation controlling rent charges and property maintenance in the private rented sector. Responsibility for enforcement is spread across the Scottish Government, local authorities, and courts and tribunals. By the end of 2017 three further pieces of legislation aimed at improving the private rented sector will be implemented by the Scottish Government:

- The existing tenancy regime will be replaced by the new Private Residential Tenancy. This open-ended tenancy is intended to provide tenants with greater security and stability.

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<sup>61</sup> Scottish Government, 'Scotland's people annual report'

<sup>62</sup> National Records of Scotland (NRS), 'Household composition for specific groups of people in Scotland, Scotland's Census 2011', 2015:

[http://www.scotlandscensus.gov.uk/documents/analytical\\_reports/HH%20report.pdf](http://www.scotlandscensus.gov.uk/documents/analytical_reports/HH%20report.pdf)

<sup>63</sup> Scottish Government. 'Housing and Regeneration Outcomes Framework – Performance Indicators' 2016: <http://www.gov.scot/About/Performance/scotPerforms/partnerstories/HARO/Indicators/Well-functioning#A1>.

<sup>64</sup> K. McKee and J. Hoolachan, 'Housing generation rent: what are the challenges for housing policy in Scotland?' 2015: [http://ggsrv-cold.st-andrews.ac.uk/CHR/Uploads/Edit/file/Carnegie%20Final%20Report\\_June2015.pdf](http://ggsrv-cold.st-andrews.ac.uk/CHR/Uploads/Edit/file/Carnegie%20Final%20Report_June2015.pdf).

- The Housing and Property Chamber of the First-tier Tribunal will consider all disputes in relation to the private rented sector. There will be no fee to access the Tribunal.
- A robust framework for regulating letting agents will be put in place.

**RECOMMENDATION 15 – Ensure that tenants and landlords understand the arrangements for enforcing private rented sector regulations, and that monitoring is in place to make sure the new arrangements work as intended**

The Scottish Government should publicise these changes and explain to tenants and landlords the rights and responsibilities they will have under the new arrangements. In particular, it should highlight the greater security that tenants – including younger tenants – will enjoy, and the availability and process of dispute resolution. The Scottish Government should also identify ways in which it can monitor and assess the impact of this new legislation for those in the sector to ensure it is having the intended impact.

This problem affects the most disadvantaged tenants who have the least voice. It therefore requires joint working across the various bodies responsible as well as vigorous enforcement. Keeping tenants who do complain informed on progress and consulting with them on various solutions will also help to relieve the desperation that people in very poor housing often feel.

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**Problem: For those on low and/or insecure incomes, there are barriers to access to social rented properties.**

The housing issues identified above are likely to affect a wide range of young adults, although different groups will have different needs and face different problems. For low to moderate income young adults, the ability to buy their own home is an issue, particularly for those who cannot afford a deposit and whose parents are not able to help with a deposit. For those on low and/or insecure incomes there are issues around access to social renting, the suitability of the private rented sector – in terms of cost, security and quality – and ability to pay the rent (especially for those with no family support).

Some groups face additional barriers in finding suitable accommodation including young people who are disabled, or carers, or parents or care leavers. Some young disabled people need housing modified to their requirements. Others may have difficulty getting the care support they need outside of the family home, although their aspirations for independent living are not different from other young adults. Young people leaving care are overrepresented in the homeless population.

## **RECOMMENDATION 16 – Encourage social landlords to make the social sector easier for young people to access**

The Scottish Government has committed to deliver 50,000 affordable homes by 2021. Of these, 35,000 will be for social rent, and a significant proportion will be designed with disability access. This is very positive. But considering the needs of younger tenants and first time young buyers should also be on the table.

