



THOSE FURTHEST FROM THE LABOUR MARKET

An inquiry into best practice that helps young people furthest from the labour market into employment

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Foreword

Michael Tomlinson MP
Chairman
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Almost exactly eighteen months ago, I became the new Chairman of the All Party Parliamentary Group (APPG) on Youth Employment, taking over from the indomitable Chloe Smith MP, a doughty campaigner for young people. While serving under her Chairmanship, we renamed the APPG from Youth Unemployment to the rather more positive and optimistic title it holds today.

As an all party group we remain unrelentingly positive about the promise and potential that our young people have. We believe that with hard work there should be no limits to their aims and ambitions. Our bold aim, our moral mission even, should be to eradicate long term youth unemployment.

Each month the APPG meets on the day that the ONS releases the latest employment figures. But our mission as a society should be not just about driving down youth unemployment from its historically high levels, worthy though that aim is. We must also focus on ensuring that our young people have the opportunities and experiences and acquire the necessary skills to build a career in the modern labour market.

This report looks into the circumstances of those who are furthest from the labour market. We examine what barriers remain in place for those who are disadvantaged, whether that be through disability, because they have spent time in prison, or for some other reason. As ever, we have had young ambassadors coming into parliament and telling us what works and importantly how the system should be reformed. Hearing this evidence always proves to be the most inspiring, interesting and challenging aspect of the all party group.

I am especially grateful to the Minister, the Right Honourable Anne Milton MP for attending our final session and for giving her own update and answering questions from young ambassadors.

We are an aspirational nation, and this is highlighted most by the energy and vigour of our young people. Their drive and potential is huge. They rightly want the opportunity to build a brighter future and it is our job as Parliamentarians to enable them fulfil that promise. This is why we must redouble our efforts to eradicate long term youth unemployment and give young people the opportunity to pursue a fulfilling career and build a better future for themselves and their families.



Michael Tomlinson MP

Executive Summary

This third report of the All-Party Parliamentary Group (APPG) for Youth Employment focused on supporting young people furthest from the labour market.

The APPG sought to understand how many young people would be included in this group; what are the main barriers; evidence and examples of working with young people ‘hidden’ from the official statistics; and what support is most effective in helping young people into education, employment or training.

Meetings were held in October and November 2017 with a range of experts invited to give evidence to the APPG. A final meeting was held in December, with the Minister for Skills, the Right Honourable Anne Milton MP. Throughout this period an inquiry was opened and external organisations were invited to submit written responses to the inquiry, 15 external responses were received.

The APPG for Youth Employment has found that:

- too many young people still face barriers to employment.
- there is also a concerning number of young people ‘hidden’ from the official statistics. These are young people who are NEET (not in education, employment or training) and not claiming welfare support.
- new policy and funding models can create perverse implications for social mobility.
- young people furthest from the labour market face a number of barriers meaning it can be a struggle to complete programmes with pre-determined markers for achievements.

The government has a bold ambition to have zero youth unemployment. Yet according to Impetus PEF¹ the number of young people who spend 12 months or more NEET is growing. The Social Mobility Commission has recently identified that the gaps in social mobility are widening².

Evidence suggests that young people who are furthest from the labour market often have one or more significant barrier to employment. These include but are not limited to: disability, mental health issues, low education attainment, homelessness, care leavers, carers, a criminal record and low aspirations. Without first overcoming these barriers young people cannot be expected to make good and sustained progress into employment, education or training.

Personalised support for young people who are hidden or furthest away from the labour market can mean they are more likely to make progress. This support may include a key worker, non-formal training, supported work experience.

Those young people furthest from the labour market who enter on to an employment or employability scheme without first tackling these barriers means that they do not pass the necessary milestones and often they fail or fall off the course.

