



## **Dormant accounts youth fund - Statement of Intent**

The new £90 million dormant accounts youth fund will be invested in programmes, which help young people facing barriers to work to reach their full potential. It is being designed by Big Lottery Fund, in collaboration with the Department for Digital, Culture, Media and Sport (DCMS), the Department for Education (DfE) and the Department for Work and Pensions (DWP), through an engagement process which has young people at its heart.

Young people will have a chance to work with employers, educators, youth and community organisations to create programmes that work for them, their local communities and the businesses who will benefit from their talents.

The design of the programme will be informed by learning from the government's Race Disparity Audit and evidence of the barriers, which hold young people back and what works to overcome them, including the Big Lottery Fund's current 'Talent Match' programme.<sup>1</sup>

### **What is the problem we are trying to address?**

The government's Race Disparity Audit highlights clear inequality of opportunity for young people from different backgrounds, or growing up in different parts of England. Data published on the [Ethnicity Facts and Figures website](#) shows:

- In the 16 to 24 age group, people from Other ethnic groups were almost twice as likely to be unemployed (23%) as people from the White group (12%) – the largest gap of any age group, at 11 percentage points.
- The percentage of people aged 16-24 who were economically inactive varied widely, with 68% of Asian other young people being economically inactive, compared to 59% of the Indian group, 56% for the Pakistani and Bangladeshi group, 47% for the mixed group, and 35% for White British young people.

From 2014 to 2016, 16.2% of Pakistani 16-24 year olds were not in employment, education or training (NEET) compared to 6.2% of Chinese young people.

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<sup>1</sup> Talent Match: a national scheme designed by young people for young people, with the aim of helping those aged 18-24 who are struggling the most to find career opportunities. Big Lottery Fund provided £108m to 21 locally designed and run projects, making up the Talent Match scheme: <https://www.biglotteryfund.org.uk/talentmatch>.

- Although the number of young people, aged 16-24 who are NEET has fallen in recent years, they still make up 11.2% of that population, or 794,000 people<sup>2</sup> and come from all ethnic backgrounds.

We know young people furthest from the labour market are not a homogenous group. Some people are 'NEET' for just a short period, or through choice, perhaps taking a gap year before university. Others face a range of barriers to employment: mental and physical ill health, caring responsibilities, substance misuse, homelessness, criminal convictions, and being a care leaver can all significantly increase a young person's chances of becoming 'NEET'<sup>3,4,5</sup>. These barriers can have a lasting effect, with young carers and those with physical or mental ill health accounting for two thirds of young people who are not in training, education or employment for long periods<sup>6</sup>. We also know there can be a 'scarring effect' for these young people, as they are more likely to spend longer out of work throughout their life and be paid less when in work<sup>7</sup>. These barriers can affect young people across all stages of their transition to work: from growing aspirations and career awareness, developing skills, qualification and experience, to successfully applying for and staying in work<sup>8</sup>.

### **What approaches work best and what does this tell us about how the £90m should be spent?**

The best programmes are tailored to the individual, holistic, and joined-up in their approach. Key elements of any programme should include a focus on:

- Personal circumstances such as health, access to transport and digital tools, and caring responsibilities.
- Attitudes, emotional capability, and employability skills.
- Qualifications, experience and tailored career management.
- Strong links to employers to provide routes into work.

Findings from Talent Match<sup>9</sup> show that one-to-one personalised support with dedicated coaches, focussed on aspirations and goals (not only on getting them into a job), is what attracts young people to the programme.

The £90 million from dormant accounts presents an opportunity to work in partnership with experts and young people in their communities to develop locally designed programmes, which empower and support them on the road to fulfilling their potential.

### **The core principles that will underpin this programme include:**

- Placing young people at the heart of designing and ongoing delivery of programmes – demonstrating their value to the economy, and ensuring that they get the support they need.

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<sup>2</sup> ONS, UK NEET Oct-Dec 2017, published March 2018

<sup>3</sup> Young People Not in Education, Employment or Training', House of Commons Library (2017)

<sup>4</sup> [Talent Match \(2017\). Hidden](#)

<sup>5</sup> APPG report on Youth Employment: Those Furthest from the Labour Market, 2018

<sup>6</sup> Labour Force Survey analysis 2016

<sup>7</sup> MacMillan 2012

<sup>8</sup> 'The Journey to Employment framework', Inspiring Impact (2015)

<sup>9</sup> [Talent Match \(2017\). Hidden](#)

- Encouraging local solutions, recognising regional and racial disparity and variation.
- Focusing on long-term, sustained improvement to the local support already in place to support young people.
- Inspiring new partnerships between business, education and youth organisations, bringing their strengths together and building a resilient and sustainable infrastructure of support, which delivers results for young people.
- Exploring scope for re-payable finance and match funding, particularly the use of social impact bonds, as a means of enhancing impact.
- Taking a strategic and evidence-based approach – we will: learn from Talent Match, European Social Fund programmes and other existing provision; consider this work alongside the youth contract, apprenticeships levy, careers strategy, and opportunity areas programme; and use this evidence to develop sustainable, embedded, solutions.

### **How will the programme be developed?**

We expect ministers to issue a policy direction to the Big Lottery Fund about what the programme should focus on and what it should achieve in summer 2018. That direction will be informed by a period of open engagement with young people and stakeholders across different sectors. Big Lottery will then engage in a further period of co-design on the specifics of the programme. We anticipate that pilot areas will be identified, and the first funding will be deployed by the end of the year.

The first engagement phase will launch on 19<sup>th</sup> March 2018. Between March and May, Big Lottery Fund will run a series of structured engagement opportunities. This will include:

- A website and social media questionnaire so that everyone can get involved.
- Targeted workshops with young people who have or are experiencing multiple barriers in their transition to work journey in diverse areas of the country.
- Events that bring local leaders of business, youth organisations, health and education together with young people.
- A round table discussion with the business sector about ways in which they can support this programme.
- Seminars to bring together and challenge the existing evidence and solutions.