New builds in the social sector should include smaller properties suitable for young people living independently. I understand that Local Authorities are required to undertake a Local Housing Strategy which is underpinned by an assessment of housing need and demand. This assessment is important for a number of reasons including the evidence it provides to inform policies about the proportion of affordable housing required, and the need for different types and sizes of provision in different parts of the country. I do recognise that smaller homes will not suit all groups of younger people – for example, we know that some minority ethnic groups tend to have larger families and will therefore need larger homes. Smaller homes may also suit single older people households who are looking to downsize.

Social landlords should be pro-active in considering the needs of their tenants and use the incentives available to them, including financial incentives, to make it easier for people to move to smaller properties if they wish to; this would also have the benefit of making larger properties available to those who need them.

One idea would be to make a grant available to support those who are under-occupying a property to move to more suitable accommodation. These grants could be extended to include young people who have received a job offer beyond a reasonable commute time and for those moving to properties adapted to suit disability requirements. Where possible, funding might also be directed towards local ‘moving partners’, preferably from the third sector, who could support those who were unable to move home unaided.

UK Government regulations that came into effect on the 1<sup>st</sup> of April 2017 remove entitlement for housing costs within Universal Credit for new claimants aged 18-21 years (in full service areas). The UK decision makes little sense in policy terms: it risks making some young people homeless and the costs of dealing with homelessness are much higher than housing benefit costs over three years – and in some cases the effects and costs of youth homelessness can be life-long. The Scottish Government has already made the Scottish Welfare Fund available on an interim basis to 18-21 year olds, to ensure those young people who will be excluded from financial support by the UK Government will still be able to receive assistance with housing costs. Scottish Government mitigation helps make sure that young people will still be able to get some help with housing costs, but on its own this isn't a perfect solution. I'm aware 18-21 entitlement to housing benefit is an issue that the Scottish Government has already raised concerns about with the UK Government, and I'd suggest that Scottish Ministers continue to press this issue, as the right to housing is so key to young people's life chances.

## SECTION 4 – MENTAL HEALTH

**Problem: There is some evidence of an increase in mental health problems among young people, especially young women. Poor mental health can impact on education and employment, which in turn may have long-term impacts on future prospects and increase poverty risks.**

Assessment of a wide range of mental health indicators for both children and young people (aged 17 and under (2013) and adults (2012) in Scotland concluded that, over the past decade, mental health outcomes have been generally stable with some promising improvements, particularly for children and young people.<sup>65</sup>

However, analysis of recent data for young adults for the evidence review has highlighted some issues. Mean wellbeing scores were slightly lower for young adults than older age groups and the proportion of young adults who self-reported to have ever self-harmed was much higher than for older age groups. Moreover, the analysis suggests there may have been increases in the proportions of young adults self-reporting two or more symptoms of depression and anxiety.<sup>66</sup>

In particular, some concerns were raised regarding the mental wellbeing of young women. Young women reported lower levels of life satisfaction and wellbeing than young men. They were also more likely to exhibit signs of a possible psychiatric disorder and self-report higher levels of self-harm compared to young men and older age groups.<sup>67</sup> The evidence indicates that these higher level of mental health issues among young women is manifesting earlier in adolescence. Analysis of data for adolescents found that, while overall mental health and wellbeing scores have remained fairly constant over time, 15 year old girls report much poorer mental health and wellbeing than other groups, particularly for emotional problems.<sup>68</sup>

### Here's what young people said:

“Mental health issues have risen due to social media – it makes everyone depressed.”

“Today's young people look at Facebook and think that everyone's life is great and theirs is not; so this can lead to mental health issues, depression and anxiety.”

<sup>65</sup> NHS Health Scotland, 'Scotland's mental health: adults 2012':

<http://www.healthscotland.com/documents/6123.aspx>; NHS Health Scotland, 'Scotland's mental health: children and young people 2013': <http://www.scotpho.org.uk/publications/reports-and-papers/1159-Scotlands-mental-health-children-and-young-people-2013>.