¹ <http://www.impetus-pef.org.uk/policy-initiatives/youth-jobs-index/>

² <https://www.gov.uk/government/publications/social-mobility-policies-between-1997-and-2017-time-for-change>

Based on the evidence heard at the meetings and put forward through the written submissions the APPG for Youth Employment is making **the following recommendations** to government:

- Ensure that all young people in education have access to work experience. Information, advice and guidance must be both aspirational and practical and include helping with the soft skills that are so important to securing employment.
- Ensure that all young people have adequate mental health support and that early intervention models are in place. Young people must be taught how to develop resilience and take care of themselves.
- A one-size fits all approach does not work. Education, employment and welfare services must begin to recognise the unique potential of each young person and that what works for one does not necessarily work for all.
- Investment must be put into identifying young people NEET and hidden at a local level. Services and support for these individuals must be holistic, whilst understanding that vital youth services are at risk from funding challenges.
- Include young people and experienced organisations in the design of national and local approaches to youth employment.
- Provide financial and information support for employers to work with young people who are furthest from the labour market including better information on Access to Work, recognition of the national employer kite mark – the Talent Match Mark could support this.
- Better coordination of responsibilities and services across government departments that support young people. This includes the Department for Education, Department for Work and Pensions, Department for Health and Ministry of Justice.

Introduction

The All-Party Parliamentary Group for Youth Employment was set up in 2014. Its aim is to:

- Promote youth employment in all its forms and the role of young people within the economy.
- Ensure young people's voices are heard.
- Highlight the need for quality opportunities.
- Share best practice.

This is the third series of the APPG. Previous reports reviewed youth unemployment data and the transition between education and employment.

The unemployment rate for those aged 16 to 24 has been consistently higher than that of older age groups since comparable records began in 1992. The 2017 Youth Jobs Index³ identified that nearly 2 million young people between 16-24 spend some time NEET (not in education, employment or training), with 1 in 10 young people (811,000) spending over a year NEET, an increase on the 714,000 young people found in this situation last year.

If the government is to reach its goal of zero youth unemployment, and if we are to ensure that all young people have the chance to reach their full potential, it is important to address the challenges of long-term youth unemployment.

This inquiry focused on the barriers faced by those young people who are furthest from the labour market. The inquiry wanted to understand the make-up of the group most likely to be long-term unemployed; what barriers are faced by this group; and what support and intervention is needed to help these young people in this group move into sustained education, employment or training.

The APPG for Youth Employment welcomed submissions addressing some or all of the following points:

- What are the biggest challenges facing young people who are furthest from the labour market?
- Where you work with young people who are “hidden” from the youth unemployment data please evidence what the scale is of this group and why they are not seeking support?
- What do you believe is working well and having a positive impact on young people furthest from the labour market? Please provide some evidence of impact?
- What can government, local authority and other organisations do to further support more young people in this group?

³ <http://www.impetus-pef.org.uk/policy-initiatives/youth-jobs-index/>

Young people furthest from the labour market

There can be a range of factors that contribute to a young person being NEET. Evidence from the Big Lottery Talent Match Programme suggests that young people with more than one barrier face a longer journey to employment. Qualifications, personal circumstances, attitudes, mental health issues, behaviors and experiences can make up one or many of the challenges faced by young people.

Some young people do not seek welfare support. In those cases, they are often unreported in regional or national statistical information. These young people are referred to as ‘hidden’. Helping young people who are hidden from the labour market is a growing challenge. They are not easy to identify and therefore it is more difficult to provide the support they need. The reasons young people do not access welfare support vary and can be complex.

It is not easy to report on the number of young people “hidden” in the UK. However, in the Greater Manchester Talent Match Report, January 2017⁴ it was estimated that just under 15,000 young people were “hidden” in Greater Manchester in March 2016 alone.

Qualifications

Evidence suggests that young people with low level education attainment are at greatest risk of becoming long-term NEET.

- 15% of young people with a Level 2 as their highest level of attainment are at risk of being long-term NEET (six months or more) compared to 26% of young people with below Level 2 qualifications.
- On finding a job or heading back into some form of education, those with a Level 2 are more likely (86%) than those with below a Level 2 (71%) to sustain that role or course for six months or more.

Personal Circumstance

There are many different factors that can affect the likelihood of someone becoming NEET. Young people may experience one or more of these challenges:

- access to alternative source of finance – for example, living at home and supported by their parents and engaging in the informal economy or illegal activities;
- caring responsibilities, as young carers or parents;
- criminal records;
- disability;
- lack of self-confidence, anxiety, wellbeing and mental health issues;
- language skills – English as a second language;
- locality;
- sofa surfing or homelessness and supported by friends or family;
- substance misuse.

Attitude, Behaviours & Experience

⁴ <https://gmtalentmatch.org.uk/hidden>

In addition to the challenges of low educational attainment and personal circumstances, the following attitudes, behaviors and previous experiences of some young people can create further barriers:

- disengagement;
- having no previous work experience;
- low level aspirations;
- not knowing what job or career they want;
- young people's actual or perceived experience with JobCentre Plus.

What government support is in place for young people furthest from the labour market?

The law requires all young people in England to continue in education or training until at least their 18th birthday. However, there are a significant number of young people aged 16-18 and 16-25 who have an Education, Health and Care Plan (EHC) who are not in education, employment or training.

Local Authorities have a statutory responsibility placed on them by the Department for Education⁵:

- To secure sufficient suitable education and training provision for all young people in their area who are over compulsory school age but under 19 or aged 19 to 25 and for whom an Education, Health and Care (EHC) plan is maintained.
- To make available to all young people aged 13-19 and to those between 20 and 25 with special educational needs and disabilities (SEND), support that will encourage, enable or assist them to participate in education or training
- Local authorities are required to collect information about young people so that those who are not participating, or are NEET, can be identified and given support to re-engage.

This Local Authority duty only applies to those young people mentioned. Young people aged 18+ or 25+ with additional needs are no longer part of the Local Authority responsibility and the main source of support comes from local JobCentres.

⁵ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/561546/Participation-of-young-people-in-education-employment-or-training.pdf

Meeting and Inquiry Response Overview

First meeting – 18th October 2017

In the first meeting of the inquiry, Mark Pike from Develop presented to the Group. In his presentation Mr Pike identifies that it is commonly understood young people's lack of work experience and life skills mean they struggle to transition from education to employment. Develop have found that young people are often facing multiple disadvantage; minorities, English as a second language, homelessness, SEND & mental health issues to name just a few. There is often not just one barrier.

Develop are concerned that the full scale of the problem is not known; there are a lot of unknowns locally and nationally with a variety of causation factors. Some policy changes are compounding the issues such as the changes to apprenticeships, where there is a decrease in those taking up apprenticeships and more high-level apprenticeships being introduced as part of the levy that may well have some perverse implications for social mobility.

70% of the young people that Develop support are from disadvantaged backgrounds and have complex social needs. These needs aren't always clear in the beginning and the referrals and data sharing aren't robust which means that the right help can't be given in the beginning.

Mr Pike explained that for the most vulnerable there is evidence that young people with the most complex needs are being bumped from provider to provider. Funding is a likely to be a factor in these cases, as it has become largely output driven; those with multiple disadvantages are harder to support and therefore it is harder to meet funding target points.

In addition, the risk is that programmes in education and training are funded against young people being able to achieve a number of markers. For those most vulnerable young people committing to that structure can be impossible and they may need a phased approach that isn't supported.

Develop believe the government system is too complex with too many organisations involved; Department for Education, Department for Work and Pensions, Department for Health, Ministry of Justice, Local Authorities, LEPs all have some responsibility for young people, seemingly operating without a common strategy.

Second meeting – 15th November 2017

In the second meeting of the series Leanora Volpe of Leonard Cheshire Disability presented to the group. She was joined by Anil and Albertina, two young beneficiaries of Leonard Cheshire support programmes.

Ms Volpe's focused on young people with disabilities who are some of the furthest away from the labour market. Identifying that eight out of ten non-disabled people are employed – a near-record high - yet just under half of disabled people are in work. This is a disability employment gap of 31%.

Since May 2015, the gap has closed by just over 1%. The government has pledged to get one million more disabled people into work, but for every 100 disabled people entering the labour market, 114 leave. At this rate, it will take more than 200 years to halve the disability employment gap.