<sup>66</sup> Scottish Government, 'The life chances of young people in Scotland'. It should be noted that this analysis relies on self-reported data on mental health and wellbeing which, while indicative of concern, does not equate to prevalence of mental illness nor, necessarily a need for treatment. In addition, prevalence data for mental health problems is poor, especially when compared to physical health problems.

<sup>67</sup> Ibid

<sup>68</sup> NHS Health Scotland, 'Scotland's mental health: children and young people'; C. Black and C. Martin, 'Mental health and wellbeing among adolescents in Scotland: profile and trends'. 2014: <http://www.gov.scot/Publications/2015/11/9339>.

“There is a mental health epidemic amongst young people and no one is really listening or paying attention.”

“You get a diagnosis and then they leave you for months. They don’t do that to cancer sufferers.”

“The stigma around mental health is not going to go away anytime soon.”

This is often not about medically diagnosed mental illnesses, necessarily. It’s more about how we tackle increasing levels of stress and anxiety. For example, in terms of exam stress, 80% of 15 year old girls in Scotland feel pressured by school work – significantly higher than the European average. Girls also experience stress about body image. While 30% of girls in Scotland have a BMI outside of the healthy range, 55% of fifteen year olds consider themselves fat.<sup>69</sup> In addition, while social media use has been shown to have some positive effects, it has also been linked with increased rates of anxiety, depression and poor sleep in young people.<sup>70</sup> There is also a tension to be managed between the focus on raising educational attainment and the increased pressure this can put on young people. This may in a diagnostic sense be relatively low-grade, but all the same it can have serious effects on wellbeing. Half of adult mental health problems start before the age of 14 and 75% start before the age of 24.<sup>71</sup> Early identification and early intervention are essential in ensuring that young people can achieve their potential and avoid poverty in later life.

In adults and adolescents, poorer mental health outcomes have found to be associated with greater socioeconomic disadvantage.<sup>72</sup> As in virtually all other types of health outcomes, mental health has a social class gradient, with the poorest more likely to have problems. There is lack of data specifically on socio-economic disadvantage and mental health in young adults. As with all adults, young adults in the most deprived areas generally had poorer physical health outcomes in several areas and reported lower levels of wellbeing compared to those in the least deprived areas.<sup>73</sup>

Groups with a high risk of mental health issues include those with experiences of Adverse Childhood Experiences (‘ACEs’).<sup>74</sup> In particular, care leavers have been found to experience poorer mental health than non-care leavers. This is not surprising, as some degree of childhood trauma is strongly associated with coming

<sup>69</sup> Currie, C. et al., ‘Findings from the HBSC 2014 survey in Scotland’

<sup>70</sup> Royal Society for Public Health, ‘#StatusOfMind: Social media and young people’s mental health and wellbeing’, 2017: <https://www.rsph.org.uk/our-work/policy/social-media-and-young-people-s-mental-health-and-wellbeing.html>.

<sup>71</sup> Mental Health Foundation, ‘Mental health statistics: children and young people’, 2017: <https://www.mentalhealth.org.uk/statistics/mental-health-statistics-children-and-young-people>.

<sup>72</sup> NHS Health Scotland, ‘Scotland’s mental health: adults’.

<sup>73</sup> Scottish Government, ‘The life chances of young people in Scotland’.

<sup>74</sup> ACEs refer to stressful events occurring in childhood (between 0 to 18 years) including: being the victim of abuse (physical, sexual and/or emotional) or neglect (physical and emotional); and growing-up in a household in which there are adults experiencing alcohol and drug use problems, mental health conditions, domestic violence or criminal behavior resulting in incarceration. ACEs have been found to lead to a range of poorer outcomes, including in health, education, employment and crime. They have been found to be associated with poorer mental wellbeing, mental illness and suicide.

into care. But it does indicate that the care system is failing to respond effectively to this early disadvantage. In terms of young people who are carers, there appear to be wellbeing benefits for those caring for up to 4 hours per week, but unpaid caring for longer hours is a significant predictor of poor mental wellbeing and the presence of possible psychiatric disorder. Young carers (aged under 25) are more likely to report a mental health condition than those who are not carers.<sup>75</sup> Young mothers experience poorer mental health and are at a higher risk of post natal depression in the first three years after giving birth than do older mothers. Young mothers also have higher than average feelings of isolation and low self-esteem than older mothers.