Within this group, young disabled people are at a greater disadvantage. At the age of 26, they are four times more likely than their non-disabled peers to not be in employment, education or training. Volpe said, "if we are going to bolster the disabled workforce, investment in the generation of young disabled people reaching adulthood is crucial".

Disabled people supported by Leonard Cheshire are often facing challenges in more than one area. They haven't had support in school, they may not have the assistive technology they need to find and apply for jobs. Many don't have enough social care support. Essential tasks are often overlooked, such as getting up, getting dressed, and getting ready to go. In some cases, public transport isn't accessible to them. Unsurprisingly, many feel their confidence has been knocked.

In order to rectify this we need early intervention, with tailored, proactive and sustained support from school and into adulthood.

In education 2/5 young disabled people said they couldn't access work experience in school, with many believing that teachers had lower aspirations and expectations for them. Good quality work experience placements are needed and employment needs to be seen as a viable option for young disabled people.

Employers too need to have more conversations about disability in work. Less than 10% of employers have hired a disabled worker in the last year. Employers lack confidence to recruit disabled young people. They worry about the time and skills needed to do so and being able to provide the space and time.

From their experience Leonard Cheshire find that there are missed opportunities in the current system to put in place the right support at every stage of young disabled people's development.

Third meeting – 18th December 2017

The Rt Hon Anne Milton MP, Minister for Skills attended the third meeting. She gave an update on the work that she and her department were doing and listened to and answered questions from young ambassadors.

Inquiry responses

This inquiry has had 15 responses from external organisations which specialise in the education, training and support of young people. Organisations responding include The Princes Trust, Big Lottery, Rathbone, Talent Match Liverpool and Newcastle University.

In their response the Big Lottery provided insight from the Talent Match Programme which they fund. Talent Match has supported 23,000 young people across 21 regions of England since 2014. The programme has found that there is an increase in the number of young people with mental health needs, highlighting a major barrier for young people who are NEET. 21% of young people (16-24) reported symptoms of anxiety or depression in 2013/14, up from 18% in 2009/10.

Findings from the Big Lottery suggest the importance of including young people in the design of services in which they will participate, citing that this youth participation increased engagement.

Another important factor identified through this submission is that for some young people access to a keyworker on a one-to-one basis has the best results of engaging young people in sustained education, training or employment.

Rathbone Training provided evidence that young people furthest from the labour market are not benefiting from engagement in social action, volunteering or the National Citizen Service offer. These are opportunities that could provide a much-needed stepping stone to the labour market.

The Princes Trust linked to the Results for Life report, produced with HSBC, which identified that 43% of young people surveyed don't feel prepared to enter the workforce, and 46% of these young people saying their confidence is too low.

Summary and Conclusions

The latest statistics are encouraging and we are within touching distance of the lowest youth unemployment on record. But there are still too many young people find themselves not in education, employment or training (NEET). There is no clear way of identifying how many young people are hidden from the labour market and not all NEET young people claim welfare support.

Both young people who are claiming welfare support and those that are hidden often face multiple and complex barriers. These barriers include disability, homelessness, care leavers, young people with low academic attainment and those with mental health concerns.

With targeted and high-quality services young people can progress. The time it takes to help a young person and the services required varies. It cannot be delivered through a universal one-size fits all approach.

The APPG for Youth Employment recommends the following:

- Ensure that all young people in education have access to work experience. Information, advice and guidance must be both aspirational and practical and include helping with the soft skills that are so important to securing employment.
- Ensure that all young people have adequate mental health support and that early intervention models are in place. Young people must be taught how to develop resilience and take care of themselves.
- A one-size fits all approach does not work. Education, employment and welfare services must begin to recognise the unique potential of each young person and that what works for one does not necessarily work for all.
- Investment must be put into identifying young people NEET and hidden at a local level. Services and support for these individuals must be holistic, whilst understanding that vital youth services are at risk from funding challenges.
- Include young people and experienced organisations in the design of national and local approaches to youth employment.
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