I have grouped my two recommendations on mental health together, as they are essentially two sides of the same coin.

**RECOMMENDATION 17 – Take action to embed positive mental health approaches, based on quality evidence, in key settings where young people engage**

**RECOMMENDATION 18 – The Scottish Government should fund applied research on school and classroom practices that encourage wellbeing and mental health**

Schools, colleges, universities, workplaces and other settings where young people spend much of their time could usefully develop a stronger focus on the determinants of mental health and on helping young people before they reach the point of needing treatment. For example, the Royal College of Paediatrics and Child Health (RCPCH) has recommended that the professional bodies representing all those working with children and young people in health, social care, education, criminal justice and community settings should equip their members with the necessary tools to identify mental health issues through the promotion of resources such as the MindEd portal.<sup>76</sup>

For these reasons, I support the focus in the Scottish Government's recently published Mental Health Strategy 2017-2027 on prevention and early intervention in relation to young people.<sup>77</sup> In particular, I welcome the actions on: reviewing counselling and guidance services in schools, to ensure they are delivering for children and young people; rolling out improved mental health training for those who support young people in educational settings; commissioning the development of a matrix of evidence-based interventions to improve the mental health and wellbeing of children and young people; and supporting the development of 'Think Positive', to ensure consistent support for students across Scotland. My recommendations in this

<sup>75</sup> Scottish Government, 'Scotland's carers', 2014: <http://www.gov.scot/Publications/2015/03/1081>.

<sup>76</sup> RCPCH, 'State of Child Health 2017: Recommendations for Scotland, 2017: <http://www.rcpch.ac.uk/system/files/protected/page/SOCH-recommendations-Scotland.pdf>.

<sup>77</sup> Scottish Government, 'Mental Health Strategy 2017-2027', 2017: <http://www.gov.scot/Publications/2017/03/1750>.

section are intended to amplify these actions on creating mental health promoting environments and better understanding how to improve young people's mental health.

While the family environment and peer relationships are clearly central to young people's mental health, school has been flagged as a particularly important place in which more emphasis on preventative mental health approaches is needed. Teachers themselves feel under pressure, and perhaps we expect too much of schools. But a preventative approach should reduce rather than increase pressure on students and teachers. Some school cultures make children and young people feel terrible. Much has already been done on issues such as bullying in relation to race, gender and sexual orientation. But many young people described feelings of worthlessness related to their sense of low academic ability. They felt teachers spent more time and effort with the children who were clearly on their way to higher education. While the young people I spoke to cannot be considered a representative sample, or indeed a majority experience for young people, it was deeply depressing to hear how hurt some felt because of their school experience, including at primary school.

Healthy schools programmes of various kinds are in operation, but traditionally much of the focus has been on healthy eating and exercise. There is a real need for more focus on mental health promoting schools and colleges. It's very positive that the Curriculum for Excellence includes wellbeing. But the demonstrable commitment that tackles all those things that make children feel bad at school is less clear. There is a critical issue in the secondary phase. Primary schools in Scotland do very well on wellbeing measures in comparison with other countries, but there is considerable fall off in secondary schools. Clearly, narrowing the gap is extraordinarily important for social justice; however, when it results in putting undue pressure on young people it can be damaging. Schools need to work at narrowing the gap and building social and emotional skills as mutually reinforcing. The earlier section of this paper on employment issues stressed the need to pay more time, attention, and resources to those young people who clearly have a lot to offer, but are not bound for traditional academic success.

The Mental Health Strategy highlights the particular needs of some groups of young people, including young carers, those with disabilities, and those from a minority ethnic background. It highlights that mental health and wellbeing should be considered within relevant frameworks and processes (e.g. the Framework for supporting disabled children, and young carer statements). I welcome the focus on the needs of these groups, and embedding mental health and wellbeing considerations within relevant processes for supporting these young people. But I still believe more research is needed to ensure school environments are generally health promoting rather than risking poor mental health.

## SECTION 5 – CONCLUSIONS

This report highlights the position of young people from less advantaged backgrounds in modern Scotland. While there is much to be optimistic about in terms of improving school performance, record low youth unemployment, and the vast majority of young people leaving school with a positive post school destination, the persistence of the social class gradient is deeply worrying. The fundamental fact remains that life outcomes are largely determined by the wealth and social class of one's parents at birth. This applies across the social spectrum, not only to the richest and poorest of families. And it represents not just fundamental unfairness, but also significant waste of talent and opportunity for the economy and social cohesion of Scotland.

Some of the recommendations in this report are about a change in culture and public attitudes towards education and employment. Success will be marked by parents from middle class areas bragging to their friends about their son's decently paid apprenticeship. Success will be marked by more girls going into technology and more boys going into childcare. Success will be marked by better employment rates, in better paid jobs, for disabled young people. Government can legislate, but many of these issues cannot be solved by legislation. They require action by schools, the private sector, and public sector employers. They require strong and independent third sector organisations to campaign collectively on issues of shared concern.

In my role as Independent Advisor on Poverty and Inequality, I have had the opportunity to meet with many of the people my role is meant to support. What is most surprising and encouraging is how little, not how much, is being asked for from government: a fair system, a decent job, a decent place to live. This is what we all want, but for some it is a distant hope, not a reasonable expectation. I hope that the recommendations in this report, if implemented, will contribute to bridging that gap.

Finally, in implementing the recommendations in this report, I hope those responsible will work closely with young people. I have no doubt that the quality and legitimacy of actions taken will be greatly enhanced by such collaboration. I am grateful for the contributions young people have made so far, and am hopeful that, with their help, we will get considerably closer to a decent home and a decent job for all.

## **ANNEX: FULL LIST OF RECOMMENDATIONS**

### **Employment**

1. Develop new advice provision for young people, supported by a skilled, trained workforce
2. Continue work to improve data collection and sharing to track post school participation in learning, training and work for young people and make better use of that information to improve service delivery and develop Scottish Government policy
3. Do more to enhance the effectiveness of the work of the Developing the Young Workforce regional groups in building systematic engagement between local employers and schools and colleges on local and regional skills shortages
4. Do more to value non-academic learning routes, post-school
5. The Scottish Government should, through the 15-24 Learner Journey Review, ensure our FE and HE systems have more flex built in so young people can shift between routes
6. Employers need to think about 'job design' and recruitment processes that are free from bias and that match requirements for the job with the skill level needed to make applications
7. All post-school internships should be advertised and every post-school intern should get paid
8. Raise concerns with DWP about the quality of support offered young people in Jobcentre Plus
9. Lobby the UK Government about exploitative zero hours contracts
10. Lobby the UK Government on the need for the National Living Wage to apply to all those over 18 years old
11. Do more to disseminate models of good practice on inclusive growth
12. Do more to provide subsidised/free transport for young people aged 25 and under

### **Housing**

13. Improve housing advice for young people
14. Deliver more affordable housing options for young adults
15. Ensure that tenants and landlords understand the arrangements for enforcing private rented sector regulations, and that monitoring is in place to make sure the new arrangements work as intended
16. Encourage social landlords to make the social sector easier for young people to access

## **Mental health**

17. Take action to embed positive mental health approaches, based on quality evidence, in key settings where young people engage
18. The Scottish Government should fund applied research on school and classroom practices that encourage wellbeing and mental health



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